

THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
ANIK INDUSTRIES LIMITED

No.L 24118 MH 2002 PLC 136836.

[Section 18(3) of the Companies Act, 1956.]

**CERTIFICATE OF REGISTRATION OF THE ORDER OF COMPANY
LAW BOARD CONFIRMING TRANSFER OF THE REGISTERED
OFFICE FROM ONE STATE TO ANOTHER**

The Madhya Pradesh Glychem Industries Limited having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the state of Madhya Pradesh to the state of Maharashtra and such alteration having been confirmed by an order of the Company Law Board, Western Region Bench, Mumbai bearing date the 13th day of June, 2002.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Mumbai this fourteenth day of August, 2002.



(Signature)
(B. CHANDRA)
DY. REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.

FORM I

(See Regulation 16 (1))

No. 1359 of 1976

I hereby certify that MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED is this day incorporated under the Companies Act, 1956 and that the Company is Limited by Shares.

Given under my hand at GWALIOR this TENTH day of FEBRUARY, Saka TWENTY FIRST, MAGHA, One Thousand Nine Hundred and SEVENTY SIX - One Thousand Eight Hundred and NINETY SEVEN.

Seal of the
Registrar of Companies
Madhya Pradesh

Sd/-
Mahesh Prashad
Registrar of Companies
Madhya Pradesh
Gwalior



Second Certificate of Incorporation

No. of Company : 1359

I hereby certify that Madhya Pradesh Glychem Industries Limited, was Incorporated on Tenth day of February, One thousand nine hundred and seventy six. under the provisions of the Companies Act, Companies is limited by shares.

Given under my hand at GWALIOR this Twelfth day of July One thousand nine hundred and Eighty Five.



Sd/-
(S. KARMAKAR)
Registrar of Companies
Madhya Pradesh, Gwalior
मध्य प्रदेश, ग्वालियर



Company No. 1359

Certificate of Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the **Madhya Pradesh Glychem Industries Limited.**

which was incorporated under the Companies Act, 1956, on the Tenth day of February 1976, and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 149 (2) (a) to (c) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at GWALIOR this Seventh day of October One thousand nine hundred and Seventy Six.



Sd/-
(S. P. TAYAL)
Registrar of Companies
Madhya Pradesh, Gwalior
बच्च प्रवेण, ग्वालियर

GOVERNMENT OF INDIA
MINISTRY OF COMPANY AFFAIRS

Maharashtra, Mumbai

Everest , 100, Marine Road, , Mumbai - 400002, Maharashtra, INDIA

Corporate Identity Number : L24118MH1976PLC136836

**Fresh Certificate of Incorporation Consequent upon
Change of Name**

IN THE MATTER OF M/s MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

I hereby certify that MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED which was originally incorporated on TENTH day of FEBRUARY NINETEEN SEVENTY SIX under the Companies Act, 1956 (No. 1 of 1956) as MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN AC3716412 dated 08/09/2006 the name of the said company is this day changed to ANIK INDUSTRIES LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Mumbai this EIGHTH day of SEPTEMBER TWO THOUSAND SIX.




(MILIND VITTHALRAO
CHAKRANARAYAN)
Maharashtra, Mumbai

Adl. Registrar of Companies
Maharashtra, Bombay.

THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)

**MEMORANDUM OF ASSOCIATION
OF
ANIK INDUSTRIES LIMITED**

- I. The Name of the Company is **ANIK INDUSTRIES 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 as under :
 - (A) **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

Main objects :

 1. To carry on the business of purchasers, sellers, importers, exporters and manufacturers by pressure splitting, distillation, fractionation and other processes, of Fatty Acid, Stearic Acid and Glycerine and their Chemical derivatives.
 2. To purchase, import, export, sell and extract oil from all oil seeds and oil cakes by expellers and solvent extraction.
 3. To manufacture, sell, import, export and generally deal in Refined oil Margarine Hydrogenate oil (Vanaspati) and other vegetable oil and fat products.
 4. To carry on in India or abroad the business to manufacture, produce, process, convert, commercialize, arrange, procure, extract, cool, boil, collect, raise, pack, repack, grade, manipulate, manage, organize, market, prepare, supply, import, export, buy, sell, wholesale, resale, distribute, store and to act as agent, broker, concessionaires, consultant, consignors, collaborator, export house or otherwise to deal in all types of milk including cow milk, buffalo milk, shagoat milk and its derivatives, milk products, hot and cold milk, flavoured milk, condensed milk, butter, ghee, cheese, curd, all types of milk powders, casein, lactose, whey protein concentrates, by-products, residues, dietetic products malted foods, sweets, chocolates, ice-creams, confectioneries and all other dairy products.
 5. To carry on in India or Abroad all or any of the business of prospecting, exploring, mining, winning, importing, exporting, dealing, processing, buying, selling and distributing, and generally dealing in earth and ore of all kinds including iron -ore, ferro-manganese, quartz, silica, abrasive minerals, aluminum minerals, anhydrite, antimony minerals, aquamarine, asbestos, barium, minerals, bauxite, fluor spars and others to purchase, take on lease or otherwise acquire mines, lands, and minerals properties, and also grants, concessions, leases, claims, licenses of or other interests in mines, mining rights, lands, minerals properties, water rights, either absolutely or conditionally and either solely or jointly with others.
 - (B) **OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS OF THE COMPANY ARE:**
 1. To enter into contracts, agreements and arrangements with any other person, firm, Company or body corporate for the carrying out by such other person, firm, company or body corporate on behalf of the Company of any of the objects for which the Company is formed.
 2. To manufacture, buy, sell exchange, alter, improve, manipulate prepare for market, and otherwise deal in all kinds of plant, machinery apparatus, tools, utensils, receptacles, substances, materials, articles and things necessary or convenient for carrying on any of the business or processes of the Company usually dealt in by persons engaged in the like business or processes.
 3. To buy Sell, manufacture, refine, manipulate, import, export and deal in substances, apparatus and things capable of being used in any business of the Company or required by any customers or persons having dealings with the Company.
 4. To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.

5. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, property or rights.
6. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or moveable property, any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant and stock in trade, and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
7. To build, construct, alter, improve, maintain, enlarge, pull down, remove or replace and to develop, work, manage, carry out and control any land, buildings, offices, factories, mills, shops, machineries, engines or any roads-ways, tramways, railways, branches or sidings, bridges, wells, reservoirs, water-courses, wharves, warehouses, electric works, shops, stores, chawls 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 and to form with any other person or Company in doing any of these things and the Company will not do the business of Managing Agency/Secretaries and treasurership.
8. To let on lease or on hire-purchase, system or lend or otherwise dispose of any property belonging to the Company, and to finance the purchase of any article or articles whether made by the Company or not by way of loans or by the purchase of any such article or articles and the letting thereof on the hire-purchase system or otherwise howsoever but the Company will not do Banking Business as defined under the Banking Companies Act, 1949.
9. Subject to the provisions of the Companies Act, 1956, to sell, lease, mortgage or otherwise dispose of the property (moveable or immovable), 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 debenture or other securities of any other Company whether or not having objects altogether or in part similar to those of the Company.
10. To amalgamate, enter into any partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession, or for limiting competition, 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 engage in or which can be carried on in conjunction therewith or which is capable of being conducted as directly or indirectly to benefit the Company or to acquire and carry on any other business (whether manufacturing or otherwise) auxiliary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property and to give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures or debentures - stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received, subjects to the provisions of Monopolies and Restrictive Trade Practices Act, 1969.
11. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debenture-stock or other securities of Company or in or about the formation or promotion of the Company or the acquisition of property by the Company, or the conduct of its business.
12. To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company carrying on or proposing to carry on any business which the Company is authorised to carry on, or possessed of property suitable for the purpose of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
13. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company or for other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, otherwise, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other company.
14. Subject to the prescribed rules and regulations for the time being in force, to enter into any arrangement with any Government or authority supreme, Municipal, local or otherwise or any person or company that may seem conducive to Company's objects or any of them and to obtain from any such Government Authority, person, or Company any rights, privileges, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out, exercise, and comply therewith.

15. To apply for promote and obtain any Act, Privilege, concession, licence authorization, if any, of and/or from any Government State or municipality, provisional order or licence or any authority for extending any of the powers of the Company, for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company's interests.
16. To apply for, purchase, or otherwise acquire, and protect and renew in any part of the world any patent rights brevets d'invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purpose of Company of 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, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights, subject to law in force.
17. 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 out all scientific and technical researches, experiments, and tests of all kinds and promote studies and research, both scientific and technical, investigations and invention by providing subsidizing endowing or assisting laboratories, workshops, lectures, libraries, meetings, technical and conferences and by providing, for the remuneration of scientists or professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to 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.
18. To make donations to such person or institution either of cash or any other assets as may be thought, directly or indirectly, conducive to any of the Company object or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Company and also to subscribe, contribute or otherwise assist or guarantee money to or for charitable scientific religious or benevolent, national public or other institutious or objects or for any exhibition or for any public, general or other object but not for any political purpose.
19. To refer or agree to refer to any claim, demand, dispute or any other question, by or against the Company or in which the Company, is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the company and third parties, to arbitration in India or any place outside India, and to observe and perform and to do all acts, deeds matters and things to carry out or enforce the awards.
20. Subject to the provision of the Companies Act 1956, to pay out of the funds of the Companies all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the issue of its capital including brokerage and commission for obtaining applications for taking, placing or underwriting or procuring the underwriting of share, debentures or others securities of the company.
21. To pay all preliminary expenses of any company which is promoted by the company or any company in which the company is or in any contemplate being interested, including such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the company.
22. To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the Company's capital or any debentures, debenture-stock, or other securities of the company or in or about the formation or promotion of the company or the acquisition of the property by the company or the conduct of its business whether by cash payment or by the allotment of shares, debentures or other securities of the company credited as paid-up in full or in part or otherwise.
23. To adopt such lawful means of making known the business of the company as may seem expedient, and in particular by advertising in the press by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes rewards and doantion by lawful means but not to political parties.
24. Subject to the directives, if any that may be issued by the Reserves Bank of India or any other relevant authority from time to time, to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charges or lien upon all or any of the property or assets of the company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure andguarantee the performance by the company or any other persons or company as the case may be.
25. To invest or deal with the funds of the company in such manner and upon such securities as shall, from time to time, thought necessary or for the benefit of the company and to creates any reserve fund, sinking fund, insurance fund, depreciation fund or provident fund thereout.

26. To undertake and execute any trusts the undertaking of which may seem to the company desirable and either gratuitously or otherwise.
 27. Subject to the provisions of the Banking Companies Act 1949 and the directives issued from time to time, by the Reserve Bank of India or any other relevant authority to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities and to give security bonds and for the sole purpose execute all deeds document and articles.
 28. Subject to the provisions of the Banking Companies Act, 1949 and the directives issued, from time to time, by the Reserve bank of India or any other relevant authority to lend and advanced monies or gives credit to such person or persons or companies and on such terms may seem expedient and in particular, to customers and others having dealings with the company and to guarantee the performance of any contract or obligation and the payment of monies of or by any such persons or companies and generally to give guarantees and indemnities but the company will not do banking business as defined under the Banking Companies Act, 1949.
 29. To open accounts with any schedules Bank or bank and to pay into and to withdraw money from such account or accounts.
 30. To sell, improves manage, develop, exchange, lease, mortgages, dispose of turn to account or otherwise deal with all or any part of the property and rights of the company for the time being.
 31. Subject to the provisions of any law for the time being in forces in that behalf, to establish and maintain or procure the establishment and maintenance of any contributor pension or superannuation of any contributory or non contributory pension or superannuation and/or provident funds for the benefit of and give or procure the giving of donation, gratuities, pension, allowances or emoluments to any persons who are or were at any time in the employment or services of the company or of any company which is a subsidiary of the company or who are or were at any time directors or officers of the company or of any such of her company as aforesaid and the wives, widows, families and dependents of any such persons, and also to establish and subsidies 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 payments 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.
 32. To distribute among the members in species any property of the company or any proceed of sale or disposal of any property of the company but so that no distribution amounting to a reduction of capital be made except with the sanction if any for the time being required by law.
 33. To insures the whole or any part of the property of the company either fully or partially, or protect and indemnify the company from liability or loss in any respect either fully or partially and also to ensures and to protect and indemnify any part or portion thereof either on mutual principal or otherwise.
 34. To carry out in any part of the world all or any part of the company's objects as principals, agents, factor, trustee, contractor, or otherwise either alone or in conjunction with any other person, firm association corporate body, Municipality, province state or government or colony or dependency thereof subject to Laws, Rules and regulations of those countries.
 35. To establish branches or appoint agencies in or outside India for or in connection with any of the object of the company and in particular in relation to these investment of money, the sales of property and the collection and receipt of money subject to the Acts, Law, Rules & Regulation and prescribed rules of those countries.
 36. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its, branches in the union of India and in any or all state, territories; possessions, colonies and dependencies thereof and subject to the Acts and prescribed rules of those countries in any or all foreign countries, and for these purpose to have and maintain and to discontinue such members of offices and agencies therein as may be convenient.
 37. To procure the company to be registered or recognized in any part of the world, subject to law in force.
- (C). OTHER OBJECT OF THE COMPANY NOT INCLUDED IN (A) AND (B) ABOVE :-
1. To purchase take on lease or sell, to improve and develop and to arrange for the irrigation of to lay farms any lands, any where, whether within or outside India to do agriculture thereon itself through its employees, whether mechanically or otherwise or through tenants and to grow all types of crops thereon including and particularly the oil seeds of various types and descriptions such as groundnuts, sal seeds, rape seeds, castor seeds, mustard seeds, etc.
 2. To popularise the growth and production of such agriculture produce as may be required for the working of the company.

3. To carry on business as manufacturers, importers, exporter and sellers of cattle and poultry feedings and all kinds of fertilizers.
4. To carry on the business of soap manufacturing both washing and toilets and other toilet materials and detergents.
5. To manufacture and extract proteins from all oil seeds and oil cakes.
6. To manufacture and deal in all chemicals both organic and inorganic including caustic soda chlorine, soda ash, Ammonia, activated carbon citric acid sulphuric acid and all petrochemicals.
7. To set up distilleries and breweries for the manufacturer of alcohol (industrial and potable) and to operate the same.
8. To manufacture and deal in all kinds of packing materials and containers including tins, drums crown , corks, bottles bags etc.
9. To act as consultants in chemical Engineering and provide the know how and engineering services for projects including planning, designing, processing, preparing projects reports, market survey etc..
10. To carry on the business of importers, exporters, commission agents forwarding agents brokers etc. in respect of any goods and to establish agencies or branches any where for this purpose.
11. To carry on the business of leasing and hire purchase finance and to provide on lease or on hire purchase all types of industrial and office plant, equipment machinery, vehicles and buildings.
12. To carry on business of manufacturing, processing, buying, selling, dealing, in cement of all kinds.
13. To plant, grow, cultivate, produce and raise sugarcane of all kinds and varieties and to manufacture various products therefrom and to deal in such products.
14.
 - (a) To generate, develop, accumulate, distribute, buy, sale, transmit or otherwise deal in conventional and non -conventional sources of energy and to install and operate such power generation plants any where in India and abroad and to undertake all forms of construction activity for these purposes including Dams, Power houses, Roads and to undertake all types of water works and related activities for these purposes.
 - (b) To produce, buy, sale, treat, exchange, renovate, alter, modernize, install or otherwise deal in any type of machine or equipment for generating, distributing, transmitting energy including electricity and to deal with all persons including companies, government and semi-government bodies for these purposes and to deal with all places including cities, towns, villages, districts, docks, markets, theaters, buildings, industries, offices etc.
 - (c) To takeover existing generation plants and companies and distribution and transmission systems and to renovate the generating plant and distribution and transmission systems and to acquire, take over any license, concessions for energy generations, distribution, transmission and to establish new plants for distribution, transmission and to carry on the business of an electric, power, light and supply company and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works , waterrights, canals, gas works, electric works, reservoirs, water copurse, furnaces, stamping works, smelting works, factories, warehouse and other works and conveniences.
 - (d) To establish centre for research, development and innovations in the fields of power generation , production, distribution by conventional and non-conventional sources of energy.
 - (e) To give consultancy services of all kinds for erection, commission and operation of conventional and non-conventional power plants / projects including revamping and modernization of all existing plants and matters related thereto.
15.
 - (a) To buy, sell, produce, manufacture, process, design, exchange, distribute, stock, barter, import, export make advance upon or otherwise deal in either for ready or forward transaction in cotton, wools, silk, art silk, artificial and synthetic filaments, rayon, polyester, nylon and other fibrous substances as well as in yarn of all varieties and description including cotton, synthetic staple, textile, linen, cloth of all kinds and description and other fabrics.
 - (b) To carry on the business of manufacturing, trading, buying, selling, processing, spinning, doubling, combing, weaving, ginning, bailing, knitting, winding, dyeing, bleaching, finishing, calendering, printing, mercerising, chemical processing, selling, buying, importing, exporting, distributing, exchanging wool, cotton, polyester ciscose, silk , art silk, rayon, terene, flex, hemp, polyester, synthetics, lines, jute, nylon and other fibrous material yarn, fabrics, carpets and all other textile yarns and fibrous substances.
16. To carry on all or any of the busines of transport, cartage and haulage garage properties, owners and charters of road vehicles, steam, barges, boats and vessels of every description and their appurtenances, lighterman and carries of goods and passangers by road, rail, water or air,

carment cartage, contractors and agent, stevedors, wharfingers, cargo, supritendents, packers, haulers, warehouse man, storekeepers, engineers, electrician and job masters for the purpose of business of the Company.

17. To act as consulting engineers and to carry on the business of mechanical, metallurgical, mining, chemical, electrical and civil engineering including in particular the work of selling, erecting, installing, operating, maintaining and repairing all types of plant, machinery and equipment.
18. To carry on all or any of the business of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of patent, pharmaceutical, medical preparation, patent medicines, drugs, herbs, perfumes, creams, hair dressing, washes, pomades, dyes, cosmetics, skin preparations, soaps, oils, beauty specialities preparatirions and accessories of every description.
19. To carry on business as manufacturers, buyers, sellers of paper, such as writing, printing, wrapping, tissue, poster paper, cover paper, news print, paper of packing board, card board, coloured paper, and board, leather board, mill board, paste board, pulp board and all varieties of speciality paper and all kinds of pulp whether mechanical, semi-chemical or chemical including dissolving pulp.
20. To Carry on business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of all kinds of Grains, Seeds, Food Products, Pharmaceutical Products, Chemicals, Timber Products etc.
21. To engage in E-Commerce business comprising of hosting websites, development and Marketing of Softwares and Hardware, network infrastructure, internet commercialisation, network security, electronic commerce, net-commerce, m-commerce, medical transcription, legal transcription, consumer oriented electronic commerce, electronic payment and receipt system, inter-organisational commerce and EDI, advertising and marketing, consumer research and resource activities, on demand education and digital copyrights, multimedia and digital video, broadband communication and any other new opportunity that arises in e-commerce, whether in India or abroad, with or without collaboration
22. To, promote, encourage, establish, develop, maintain, organise, undertake manage, operate, conduct & run, to act as franchisee or to appoint franchisee or sub-franchisee in India or abroad computer software & hardware training centre, data processing centre, computer consultancy, manpower consultancy, software development/ consultancy & other allied activities for all sorts of services relating to computer, its maintenance, repairs, programs & operations..
23. To carry on business of futures contracts, forward contracts, options contracts, commodity price and other index futures contracts, options in futures contracts in the commodities such as oil seeds, oils & oil cakes, grams, pulses, cereals and other agriculture produce and products manufactured out of them subject to the regulation of the Forward Contracts Regulation Act, 1952 and the rules framed thereunder and derivatives of all of any or all of such contracts.
24. To acquire the Membership of any Recognised Commodity Exchange functioning in India and abroad to carry on the business of futures contracts, forward contracts, options contracts, commodity price and other index futures contracts, options in futures contracts in the commodities such as oil seeds, oils & oil cakes, grams, pulses, cereals and other agriculture produce and products manufactured out of them.”
25. To Carry on business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of all kinds of Coal, Solvents, Chemicals, Rice, Sugar, Pulses, Spices, Herbs, Minerals, Metals, Oars, Alloys, Industrial products and any other product etc.
26. To Carry on the business of builders, Land Developer, development of farm houses, constructions of Buildings & Bungalows, resorts, Housing Development, Multistory Building, Duplexes, factory sheds and Buildings whether commercial or residential, engineers and contractors in all branches of constructions and to undertake, to execute and to carry out, either alone or jointly, with any other company or person. To purchase, take on lease or in exchange or otherwise acquire any lands with or without buildings or structures and any estate or interest and any right connected with any such land and / or buildings and structures and to develop, turn to account, lease, transfer, in whole or in part or dispose of in any manner the same as may deem expedient and in particular may by laying out and preparing the same for building purposes and / or with a view to form a colony or society with or without sanitary water, roads and lights, conveniences for residential, commercial and / or public utilities and by constructing, reconstructing, altering, pulling down, decorating, maintaining, furnishing, filling up and improving buildings, offices, flats, houses, factories, warehouses, shops, schools, colleges, mills, roads, drains, wells and by putting, paving, drawing, cultivating and letting the same in lease or building agreements and by advancing money and entering into contracts and arrangements with builders, tenants and others.
27. To Carry on business of manufacturer, refining (Atmospheric distillation/ Cracking/ reforming), exploration, extraction, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of Natural Gas, Petroleum products, and all activities related to same.

28. To carry on the business of purchase, erect or otherwise acquire, equip, develop, lease, operation run hotel or hotels, restaurants, resorts, recreational centers, amusement parks and other hospitality business in India or any other part of the world.
29. To carry on in India or any other part of the world the business of construction, development, operation and leasing of shopping complexes, malls, supermarkets etc.
30. To carry on in India or any other part of the world the business of development, operation and leasing of Special Economic Zone (SEZs), Software Technical Parks (STPs) and other special zones, parks or area declared by the Government or Semi-Government authorities for promotion and development of business.
31. To carry on in India or any other part of the world the business of manufacture, producers, exporters, importers and dealers in metals, minerals, precious and semi precious stones, gems and jewelry, iron ore, granite and marble mining and processing industry.
32. To carry on in India or any other part of the world the business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of all kinds fruit pulps, ready to serve juices, canned fruits, jam, pickles, squashes, frozen fruits, dehydrated & freeze dried vegetables, canned mushrooms, carbonated fruits drinks, dehydrated and freeze dried fruits, fruit juice concentrates.
33. To carry on in India or any other part of the world the business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent, and as seller / purchaser of bread, pastry, cakes, biscuits, waffles, wafers and all other bakery products.
34. To carry on in India or any other part of the world the business of manufacturer, trader, distributor, importers, exporters, commission agent, forwarding agent and as seller / purchaser of malted food, cereal based ready to eat food and serve products.
35. To subscribe for, take, acquire and hold sell, exchange, transfer, negotiate discharge or deal in shares, stocks, bonds, obligations of Companies and to acquire or deal in Government promissory notes and other securities of central or state government or local authority.

IV. The liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs.50,00,00,000 (Rupees Fifty Crore only) divided into 4,50,00,000 (Four Crore Fifty Lacs) Equity Shares of Rs.10/- each and 5,00,000 (Five Lacs) Non-cumulative Redeemable Preference Shares of Rs.100/- each with power to increase or reduce the said share capital and to issue any part of its capital original or increased, with or without any preference, priority or special privilege or subject to any postponement of right or to any conditions, restrictions and so that unless the conditions of issue shall otherwise expressly declared, every issue of shares whether declared to be preference or otherwise shall be subject to the power hereinafter contained. The rights of the holders of any class of shares for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourth of the issued shares of the class or with sanction of special resolution of the members of the class provided by the Memorandum of Association or as altered by Special Resolution.

VI. We, the several persons, whose names and addresses are subscribed, hereto are desirous of being formed into a Limited 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.

S. No.	Name and Signature of each subscriber	Occupation, Address description of each Subscriber	No. of equity Share taken by each subscriber (in words and figure)	Name Signature address, occupation and description of the witnesses
1.	Mrigendra kumar Chaturvedi S/o Shri Bhajalal Chaturvedi For and on behalf of M.P. State Industries Corporation Ltd. Bhopal	Chairman and Managing Director, M.P. State Industrial Corporation Ltd., Feroz Cottage, Old Secretariat Road, Bhopal (M.P.)	(1) One	R.K. Dube Jt. Registrar Agriculture University Jabalpur (Camp. Bhopal)
2.	Kuldeep Shankar Bhatnagar S/o Shri Hari Shankar Bhatnagar,	Personnal-cum-Industrial Relation Officer, M.P. State Industrial Corporation Ltd., Bhopal (M.P.) E-1/42, Arera Colony, Bhopal (M.P.)	(1) One	
3.	Lal Chand Kothari S/o Shri Nemi Chand Kothari	Senior General Manager, M.P. State Industries Corporation Ltd., Bhopal (M.P.) E-1/39, Arera Colony, Bhopal (M.P.)	(1) One	
4.	G. Narayana Swamy, S/o Shri Gopalakrishna Iyer,	Chartered Accountant, 115, Mowbrays Road, Madras - 16 (Tamil Nadu)	(1) One	
5.	Odayamadath Padmanabhan Nambiar, S/o Shri T.V.P. Nambiar Chemical Construction Company (P) Ltd. 29, Ring Road, New Delhi - 24	Director, Chemical Construction Company (P) Ltd. 29, Ring Road, New Delhi - 24	(1) One	
6.	Machingal Gopala Krishna Menon S/o Shri T.K. Raman Nair	Journalist, E-189/1, Professors Colony Bhopal - 462 002 (M.P.)	(1) One	
7.	Venkataraman Ranganathan S/o Shri G. Venkataraman	Insuctrial Consultant, C-198, Defence Colony, New Delhi - 24	(1) One	
8.	Shive Prasad Markam S/o Shri Dhasol Markam	Secretary & Chief Administrative Officer, M.P.S.I.C. Bhopal (M.P.)	(1) One	

Total (8)
Eight

Date : 9-2-1976

Authorised Representative and Subscriber.

THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)

Articles of Association
of
ANIK INDUSTRIES LIMITED

Regulation in Table "A" to apply to the extent they are not inconsistent with Articles.

1. (a) The regulations contained in Table 'A' of Schedule 1 of the Act shall apply in so far as and to the extent they are not inconsistent with any of the provisions in these articles.
- (b) Wherever in the said Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles then and in that case this regulation hereby authorises and empowers the Company to have such right, privilege, authority and to carry such transaction as have been permitted by the Act without there being any specific regulation in that behalf herein provided.

Interpretation Clause

2. In the interpretation of these Articles the following expressions shall, unless repugnant to the subject or context, have the meanings hereby respectively assigned to them.

The Company

- (a) "The Company" means **ANIK INDUSTRIES LIMITED**.

The Act

- (b) "The Act" means the Companies Act, 1956 (1 of 1956) or any statutory modification or re-enactment thereof for the time being in force.

Articles

- (c) "The Articles" means the Articles of Association of the Company, including the amendments made thereto from time to time.

Auditors

- (d) "Auditors" means and includes those person appointed as such for the time being of the Company.

Board or Board of Directors

- (e) "Board" or "Board of Directors" means Board of Directors of the Company duly constituted, consisting of the Directors collectively and also includes a meeting of the Board, duly called and constituted, or as the case may be, the Director assembled at the Board or the requisite number or Directors entitled to pass a circular resolution in accordance with the Articles or the Directors of the Company collectively.

Beneficial Owner

"(e-a) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996".

Capital

- (f) "Capital" means the capital for the time being raised, or authorised to be raised, for the purpose of the Company.

Debenture

- (g) "Debentures" includes Debenture stock, bonds and any other securities of the Company or of any other Company, as the case may be.

Depositories Act

"(g-a) "Depositories Act" shall mean the Depository Act, 1996 and include any statutory modification or re-enactment thereof for the time being in force.

Depository

"(g-b) "Depository" shall mean a Depository as defined in the Depositories Act, 1996".

Directors

- (h) "Director" means the Director or Directors, as the case may be for the time being of the Company.

Dividend

- (i) "Dividend" includes bonus.

Documents

- (j) "Documents" includes summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other law or these Articles or otherwise.

Executor or Administrator

- (k) "Executor" or "Administrator" means a person who has obtained probate or letters of administration, as the case may be, from a competent Court.

In writing and written

- (l) "In writing" and "written" include printing, lithography and other modes of representing or reproducing words in visible form.

Member

- (m) "Member" means a duly registered holder from time to time of the shares of the Company and also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in a Depository".

Memorandum

- (n) "Memorandum" means the Memorandum of Association of the Company.

Meeting or General Meeting

- (o) "Meeting" or "General Meeting" means a General Meeting of the Members and any adjournment thereof.

Annual General Meeting

- (p) "Annual General Meeting" means a General Meeting held in accordance with the provisions of Section 166 of the Act.

Extra-Ordinary General Meeting

- (q) "Extra-Ordinary General Meeting" means an Extra-Ordinary General Meeting duly called and constituted and any adjourned holding thereof.

Month

- (r) "Month" means a calendar month.

Office

- (s) "Office" means the Registered Office for the time being of the Company.

Paid-up

- (t) "Paid-up" includes credited as paid-up.

Promoters

- (u) Promoter (s) means Promoter of the Company and may include individuals, bodies corporates, corporations and directors.

Proxy

- (v) "Proxy" means an instrument whereby any person is authorised to vote for a Members at the General Meeting on a poll.

Register of Members

- (w) "Register of Members" shall mean Register of Members to be kept as pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares held in a Depository.

The Registrar

- (x) "The Registrar" means the Registrar of Companies, having jurisdiction in the area in which the office of the Company is, for the time being, situate.

Secretary

- (y) "Secretary" means an individual appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties and includes a deputy or assistant Secretary.

Seal

- (z) "Seal" means the common seal for the time being of the Company.

SEBI

"(z-a) "SEBI" means the Securities & Exchange Board of India.

Securities

(z -b) "Securities" means Shares, Debentures or other Securities as may be specified by Central Government, SEBI or any other concerned authorities from time to time."

Shares

- (aa) "Shares" means the shares or stocks into which the capital in the Company is divided and the interest corresponding with such charges or stocks except where a distinction between stocks and shares is expressed or implied.

Year and Financial Year

- (ab) "Year" means calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

References to provisions of the Act

- (ac) A reference in the Articles to any specific provision of the Act shall be deemed to include a reference to any other applicable provisions of the Act.

Gender

- (ad) Words importing the masculine gender also include the feminine gender.

Singular Number

- (ae) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

Marginal Notes and catch lines

- (af) The marginal notes and catch lines hereto shall not affect the construction hereof.

Words defined in the Act

- (ag) save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

CAPITAL AND INCREASE AND REDUCTION IN CAPITAL**Authorised Capital**

3. The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore only) divided into 3,50,00,000 (Three Crore Fifty Lacs) Equity Shares of Rs.10/- each and 15,00,000 (Fifteen Lacs) Non-cumulative Redeemable Preference Shares of Rs.100/- each with the rights, privileges and conditions attaching hereto as are provided by the Articles of Association of the Company for the time being with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided by the Articles of Association of the Company for the time being.

Issue of Capital

4. Subject to the provisions of the Act and these Articles, shares (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the company in general meeting or by the Board, as the case may be with such rights and privileges annexed thereto and upon such terms and conditions as by the General Meeting or by the Board as the case may be, sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any shares or class of shares for the time being issued by the Company.

Increase of Capital by the Company and how carried into effect

5. (1) The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting shall, resolving upon the creation, direct and, if no direction be given, as the Directors shall determine and in particular, such shares may

be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meetings of the Company in conformity with Section 87 and 88 of the Act.

- (2) Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
 - A. Subject to the provisions of the Act and all other applicable provisions of Law, the Company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.
 - B. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a Payment out of capital in respect of such purchase.
6. Except so far otherwise provided by the condition of Issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payments of calls and instalments, forfeiture lien, surrender, transfer and transmission, voting or otherwise.

Further issue of capital

7. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share 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 the date;
 - (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in subclause (b) hereof shall contain a statement of this right; Provided that the Board may decline, without assigning any reason, to allot any shares to any person in whose favour a member may renounce the shares offered to him.
 - (d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them of in such manner as they think most beneficial to the Company.
- (2) Notwithstanding anything contained in clause(1) hereof, the further shares aforesaid may be offered to any persons whether or not those persons include the persons referred to in sub-clause (a) of clause (1) hereof in any manner whatsoever:

If a special resolution to that effect, is passed by the company in general meeting.

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 so to do, vote in person, or where proxies are allowed, 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 in this behalf, that the proposal is most beneficial to the Company.

- (3) Nothing in sub-clause (c) of 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.

Conversion of loan/debentures into shares.

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

Share Capital to stand increased where an order is made under Section 81 (4)

- 9. (i) Notwithstanding anything contained in these Articles, where the Central Government has, by an order made under sub-section (4) of section 81, directed that any debenture or loan or any part thereof shall be converted into shares in the Company, the conditions contained in the Memorandum of the Company shall, where such order has the effect of increasing the nominal share capital of the Company, the nominal share capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debenture or loans or part thereof has been converted.
- (ii) Where, in pursuance of an option attached to debenture issued or loans raised by the Company, any Public Financial Institution proposes to convert such debenture or loans into shares in the Company, the Central Government on the application of such Public Financial Institution, by an order made under Sub Section (4) of Section 81 directs that such debentures or loans shall be converted into shares in the Company the conditions contained in the Memorandum of such Company shall, where such order has the effect of increasing the nominal Share Capital of the Company the nominal share capital of such company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.

Application of premium received on Shares.

- 10. (1) Where the Company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these 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 the share capital of the Company shall except as provided in this clause, apply as if the Share Premium Account were paid-up share capital of the Company.
- (2) The Share Premium Account may, notwithstanding clause (1) hereof, be applied by the Company.
 - (a) in paying up unissued shares of the Company, to be issued to the members as duly 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 in, or debentures of the company, or
 - (d) In providing for the premium payable on the redemption of any redeemable Preference Shares in, or of any debentures of, the Company.

Reduction of Capital

- 11. The Company may (subject to the provisions of Section 78, 80 and 100 to 105, inclusive, of the Act, from time to time by special Resolution, reduce its capital in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article shall not derogate from any power the Company would have, if it were omitted.

Consolidation, division, sub-division and cancellation of Shares

- 12. (1) Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time, alter the conditions of its memorandum for all or any of the following purpose:
 - (a) To consolidate and divide all or any of its capital into shares of larger amount than its existing shares:
 - (b) To sub-divide its shares, or any of them into shares of smaller amount than is fixed by the memorandum, so however that in the sub-division 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;

- (c) To cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.
- (2) Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall, within thirty days thereafter, give notice thereof to the Registrar as required by Section 95 of the Act specifying as the case may be, the shares consolidated, divided, sub-divided or cancelled.

Modification of rights of share-holders.

- 13. (1) Whenever the capital, by reason of the issue of Preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to General Meetings shall mutatis-mutandis, apply to every such meeting. This Article is not derogate from any power the Company would have if this Article were omitted.
- (2) The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, effected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

Shares at a discount

- 14. The Company may issue at a discount shares in the Company of a Class already issued, if the following conditions are fulfilled, namely:
 - (i) The issue of the 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 specifying the maximum rate or discount (not exceeding 10 percent or such higher percentage as the Central Government may permit in any special case) which the shares are to be issued; and
 - (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.

SHARES AND CERTIFICATES

Shares under Control of Board or Directors.

- 15. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the company) in the capital shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such person on such terms and conditions and at such time as the Board of Directors think fit and with full power to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or (Subject to the Provisions of Section 79 of the Act) at a discount and for such time and for such consideration as the Board of Directors think fit, Option or right to call of shares shall not be given to any person or persons without the sanction of the Company in general meeting.

Directors may allot any shares as fully paid up :

- 16. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the company as payment or part payment for any property or assets of any kind whatsoever sold or transferred goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the company, or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up shares as aforesaid.

Power also to Company in General Meeting to issue shares.

- 17. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 13, the Company in General Meeting may, subject to the provisions of section 81, of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such person (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (Subject to compliance with the provisions of Section 78 and 79 of the Act) as such General Meeting shall determine and with full power to give any person, whether a member or not the

option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of section 78 and 79 of the Act) such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

Redeemable preference Shares.

18. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference Shares which are, or at the option of the company, are to be liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Rights of the act and privileges of Preference Shareholders

19. (a) The Cumulative Redeemable Preference Shares (hereinafter called "Preference Shares") shall unless the terms of issue thereof otherwise provide, subject as hereunder provided, confer on the holders thereof the following rights and privileges, that is to say ;:
- (i) The right to a Cumulative Preferential dividend at such rate as may be prescribed by the terms of issue of such shares, on the share capital for the time being paid-up thereon, free of Company's income-tax, but subject to deduction of taxes at source at the rate of rates prescribed from time to time.
 - (ii) The right in the event of winding up to payment of such capital and arrears of dividend, whether earned, accrued, declared or not, down to the commencement of the winding up, in priority to the Equity Shares but shall not confer any further right to participate in profits or assets.
- (b) Subject to the provisions of Section 80 of the Act and unless otherwise determined by the terms of the issue thereof, the following provisions shall apply in regard to the redemption, either in full or in part, of the Preference Shares :
- (i) The Company may, at any time after 5 years but in any event not later than 15 years from the date of allotment of the shares, apply any profits or moneys of the Company which may be lawfully applied for the purpose in the redemption, either in full or in part, of the preference Shares at par, together with a sum equal to arrears of the dividend thereon down to the date of redemption.
 - (ii) In the case of any partial redemption under clause (b)(i) of this Article, the Company shall, for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the Registered Office of the Company or at such other places the Directors may decide, in the presence of a representative of the Auditors.
 - (iii) Forthwith after every such drawing, the Company shall give to the holders on the shares drawn for redemption, a notice in writing of the Company's intention to redeem the same, fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed;
 - (iv) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue free of charge, the holders a fresh certificate therefor.
 - (v) Any of the Preference Shares not previously redeemed under the foregoing provisions shall, unless the terms of issue prescribed otherwise, be redeemed at the expiry of 15 years from the date of allotment thereof at par together with all arrears of dividend thereon upto the date of payment.
- (c) Subject to the provisions of this Article, the Company shall be entitled to create or issue further preference Shares ranking in all or any respect pari passu with the then existing and outstanding Preference Shares issued for the time being and outstanding, provided that in the event of its creating and/or issuing Preference Shares in future, ranking pari passu with the then existing and outstanding Preference Shares or part thereof, the Company would do only with the consent of the holders of not less than three-fourths of the Preference Shares then outstanding.
- (d) The Preference Shares Shall not confer on the holders thereof the right to vote either in person or by proxy at any General Meeting of the Company save to the extent and in the manner provided by Section 87(2) of the Act.

Provisions to apply on issue of Redeemable Preference Shares.

20. On the issue of Preference Shares under the provisions of the immediately preceding Article, the following provisions shall take effect :

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of fresh issue of share made for the purpose of 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 from and out of the profits of the Company or from and out of the Company's Share Premium Account before the shares are redeemed.
- (d) Subject to the provisions of Section 80 of the Act the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions in these Articles or by the terms of their issue and in; the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
- (e) The rights, privileges and conditions for the time being attached to the Preference Shares may be varied, modified or abrogated in accordance with the Provisions of these Articles and of the Act.

"DEMATERIALIZATION OF SECURITIES".

"Authority to Dematerialise Securities"

- "20A (1) Notwithstanding anything to the contrary in these Articles, the Company shall be entitled to Dematerialise its securities and to offer securities in a Dematerialise form pursuant to the Depositories Act, 1996.
- (2) When any Securities of the Company are held or dealt in Dematerialise form-

"Option to hold securities in the certificate or with Depository"

- (a) Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the physical form or to hold the same in the Dematerialise form with a depository.

"Securities with Depository to be dematerialised"

- (b) All securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

"Beneficial owner may opt out of a Depository"

- (c) Every person holding securities of the Company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depository Act, 1996 and the rules, if any, prescribed thereunder and on fulfillment of the conditions prescribed by the Company from time to time, the Company shall issue the relevant security certificates to the beneficial owner thereof."

"Intimation to Depository"

- "20B (1) The Company shall make available to the Depository copies of the relevant records in respect of securities held by such depository for the beneficial owner thereof.
- (2) When a holder or an allottee of the securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders / allottees as the beneficial owners of such securities."

"Register and Index on Beneficial Owners"

"20C. The Register and Index of Beneficial Owners of Securities maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of members or Holders of Debentures or other securities of the Company."

"Transfer of Securities held in a Depository"

- "20D (1) Transfer of Securities held in a depository will be governed by the provisions of Depository Act, 1996.
- (2) Every depository shall furnish to the Company information about the transfer of securities the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act, 1996.
- (3) Section 108 of the Act shall not apply to the transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository".

"Rights of Depositories and Beneficial owners"

- "20E (1) A depository shall be deemed to be the registered owner for the purpose of effecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.
- (2) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company.

The beneficial owner shall be entitled to the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository."

"Distinctive numbers of Securities held in a Depository"

"20F Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with a Depository."

"Other matters"

"20G Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act, 1996, relating to Dematerialisation of securities, (including any modification or re-enactment thereof and Rules / Regulations made thereunder) shall prevail and apply accordingly.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the resolution and to settle any questions or disputes that may arise in relation thereto."

Restriction on allotment of Shares

21. If the Company shall offer any of its shares to the public for subscription :
- (1) No allotment thereof shall be made unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription; and
 - (2) The amount payable on application on each share shall not be less than 5 percent of the nominal amount of the share;

Register and Index of Members

22. The Company shall cause to be kept a Register and Index of members in accordance with Sections 150 and 151 of the Act.

Branch Register etc., may be kept in any state or outside of India

23. The Company shall be entitled to keep in any State or Country outside India a branch Register of members resident in that State or Country.

Shares to be numbered progressively and no share to be sub-divided

24. The shares in the capital shall be numbered progressively according to their several denominations and, except in the manner hereinbefore mentioned, no share shall be sub-divided, Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Share Certificates, Single allottees

- 25.1 (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon.
- (b) Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares.
- (c) Subject to the provision of the Companies (Issue of Share Certificates) Rules, 1960, every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (i) directors or persons acting on behalf of the directors under a duly registered power of attorney and (ii) the Secretary or some other person appointed by the Board for the purpose. The two directors or their attorneys and Secretary or other shall sign the share certificate.

Joint Allottees

- I (1) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.
- (2) For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One.
- II (1) A Director may sign a share certificate by affixing his signature thereon by means of any machine/equipment.
- (2) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
- (3) The Company shall comply with the provisions of Section 113 of the Act.

Renewal of Shares Certificate

26. (1) No certificate of any share or shares shall be issued either in exchange for those which are defaced, torn, or old, decrepit, worn out or where the cages on the reverse for recording transfer have been fully utilised unless the Certificate in lieu of which it is issued in surrendered to the Company.
- Provided that no fee shall be charged for issue of new certificates in replacement of those which are sold, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.
- Provided further that in case of any Share Certificate being lost or destroyed the Company may issue a duplicate Certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out of pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.
- (2) When a new share certificate has been issued in pursuance of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share Certificate No...". The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (3) Where a new share certificate has been issued in pursuance of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of members by suitable cross references in the remarks column.

Safe custody of blank shares, forms, books etc.,

27. (i) All blank forms to be used for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board.
- (ii) The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and due relating to the printing of such forms shall be kept in the custody of the Secretary or such other persons as the Board may appoint for the purpose.

The first named of joint holders deemed sole-holder

28. If any share stands in the names of two or more persons, the person first named in the Register, shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at a meeting and the transfer of the shares, be deemed to be the sole holder thereof but the joint holders of a share, shall severally as well as jointly be liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof.

Provided that not more than three persons shall be registered as joint holders of any share. Provided further that in case of death of one or more of the joint holders, the survivor or survivors of them shall be the only person entitled to the share unless the Board shall, on request of the survivor/s, decide to recognise the legal representatives of the deceased joint holder as the persons entitled to the shares jointly with the survivor/s.

Company not bound to recognise any interest in share other than of registered holder.

29. Except as ordered by a Court of Competent jurisdiction and except to the extent and in the manner and for the purposes laid down under Section 153(B) or Section 187(B) or 187(C) or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than a absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof.

UNDERWRITING AND BROKERAGE

Commission may be paid

30. Subject to the provisions of Section 76 of the Act, the Company may, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, for procuring, or agreeing to procure subscriptions (Whether absolute or conditional) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares 5 percent of the price at which the shares are issued and in the case of debentures 2-1/2% (percent) of the price at which the debentures are issued. Such commission may be satisfied by payment of each or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

Brokerage

31. The Company may on any issue of shares or debentures pay such brokerage as may be reasonable and lawful.

Interest out of capital

32. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, of the provision of any plant, which cannot be made profitable for a lengthy period the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same by way of interest to capital as part of the cost of construction of the work or building or the provision of the plant.

Funds of Company may not be applied in purchase of share of the Company

33. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company save as provided by Section 77 of the Act.

CALLS**Directors may make calls**

34. (1) The Board may, from time to time by a resolution passed at a meeting of the Board and not by circular resolution, make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively 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 Board.
- (2) A call may be revoked or postponed at the discretion of the Board.
- (3) A call may be made payable by instalments.

Restrictions on power to make calls

35. Unless the terms of Issue of Shares otherwise provide, no call shall exceed one half of the nominal amount of the share or be made payable within one months of last preceding call was payable from the date fixed for the payment of last meeting call.

Notice of Calls

36. Fourteen days' notice at least of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Calls to date from resolution

37. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Liability of joint holders

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

Directors may extend time

39. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members whom, for reason of residence at a distance or other cause, the Board may deem fairly entitled to such extension; no Member shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest

40. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.
41. Any sum which, by the term of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same become payable, and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture shall apply as if such sum had become payable by virtue of a call duly made and notified, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Proof on trial of suit for money due on share

42. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove.
- (a) that the name of the Member, in respect of whose shares the money is Sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered.
 - (b) that the resolution making the call is duly recorded in the Minute Book; and
 - (c) that notice of such call was duly given to the member or his representatives used in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum or directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest

43. (1)(a) The Board may, if it thinks fit, agree to receive from Members willing to advance the same all or any part of the amounts of their respective shares beyond the sums actually called up, and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter, as exceed the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rate as the Members paying the sum in advance and the Board of Directors agree upon:
- provided that any amount paid up in advance of calls on any shares shall not in respect thereof confer a right to dividends or to participate in profits.
- (b) The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing.
- (2) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

LIEN

Company to have lien on shares

44. The Company shall have first and paramount lien upon all the shares (other than fully paid-up) shares registered in the name of each member (whether solely, or jointly with others) and upon the proceeds of sale there for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and conditions that article 29 thereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared 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 in respect of such shares. The Directors may at any time declare any share wholly or in part to be exempt from the provisions of this clause.

Enforcement of lien by sale

45. (1) For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member.
- (2) No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fourteen days after service of such notice.

Application of proceeds of sale.

46. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any shall (subject to a like lien or sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

Notice to member is money payable on share not paid

47. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid the Board of Directors may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Sum payable on allotment to be deemed to be a call

48. For the purposes of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

Term of Notice

49. (1) This notice shall name a day (not being less than fourteen days from the day of the notice) and a place or places on and at which such all or instalment and such interest as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.
- (2) The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

Partial payment not to preclude forfeiture

50. Neither a judgement nor a decree in favour of the Company, or the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of shares as hereinafter provides.

In default of payment shares to be forfeited

51. If the requirements of any such notice as stated in Article 46 shall not be complied with, every or any share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares not actually paid before the forfeiture.

Notice of forfeiture to a Member

52. When any share has been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited share to be property of the Company and may be sold etc.

53. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at time of forfeiture and interest.

54. (1) Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest 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 such rate, not exceeding nine percent per annum, as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
- (2) The liability of such person shall cease if and when the Company shall have payment in full of all such moneys in respect of the shares.

Effect of forfeiture

55. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Validity of sale after forfeiture or enforcing lien

56. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and may cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchaser shall not be bound to see the application of the consideration, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the same.

Power to annual forfeiture

57. To Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Evidence of forfeiture

58. (1) A duly verified declaration in writing that the declarant is Director, the Managing Director or the wholetime Director or the Manager or Secretary of the Company, and that a share in the Company has been fully forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The person to whom such share is sold, re-allotted or disposed of shall there upon be registered as the holder of the share.
- (4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, instalments 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 bonus accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

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

59. The provisions of these Articles as to forfeiture shall apply in the case on non-payment of any sum which, by the term of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share of by way of premium, as if the same had been payable by virtue of a call duly made and
60. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative share of shares (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand canceled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said share of shares to the persons entitled thereto.

Acceptance of shares

61. (1) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles.
- (2) Every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member.

Deposit and call etc., to be a debt payable immediately

62. The money, if any, which the Board of Directors shall, on the 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 allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Member 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.

Liability of members

63. Every member shall pay to the Company the portion of the capital represented by his 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 of Directors shall, from time to time, in accordance with the Company's regulations or fix for the payment thereof.

TRANSFER AND TRANSMISSION OF SHARES

Form of transfer

64. The instrument of transfer of any share shall be in writing in the form prescribed pursuant to Section 108(1A) of the Act.

Provision of Section 108 to be complied with

65. The Company, the transferor and the transferee of the Shares shall comply with the provisions of subsections (1), (1A) and (1B) of Section 108 of the Act.

Instrument of transfer to be presented with evidence of title

66. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the relative share certificates and such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board shall from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board or law.

Application for transfer

67. (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee;
- (ii) 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 in the manner prescribed by Section 110 of the Act, and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (iii) For the purpose of sub-clause (ii) above, notice to transferee shall be deemed to have been duly given if it is despatched by prepared 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 delivered in the ordinary course of post.

Form of Transfer to be executed by Transferor and Transferee

68. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register or Members in respect thereof.

Transfer to be left at office when to be retained

69. Every instrument of transfer shall before delivery thereof to the Company, be dated, stamped and executed with the date of presentation of the instrument (save as provided in Section 108 of the Act) to the proper authorities, duly engrossed thereon and shall thereafter be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

Company not liable for disregard of a notice prohibiting registration of a transfer

70. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said 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 regard to attend or give effect to any notice which may be given to or of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books 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 Board of Directors shall so think fit.

Insolvency of liquidation of one or more joint holders of shares

71. In the case of insolvency or liquidation of anyone or more to the persons named in the Register of members as the joint-holders of any share, the remaining holder or holders shall be the only persons recognised by the Company as having title to, or interest in, such share, but nothing herein contained shall be taken to release the estate of the person under insolvency or liquidation from any liability on shares held by him, jointly with any other person.

Transfer by legal representatives

72. A transfer of a shares in the company of a deceased member made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer Books of shares and Debentures when closed

73. The Board shall have power on giving seven day's previous notice by advertisement in some newspaper circulating at the place where the Registered office is located to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

Directors' right to refuse registration of transfer

74. The Directors may, at any time in their own absolute and uncontrolled discretion and without assigning any reasons or grounds, decline to register or acknowledge any transfer or any share and in particular may so decline in any case in which the Company has lien upon the shares desired to be transferred or any call or instalment regarding any of them remains unpaid.

PROVIDED THAT registration of a 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 in case of a lien on shares.

PROVIDED THAT nothing herein shall precluded the Board from refusing to register, transfer of any share in favour of any person of whom the Board of Directors do not approve irrespective as to whether or not such a person is already an existing member of the Company.

Notice of refusal to be given to Transferor and transferee

75. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and the transferor or to the person giving intimation of the transmission as the case may be.

Directors entitled to refuse to register more than three joint-holders

76. The Board shall be entitled to decline to register more than three person as the holders of any share.

Persons entitled may receive dividends without being registered as Members.

77. A person entitled to a share by transmission shall subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.

No fee on transfer or transmission

78. No fee shall be charged for registration of transfer, probate, Succession Certificate Letters of Administration, Certificates of Death or Marriage, Power of Attorney or other similar documents.

Register of transfer and transmission

79. The Company shall keep a book, to be called the "Register of Transfer" and herein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

CONVERSION OF SHARE INTO STOCK

Shares may be converted into stock

80. The Company may, by a resolution passed at a General Meeting, convert any paidup shares into stock and when any shares shall have been converted into stock, the several holders of stock may henceforth transfer their respective interests therein, or any part of such interests in the same manner and subject to the same regulations as the subject to which, shares may be or might have been transferred if no such conversion had taken place, or as near thereto as circumstances will admit.

Rights of stock holders

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

Copies of Memorandum and Articles of Association to be sent by the Company to Members.

82. The Company shall, subject to the payment of the fee prescribed under Section 39 of the Act or its statutory modification for the time being in force, on being so required by a member, send to him within seven day.

Death of one or more joint holders of shares.

83. In case of the death of any one or more persons named in the Register of members as the joint-holders of any share, the survivor or survivors shall be the only person 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 deceased joint holder from any liability on shares held by him jointly with any other person.

Title to shares of deceased member

84. The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two joint holders) shall be the only person recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executor or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court or other competent authority in the Union of India provided that in any case where the Board in its absolute discretion thinks fit, the Board may, upon such terms as to indemnity or otherwise as the Board may deem proper, dispense with production of Probate or Letters of Administration or Succession Certificate and register under these Article the names of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to shares otherwise than by transfer

85. Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency, liquidation or winding up as the case may be, of any member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board shall require and upon giving such indemnity as the Directors shall require, either by registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board registered as a member in respect of such shares. PROVIDED NEVERTHELESS THAT if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained, and, until he does so he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

Refusal to register nominee

86. Nomination of shares :

- i. Notwithstanding anything contained in any other Article, every holder of shares in, or holder of debentures of the Company may at any time nominate a person in the prescribed manner to whom the shares and/or debentures shall be transferred in the event of his or her death. A member may revoke or vary his her nomination, at any time, by notifying the Company to that effect.
- ii. Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person in whom all the rights of shares or debentures of the Company shall vest in the event of death of all the joint holders.
- iii. Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or as the case may be , on the death of the last of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled, in the manner as may be prescribed under the act.
- iv. Where the nominee is minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares, or debentures of the Company, in the manner prescribed under the act, in the event of his death, during the minority.

- v. Any person who become a nominee by virtue of the aforesaid provisions upon the production of such evidence as may be required by the Board or Committee thereof and subject as hereinafter provided, elect, either-
 - a) To be registered himself as holder of shares or debentures, as the case may be: or
 - b) To make such transfer of shares or debentures as the case may be, as deceased shareholder or debentureholder, as the case may be, could have made.
- vi. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased shareholder or debentureholder, as the case may be, before his death.
- vii. If the nominee elects to be registered as holders of the shares or debentures, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be.
- viii. A nominee shall be entitled to the share dividend/ interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.
 Provided that the Board may, at any time, give notice requiring any such person to elect to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends bonuses or other moneys payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

BORROWING POWERS

Power to borrow

87. Subject to the provisions of Section 58A, Section 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receiving deposits or loans from members either in advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdraft, cash credit or by issue of bonds, debentures or debenture stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, Co-operative Society, any corporate body, bank, institution, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sum or sums of money so received, raised or borrowed. Provided however, that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of paid up capital of the Company and its free reserves (not being reserved set apart for any specific purpose) the board shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article 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 the Article had been exceeded.

The payment or repayment of moneys borrowed etc.

88. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, upon the guarantee by any Director or Government or any third party, and the bonds debentures and the debenture stock and other securities may be made assignable, free from equities between the company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company or any obligation undertaken by the Company or by any other person or company as the case may be.

Terms of issue of debentures, or raising loan

89. (1) Any debentures, debenture stock or other securities may be issued at a discount, premium, or otherwise and may be issued or the moneys borrowed otherwise may be borrowed on condition that they or any part of them shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, repayment, allotment of shares, attending (but not voting) at general meetings, appointment of Director and otherwise.
- (2) Debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Mortgage of uncalled capital

90. If any uncalled capital of the Company is included in or charged by way of mortgage of other security, the Board may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in just for the person in whose favour such mortgage or security is executed, Provided that power to make calls on shares shall not be given to any other person without the consent of the members in General Meeting.

Register of Mortgage etc., to be kept

91. (1) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company.
- (2) The Board shall also cause the requirement of Section 118, 125 and Section 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied by the Board of Directors.

Register and Index of Debenture-holders

92. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holder resident in that State or Country.

MEETING OF MEMBERS

Annual General Meeting

93. (1) The Company shall, in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of the Act and shall specify the meeting as such in the notice calling it.
- (2) Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered office of the Company or at some other place within the city or town in which the registered office of the Company is for time being situate as the Board may determine and the Notices calling the meeting shall specify it as the Annual General Meeting.
- (3) The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company, and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held, and thereafter all subsequent Annual General Meetings shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (4) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act or extend the time within which any Annual General Meeting may be held.

Proxies/Auditors

- (5) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the Business which concerns him as Auditor.

Report, statement and Registers to be laid before the Annual General Meeting.

94. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Balance Sheet, Auditor's Report (if not already incorporated in the Audited Statement of Accounts etc.). The proxy Register and Registers of Directors Share-holdings, shall remain open and accessible during the continuance of the meeting.

Extraordinary General Meeting

95. All General Meeting other than Annual General Meeting shall be called Extra Ordinary General Meetings.

Place of keeping and inspection of registers and returns.

96. The Register of Members, Index of Members, the Register and Index of Debenture holders and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act shall be kept at the office of the Company.

Provided that such registers, indices returns and copies of certificates and documents of any one or more of them may instead of being kept at the office of the Company, be kept at any other place within the city or town in which the office of the Company is situated for the time being if,

- (i) Such other place has been approved for this purpose by a Special Resolution passed by the Company in General Meeting; and
- (ii) the Registrar has been given in advance a copy of the purposed Special Resolution.

Circulation of Member's Resolution and requisition of meetings by members

97. (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 has otherwise resolved) at the expense of the requisitionists :
- (a) give to the members of the Company entitled to receive a 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 to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or business to be dealt with at that meeting.
- (2) The number of members entitled to requisition a meeting in regard to any matter shall be such number as held at the date of deposit of the requisition, not less than one-twentieth of such of the paid-up capital of the Company as at that date carried the right of voting in regard to that matter.
- (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 by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting. The copy of the resolution shall be served or notice of 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 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) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Office of the Company.
 - (i) in the case of a requisition for notice of a 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
 - (b) 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 resolution has been deposited at the office of the company, and an Annual 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 clause, shall be deemed to have been properly deposited for the purpose thereof.

- (5) The Company shall not also 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 right conferred by this clause are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles contained, the business which may be dealt with at an Annual General Meeting shall include a resolution of which notice is given in accordance with this Article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.

Extra Ordinary General Meeting by Board and by requisition

98. The Directors, may, whenever they think fit, convene an Extraordinary General Meeting and they shall on requisition by the members as hereinafter provided, forthwith proceed to convene an Extraordinary General Meeting of the Company.

Contents of resolution and number of requisitionists required and the conduct of meeting.

99. In case of requisition the following shall have effect;

- (1) 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 Office of the Company.
- (2) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (3) The number of members entitled to requisition a meeting in regard to any matter shall be such number as held at the date of the deposit of the requisition, not less than one tenth of such of the paid-up capital of the Company as at that carries the right of voting in regard to that matter.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of clause (3) shall apply separately in regard to each such matters, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-section is fulfilled.
- (5) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters proceed to convene a meeting for the consideration of these matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
 - (a) by the requisitionists, or
 - (b) 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 fo the paid-up share capital of the Company as is referred to in sub-section (4) of Section 169 of the Act; whichever is less.

Provided that for the purpose of this clause the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

- (6) A meeting called under clause (3) by the requisitionists or any of them;
 - (a) shall be called in the same manner as early possible, as that in which meeting are to be called by the Board, but:
 - (b) Shall not be held after expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing herein shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.
- (7) Where two or more persons hold any shares in the Company jointly, a requisition or a notice calling a meeting by one or some of them shall for the purpose of this Article have the same force and effect as if it had been signed by all of them.
- (8) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionsts by the Company, and any sums so repaid shall be retained by the Company out of any sums due or to become due form the Company by way of fees or other remunertion for their services to such of the Directors as were in default.

NOTICE

Length of notice of meeting

100. (1) A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, 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 clause (1) hereof if consent is accorded threto
 - (i) in the case of 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.

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

Contents and manner of service of notice

101. (1) Every notice of a 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 thereof. PROVIDED THAT if on account of any unforeseen circumstances or events which are beyond the control of the Directors to prevent, including but not limited to earthquake, fire, typhoon, hurricane, flood, cyclone or natural calamities, war, war like events, civil emotion, affray, riots, strike, lock-out, lay-off, go-slow or any other agitation such as ghearao or bandh, by any group of people, and that issuing the notice for holding and General Meeting of the Company. The Directors are of the opinion that it will not be possible to hold and or continue the meeting at such place where the meeting shall have been hold, that meeting may be adjourned and/or reconvened at a new place which the Directors may consider appropriate and for this purpose any notice given by the Directors in any newspaper circulating at the place where the Meeting was to be held originally, shall be sufficient compliance in regard to the issuance of any notice for holding and/or continuing any Meeting of the Company at such new place.
- (2) Subject to the provisions of the Act, and subject to clause (1) of this Article, notice of every General Meeting shall be given;
- (a) to every member of the Company in the matter authorised by sub-sections (1) to (4) of Section 53 of the Act;
- (b) to the persons entitled to a share in consequence of the death, or insolvency of a member, by sending it through the post in prepaid letter addressed to them by name, or by the title of representatives of the deceased, or the assignee of the insolvent or by like description, at the address, if any, in India supplied for the purpose by the persons claiming to be entitled, or until such an 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; and
- (c) To the Auditors or Auditor for the time being of the Company, in any manner authorised by Section 53 of the Act in the case of any member of the Company.
- PROVIDED THAT where there notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Office of the Company under sub-section (3) of Section 53 of the Act, 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.
- (3) 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 vote and attend instead of himself and that proxy need not be a member.

Special and Ordinary business and explanatory statement

102. (1)(a) In the case of an Annual General Meeting, all business to be transacted at the meetings, shall be deemed special with the exception of business relating to
- (i) The consideration of the accounts, balance sheet and reports of the Directors and Auditors;
- (ii) The declaration of 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.
- (b) In the case of any other meeting, all business shall be deemed special.
- (2) Where any items of business to be transacted at the 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 items of business including in particular the nature of the concern or interest, if any, therein of every Director.

PROVIDED THAT where any item of special business at the meeting of the Company relates to or affect any other company, the extent of share-holding interest in that other company of every Director shall be set out in the statement, if the extent of such shareholdign interest is not less than twenty percent of the paid up share capital of that other Company.

- (3) Where any item of business consists of according of approval, to any document by meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Commission to give notice not to invalidate proceedings.

103. The accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting.

PROCEEDING AT THE GENERAL MEETING

Notice of business to be given

104. No general Meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

Quorum at General Meeting

105. Five members, entitled to vote and present in person shall be quorum for a General Meeting. No business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187-A of the Act.

If quorum not present meeting to be dissolved or adjourned

106. If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present the meeting if called by or upon the requisition of members shall stand dissolved and in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be quorum and may transact the business for which the meeting was called.

Resolution passed at adjourned meeting

107. Where 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 it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of General Meeting

108. (1) The Chairman of the Board shall be entitled to take the chair at every General Meeting whether Annual or Extra-Ordinary.
- (2) 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 shall decline to take the chair, the Vice-Chairman, if any, shall be entitled to take the Chair. If the Vice-Chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their number to be a chairman.
- (3) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with provisions of the Act and the Chairman as elected shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman whilst chair vacant

109. No business shall be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant.

Chairman may adjourn meeting with consent

110. (1) The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at an adjourned meeting.

Voting to be by show of hands in the first instance

111. At any general meeting, a resolution put to the vote at the meeting shall, unless a poll is demanded, be decided on a show of hands.

Chairman's declaration of result of voting on show of hands

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

Demand for Poll

113. (1) Before or on the declaration of the result of the voting on any resolution on 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 by him on demand made in that behalf by the person or persons specified below, that is to say:
- (a) by at least five members having the right to vote on the resolution and present in person or by proxy; or
 - (b) by any member or members present in person or by proxy and having not less than one tenth of the total voting power in respect of the resolution; or
 - (c) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

114. (1) A poll demanded on any question of adjournment shall be taken forthwith.
- (2) A poll demanded on any other question (not being related to the election of a Chairman which is provided for in Article 106) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
- (3) The demand for a poll may be withdrawn at any time by the persons who made the demand.

Chairman's casting vote both on a show of hands and on a poll

115. In the case of an equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be otherwise entitled.

Scrutineers at poll and Chairman's power to remove scrutineer

116. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed 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 willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

Demand for poll not to be prevent transaction of other business

117. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Special notice

118. (1) Where by any provision contained in the Act or in these Articles special notice is required for 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 the notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice

thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

Resolution requiring special Notice

119. The following resolution shall require special notice:

- (1) Resolution under Section 225 of the Act at an Annual General Meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
- (2) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office.
- (3) Resolution under Section 284 of the Act appointing a Director in place of the Director so removed.

Registration of document with Registrar.

120. A copy of each of the resolutions or agreement shall, if so required under any provision of the Act, be filed with the Registrar.

VOTING RIGHTS OF MEMBERS

Members paying money in advance not to be entitled to vote in respect thereof

121. 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 but for such payment become presently payable.

Restriction on exercise of voting rights of members who have not paid calls

122. No member shall exercise any voting rights in respect of any share 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 and has exercised any right of lien.

Number of votes to which member entitled

123. (1) Subject to the provision of the immediately preceding Articles, 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 for being a body corporate present by a representative duly authorised have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital in the Company.

PROVIDED HOWEVER, if any Preference Shareholder be present at any meeting of the Company save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only resolutions before the meeting which directly affect the rights attached to his preference shares.

- (2) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Votes of members of unsound mind

124. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

Votes of joint members

125. If there be joint registered holders of any shares, any one of such person may vote at any meeting personally or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. PROVIDE ALWAYS THAT a person 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 proxy stands first or higher in the Register in respect of such shares. Several Executors or administrators of a deceased member in whose name shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

Representation of body corporate

126. A body corporate (whether a company within the meaning of the Act or not) may, if it is a member or a creditor of the Company (including a holder of debentures), authorise such persons at it thinks fit by resolution of its Board of Directors or other governing body in accordance with the provisions of Section 187 of the Act to act as representative at any meeting of the members or creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

President of India and Governor of a State, how represented

127. Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may in the manner provided in Section 187 A of the Act, appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of member of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and power, including the right to vote by proxy, as the President or, as the case may be the Governor, could exercise as a member of the Company.

Votes in respect of deceased or insolvent member

128. Any person entitled under the Transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least fortyeight hours before the time of holding the meeting or the adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Voting in person or by proxy

129. Subject to the provisions of these Articles a vote may be given either personally or by proxy.

Right of member to use his votes differently

130. On a poll taken at a meeting of the Company a member entitled to more than one vote 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 all the votes he uses.

Appointment of proxy

131. 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 PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.

Proxy either for specified meeting or for a period

132. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy not to vote on a show of hands

133. No member present only by proxy shall be entitled to vote on a show of hands.

Deposit of instrument of appointment of proxy

134. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notorially certified copy of that authority, shall be deposited at the office of the company not less than forty-eight hours before the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Form of proxy

135. Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, 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 any office or attorney duly authorised by it.

Inspection of proxies

136. Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any 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 proxies lodged, at any time during the business hours of the Company provided not less than three day's notice in writing of the intention so to inspect is given to the Company.

Validity of votes given by proxy notwithstanding revocation of authority

137. 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, in the case of an individual member, or winding-up in the case of a corporate member, or revocation of the proxy or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, winding-up revocation or transfer, as the case may be, shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.

Time for objection to the validity of votes

138. No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, 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.

Chairman of any meeting to be the judge of validity of any vote

139. The Chairman of any meeting shall be the sole judge 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.

Custody of instruments appointing proxy

140. If any such instrument of appointment be confined to the object of appointing a proxy for voting at meeting of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof verified with the original shall be delivered to the Company to remain in the custody of the Company.

Minutes of General Meeting and inspection thereof by Members

141. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the Conclusion of every such meeting concerned, entire thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed 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 the period, by a director duly authorised by the Board for the purpose.
- (3) The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes of the aforesaid grounds.

INSPECTION OF MINUTES BOOK OF GENERAL MEETING

- (i) The book containing the minutes of proceedings of General Meeting shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.
- (ii) Any member shall be entitled to be furnished, within the period prescribed by the Act, if he has made a request in that behalf to the Company, with a copy of any minutes referred to in sub-clause (i) on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.

DIRECTORS

Number of Directors

142. (a) Unless otherwise determined by a General Meeting of the Company and subject to the provisions of Section 253 of the Act the number of Directors (including Debenture Directors, Special Directors and Corporation Directors, if any) shall be not less than 3 and not more than 25.

The first Directors of the Company shall be-

- | | |
|--|---|
| 1. Shri Mrigendra Kumar Chaturvedi IAS | 2. Smt. Nirmala Buch, IAS |
| 3. Shri Kirpa Shanker Sharma, IAS | 4. Shri Lal Chand Kothari. |
| 5. Shri Tenisseri Veeti Padmanabhan Nambiar | 6. Shri Odayamadth Padmanabhan Nambiar |
| 7. Dr. Venkataraman Ranganthan | 8. Shri Gopalkrishna Narayanswamy |

Debenture Directors

143. Any Trust Deed for securing debentures or debentures stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of same person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stocks, from time to time, to remove and reappoint any Director so appointed, the Director appointed under this Article is herein referred to as "Debenture Director". The Debenture Director 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 arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Nominee Directors of Financial Corporations - Corporation Director

144. (i) 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), Life Insurance Corporation of India (LIC), The Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation of India, and Unit Trust of India (UTI) or to any other Financial 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, ICICI, IFCI, and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body out of any loans granted by them to the company or so long as IDBI, ICICI, IFCI, UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or body (which ICICI, LIC, IDBI, IFCI AND UTI or any other Finance Corporation or credit Corporation or any other Financing Company or body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or conversion of the said loans/debentures, Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Corporation 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. At the option of the Corporation, such Corporation Director/s shall not be required to hold qualification share in the Company. Also at the option of the corporation, such corporation director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Corporation Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any Director of the Company.

The Corporation 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 so long as the corporation holds shares in the Company as a result of underwriting or direct subscription or conversion of the loans/debenture and the Corporation Director/s so appointed in exercise of the said power shall ipso facto vacate his office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company.

Limit on number of non-rotational Directors that may be appointed

145. The Power of Debenture Trustee and the Financial Corporations to appoint non-rotational Directors shall be subject to the provisions of Section 255 of the Companies Act and the total number of such Directors so appointed shall not, in the aggregate exceed one-third of the total number of Director for the time being in office.

Appointment of alternate Director

146. (1) The Board may appoint an alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period not less than three months from any State in India in which meetings of the Board are ordinarily held.
- (2) Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Directors and be counted for the purpose of quorum and general at such meeting to have and exercise all the powers and duties and authorities of the original Director.

- (3) The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to such state.
- (4) If the term of office of the original director is determined before he returns, to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- (5) An alternate Director shall not hold office as such for a longer period than what permissible to the original Director in whose place he has been appointed.

Directors may fill casual vacancies

147. (1) The Board shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy, arising out of the office of any Director appointed by the Company in General Meeting being vacated before his term of office expires in the normal course.
- (2) Such casual vacancy shall be filled by the Board at a meeting of the Board.
- (3) Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if it has not been vacated as aforesaid but he shall then be eligible for re-election.

Additional Directors

148. The Board of Directors shall also have power at any time and from time to time to appoint any other person to be an Additional Directors but so that the total number of Directors shall not at any time exceed the maximum strength fixed for the Board by the Articles, Any person so appointed as an Additional Director shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for election at such meeting, subject to the provisions of the Act.

No share qualification for Directors

149. A Director shall not be required to hold any qualification shares.

Remuneration of Directors

150. The remuneration of a Director for his services shall be such sum as may be fixed by the Board not exceeding Rupee Five hundred for each meeting of the Board or a Committee thereof attended by him. The Directors may, subject to the sanction of the Central Government (if any required), be paid such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

Extra remuneration to Directors for extra services

151. Subject to the provisions of the Act, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of purposes of the Company, the Company shall remunerate the director so doing either by a fixed sum or otherwise as may be, determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.

Travelling expenses incurred by Directors on Company's business

152. The Board may subject to the limitations provided by the Act allow to any director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

Directors may act notwithstanding vacancy

153. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.

Vacation of office by Director

154. The office of a Director shall become vacant if any of the disqualification provided by the Act is incurred by a Director.

Removal of Directors from office

155. (a) The Company may (Subject to the provision of Section 284 and other applicable provisions of the Act and these Articles) by Ordinary Resolution remove any Director before the expiry of his period of office.

- (b) Special notice as provided under Section 190 of the Act shall be required of any Resolution to remove a Director under this Article or to appoint other person in place of a Director so removed at the meeting at which he removed.
- (c) On receipt of a Resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (Whether or not he is a member of the Company) shall be entitled to be heard on the Resolution at the meeting.
- (d) Where a notice is given of a Resolution to remove a Director under this Articles 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 representation are received by it too late for it to do so, (i) in the notice of the Resolution given to members of the Company state the fact of the representations having been made, and (ii) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (before or after 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 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 or read out at the meeting if, on the application either of the Company or of anyother person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are beign abused to secure needless publicity for defamatory matter.

Particulars of every such contract or arrangement to which Section 297 or as the Case may be, sub-section (2) of Section 299 applies, shall be entered in the relevant register aforesaid.

- (a) In the case of contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;
- (b) In the case of any other contract or arrangement, within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement.
- (c) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 145 & or Section 262 of the Act, be filled by the appointment of another Director in his place by the meeting at which he is removed; provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (d) If the vacancy is not filled under sub-clause(e) it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Articles 150 and all the provisions of that Article shall apply accordingly.
- (e) A director who is removed from office under this Articles shall not be reappointed as a Director by the Board of Directors.
- (f) Nothing contained in this Article shall be taken:
 - (i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director; or
 - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

Director may hold office of profit under or contract with Company

156. Subject to the compliance with the provisions, if any, of the Act and save as therein provided no Director shall be disqualified by his office from holding any office or place of profit under the Company or under any company in which this Company shall be a shareholder or otherwise interested or form contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any arrangement entered into by or on behalf of the Company in which any Director shall be in otherwise interested be avoided, nor shall any Director be liable to account to the Company for profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

Dislosure of Director's interest

157. If so required by any of the provisions of the Act, a 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 arranement, 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 in the manner provided in Section 299(2) of the Act.

Directors may contract with the Company

158. (1) A Director or his relative, a firm in which such Director or relative is a Partner, any other partner in such firm, or a private Company of which the Director is a member or Director, may enter into contract with the Company for the sale, purchase or supply of any goods, materials or services or services of for underwriting the subscription of any shares in, or debentures of, the Company provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into, in accordance with Section 297 of the Act.
- (2) No sanction however shall be necessary for :
- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such 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, however, that the value of the goods and materials or the cost of such services do not exceed Rs.5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessary a Director, relative, firm, partner or private Company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the Company, for such purchase or supply of any goods, materials or services even if the value of such goods or materials or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

Interest Director not to participate or vote in Board's proceedings

159. No Director 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 such 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.

Provided that this provision shall not apply to any contract or arrangement entered into or to be entered into with a public company or a 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 requisite 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 holding not more than two percent of its paid-up share capital.

Register of Contracts in which Directors are interested

160. The Company shall keep one or more registers in accordance with Section 301 of the Act and shall within the time specified under therein such other particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely-

Directors may be Directors of Companies promoted by the Company

161. Director may be or become a director of any Company promoted by the Company or in which it may be interested as a vendor, share-holder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company.

Appointment of Directors and liability to retire by rotation

162. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.

Retirement of Directors by rotation

163. (1) At every Annual General Meeting of the Company, 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 the number nearest to one-third, shall retire from office.
- (2) In these Articles a "Retiring Director" means a Director retiring by rotation.

Ascertainment of Directors to retire by rotation and filling of vacancies.

164. 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 those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

Eligibility of retiring Directors for re-appointment

165. A retiring Director shall be eligible for re-appointment.

Company to fill vacancies at General Meeting

166. (1) The Company may, at the General Meeting at which a Director retires in manner aforesaid, fill up the vacancy by appointing the Retiring Director or some other person thereto-
- (2) If the place of 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 public holiday till the next succeeding day which is not a public holiday, at the same time and place;
- (3) 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 the previous meeting a Resolution for the re-appointment 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 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 by virtue of any provisions of the Act; or
- (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors

167. Subject to the provisions of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may alter the qualifications for becoming a director.

Appointment of Directors to be voted on individually

168. (1) No motion at any General Meeting shall be made for the appointment of two or more persons as Director 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.
- (2) A Resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a Resolution so moved is passed, no provision for the automatic re-appointment of the Retiring Director 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.

Notice of candidature for office of Director except in certain cases

169. (1) No person, not being a Retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for that office, as the case may be.
- (2) The Company shall inform its member of the candidature of a person for office of Director or the intention of a member to propose such person as a candidature for that office by serving individual notice on the members not less than seven 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 newspaper circulating in the place where the Registered Office is located, of which one is published in the English language and the other in the regional language of that place.

- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with Company his consent in writing to act as a director if appointed.

Filing of consent to act as Director

170. A person, other than -
- (a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
 - (b) 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 re-appointed as an additional or alternate Director immediately on the expiry of his term of office, or
 - (c) A person named as a Director of the Company under its Articles as first registered,
- shall not act as 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.

Disclosure by Director of appointment to any other body corporate and of holding of shares and debentures of the Company.

171. (1) 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, Manager or Secretary of the Company shall, within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
- (2) Every Director 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 purpose of enabling the Company to comply with the provisions of that Section.

Register of Directors and shares and debentures of the company held by them etc. and notification of change to Registrar

172. (1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall send to the Registrar a Return containing the particulars specified in such Register, and shall otherwise comply with the provisions of the said section in all respects.
- (2) The Company shall also keep at its Registered office a Register in respect of the shares and/or debentures of the Company held by its Directors as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

MANAGING DIRECTOR/WHOLE TIME DIRECTOR

Appointment of Managing Director and/or Whole-time Director(s) by the Board.

173. The Board may, from time to time, appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company any may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Provisions to which Managing Director and Whole-time Director would be subject to

174. Subject to the provisions of the Act and these Articles, the Managing Director or the Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be Managing or Whole-time Director, as the case may be, if he ceases to hold the office of Director for any reason.

Provided that if at any time the total number of Directors (including Managing Director and Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such of the Managing Directors or Whole-time Directors or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the provision of these Articles to the intent that the total number of director not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing or Whole-time Director(s)

175. The remuneration of the Managing Director or whole-time Director shall, subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company, be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission on profits, or by fee for each meeting of the Board or by and/or all these modes or any other mode not expressly prohibited by the Act.

Powers and duties of Managing and/or Whole-time Director (s)

176. (1) Subject to superintendence, control and direction of the Board, the day to day management of the Company shall be in the hands of the Managing Director(s) and the Whole-time Director(s) appointed under these Articles with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing or whole-time Director or Directors such of the power hereby vested in the Board generally as it thinks fit and such power may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as the Board may determine and the Board may, subject to the provisions of the Act and these Articles, confer such powers either collaterally 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 the time to revoke, withdraw, alter or vary all or any of such powers.
- (2) Subject to the provision of the Act and subject to the general control, superintendence and directions of the Board, the Managing Director shall have power on behalf of the Company.
- (i) to make all sales and purchases and to enter into all contracts and agreements as he thinks proper for the purposes of the Company, execute and sign all dividend warrants and all the documents, instruments, declarations, statements, affidavits, applications, receipts, releases, discharges and papers, on behalf of the Company and to do all other acts, deeds and things, as usual, desirable or expedient in the management of the affairs, purposes and business of the Company and in carrying out its objects and shall have the power to appoint and employ in and for the purpose of the transactions and management of the affairs of the Company or otherwise for the purposes thereof such managers, officers, bankers, secretaries, brokers, experts, engineers, contractors, assistants, clerks, labourers, workmen, peons and other servants, persons or employees as he shall think proper with such power and duties upon such terms as to duration of employment, remuneration or otherwise as he shall think fit and from time to time to remove, suspend or dismiss him or them and appoint other or others of them as he thinks fit and to engage or appoint advocates, legal advisers, chartered accountants or other professionals and technical persons on such terms as he considers appropriate for the business or affairs of the Company.
- (ii) to borrow, make payments, receive and accept moneys and to draw, sign, accept, endorse and negotiate on behalf of the Company all bills of exchange, promissory notes, hundies, cheques, drafts, Government promissory notes, loans or bonds or any other security, debentures, Railway Receipts, way bills, consignment notes, Lorry receipts, Bills of Lading and all other negotiable or transferable instrument and receipts signed by the Managing Director for any moneys, good or property in the usual course of business of the Company or for any moneys, goods or property lent to payable or belonging to the Company shall be effectual discharge on behalf of and against the Company for the moneys, goods or property which in such receipts shall be acknowledged to be received, and the person paying any such moneys, etc. shall not be bound to see to the application or be answerable for any misapplication thereof;
- (iii) to commence, institute, conduct, defend or abandon any action or legal proceedings by or against the company and shall have, for such purpose, power to sign and verify all plaints, written statements, petitions, appeals, declaration appeals, revisions and applications and shall have power to refer any claims by or against the company to arbitration and to perform, observe and challenge the awards.
- (3) The Managing Director may delegate all or any of his powers to such other Directors, Managers, Agents or other persons as he may think fit and shall have power to grant to any such person such power of attorney as he may deem expedient and also to revoke such power at pleasure.

GENERAL MANAGER

Appointment of General Manager

177. (1) The Directors may from time to time appoint any person to be the General Manager of the Company, or by any other designation as they shall deem fit; and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.
- (2) Subject to the provision of the Act and these Articles, the Directors may delegate to the General Manager such powers and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same.
- (3) The remuneration of the General Manager shall be such as may be determined by the directors from time to time.

SECRETARY

Appointment of Secretary

178. (1) The Directors may from time to time appoint a duly qualified person to be the Secretary of the Company and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.
- (2) Subject to the provisions of the Act and these Articles, the Directors may delegate to the Secretary such powers and entrust him such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same, and in particular entrust to him the performance of the functions which, by the Act are to be performed by the Secretary of a Company, and other administrative and ministerial duties.
- (3) The remuneration of the Secretary shall be such as may be determined by the Directors from time to time.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of the Directors

179. The Directors may meet together as a Board for the despatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of Meetings

180. Notice of every meeting of the Board 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.

When meeting to be convened

181. Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telegram to any Director who is not in the State.

Quorum for a meeting of the Board

182. (a) Subject to provisions of Section 287 of the Act the Quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors if any, whose places may be vacant at the time and any fraction contained in that one-third rounded off as one) or two Directors, whichever is greater, PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be quorum during such time.
- (b) For the purpose of clause (a) -
- (i) "Total Strength" of the board shall be determined in pursuance of the Act, after deducting therefrom the number of the Directors, if any, whose places may be vacant at the time; and
- (ii) "Interested Director" means any Director whose presence cannot by reason of any other provisions in the Act count for the purpose of forming a quorum of a meeting of the Board at the time of the discussion or vote on any matter.

Adjournment of meeting for want of a quorum

183. If a meeting of the Board could not be held for want of quorum then the meeting shall stand adjourned and to such other date, time and place as the Director or Directors present at the meeting may decide.

Chairman

184. The Directors shall elect one of their number to be the Chairman of the Board. The Chairman shall preside over the meetings of the Board. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors shall elect one of their number to be the Chairman of such meeting.

Questions at Board Meeting how decided

185. Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

Powers exercisable at Board Meetings

186. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of its authorities, powers and discretions which by or under the Act or those Articles or the regulations for the time being of the Company are vested in or exercisable by the Board generally.

Directors may appoint Committees

187. (1) The Board may subject to the provisions of Section 292 and other relevant provisions of the Act and of these Articles, appoint committees of the Board and delegate any of the powers, other than the powers to make calls and to issue debentures, to such committee or committees and may from time to time revoke and discharge any such committee either wholly or in part and either as to the person or purposes, but every committee so formed shall in exercise of the powers so delegate conform to any regulations that may from time to time be imposed on it by the Board.
- (2) The quorum for a meeting of a committee shall be two persons present in person.

Meeting of a Committee how to governed

188. The meetings and proceedings of any such Committee of the Board shall be governed by the provisions herein contained for regulating meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by Board under the last preceding article.

Circular Resolutions

189. (1) A resolution passed by circular without a meeting of the Board or of a Committee shall, subject to the provisions of clause (2) hereof and the Act, be as valid and effectual as a resolution duly passed at a meeting of the Board or of a Committee duly called and held.
- (2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee (not being less in number than in the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual addresses and has been approved by such of the Directors or members of the committee as are in India or by a majority of such of them as are entitled to vote on the resolution.

Acts of the Board or Committee valid notwithstanding defect in appointment

190. All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such directors or any person acting as aforesaid, or that they or any of them were disqualified or that the appointment of any of them was terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director.

Provided nothing in this Article 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 been terminated.

Minutes of proceedings of meetings of the Board.

191. (1) The Company shall cause minutes of all proceedings of every meeting of the Board or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting entire thereof in books kept for that purpose with their pages consecutively numbered.
- (2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat;
- (3) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

- (4) The minutes shall also contain details of -
 - (a) the names of the Directors present at the meeting.
 - (b) all orders made by the Board and Committee of the Board;
 - (c) all resolutions and proceedings of meetings of the Board; and
 - (d) in the case of each resolution passed at the meeting, the names of Directors if any, dissenting from or not concurring in the resolution.
- (5) Nothing contained in Clause (1) to (4) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting -
 - (a) is or could reasonably be regarded as defamatory of any person;
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interest 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 grounds specified in this Clause.

Powers of the Board.

192. The business of the Company shall be managed by the Board who may exercise all such powers of the Company any do all such acts and things as are not, by the Act, or any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting, subject nevertheless to these Articles or to the provisions of the Act. or any other law and to such regulation (being not inconsistent with these Articles or the aforesaid provision), as may be prescribed by the Company in General Meeting but no regulation may by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Certain powers of the Board.

193. Without prejudice to the general powers conferred by Articles 192 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers, conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers ;

To pay cost for formation of the Company.

- (1) To pay the costs, charges and expenses preliminary and incidental of the formation, promotion, establishment and registration of the Company;

To pay commission or interest

- (2) To pay out of the capital and charges to the Capital account of the Company any commission or interest lawfully payable there out under Section 76 and 208 of the Act;

To acquire any property, rights etc.

- (3) Subject to Section 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

To pay for property

- (4) At their discretion and subject to the provision of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages 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, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

To secure contracts by mortgage

- (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit;

To accept surrender of shares

- (6) To accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;

To appoint trustees for the Company

- (7) To appoint any person to accept and hold in trust, for the Company property belonging to 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 required in relation to any such trust and to provide for the remuneration of such trustee or trustees;

To conduct legal proceedings

- (8) To institute, conduct defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made thereon;

To act in matters relating to insolvents.

- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents;

To issue receipts and give discharge

- (10) To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company;

To invest the money of the Company

- (11) Subject to the provision of Section 292, 293(1), 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

To give security by way of indemnity

- (12) 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 mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;

To determine signing powers

- (13) To determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose whether by way of a resolution of the Board or by way of a powers of attorney or otherwise;

To distribute profits of the Company among officers and others

- (14) To distribute by way of bonus amongst the staff of the Company as a share or shares on the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of working expenses of the Company.

To provide for provident fund, gratuity etc. to Directors and employees

- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or by grant of money pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of the Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support or aid by the Company, either by reason or locality of operation, or the public and general utility or otherwise;

To provide for reserves, etc.

- (16) Before recommending any dividend subject to the provisions of Section 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay Debentures or Debenture Stock or for special dividends or for equalising dividends or for repairing, improving, extending, and maintaining any of the properties of the Company and for such other purposes (including

the purpose referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to deal with and vary such investment and dispose off and apply and expand all or any part thereof for the benefit of the Company in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the company might rightly be applied or the expanded; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or divisions of a reserve fund and with another reserve fund and/or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in purchase or repayment of debentures or debenture stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;

To appoint and remove officers and other employees

- (17) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economical advisers, research workers, labourers, clerks, agent 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 to fix their salaries, or emoluments or remuneration, and to require securities in such instances and for such amounts they may think fit, and also from time to time to 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 provision contained in the next following clauses shall be without prejudice to the general powers conferred by this clause;

To comply with provisions of local law

- (18) To comply with the requirement of any local law which in their opinion it would be in the interest of the Company be necessary or expedient to comply with;

To appoint Local Boards

- (19) From time to time and at any time to establish any Local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;

To delegate powers to members of Local Boards

- (20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; 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 such appointments or delegation may be made on such terms and conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary such delegation.

To appoint Attorneys

- (21) 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 power, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board 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 shareholders, Directors, nominees or managers of any company or a Firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

To enter into contracts

- (22) Subject to Section 294, 287 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise of the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and to such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

To make rules

- (23) From time to time to make, vary and repeal rules for the regulation of the business of the Company, its officers and servants.

To effect contracts etc.

- (24) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.

THE SEAL

The seal, its custody and use.

194. (1) The board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody, of the seal for the time being under such regulations as the Board may prescribe.
- (2) The Seal shall not be affixed to any instrument except by the authority of the Board or a Committee of the Board, previously given and in the presence of at least one Director of the Company and countersigned by the Secretary, if any, or any other person authorised by the Board, who shall sign every instrument to which the seal is affixed.
- (3) Debenture may be signed by one Director whose signature by the Board of Directors and subject to such regulations as may be prescribed by the Board for the purpose, may be reproduced and affixed by mechanical means.
- (4) Any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding irregularity touching and the authority of the Board or issue of the same.
- (5) The certificate of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960, and their statutory modifications for the time being in force.
- (6) The Company shall also be at liberty to have an official seal in accordance with the Section 50 of the Act for use in any territory district or place outside India.

Division of profits

195. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in proportion to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

The Company in general meeting may declare dividends

196. The Company in General Meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and to company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in the general meeting.

Dividends only to be paid out of profits

197. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that -
- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying dividend for any financial year provide for such depreciation out of the profits of that financial year or out of that profits of any other previous financial year or years;

- (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or years or those years whichever is less, shall be set off against the profits of the company for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 205 of the Act, or against both.

Interim dividend

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

Capital paid-up in advance at interest not to earn dividend

199. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right, to dividend or to participate in profits.

Dividends in proportion to amount paid-up

200. 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 dividends as from a particular date such share shall form dividend accordingly.

Retention of Dividends until completion of transfer under Article 75.

201. The Board may retain the dividend payable upon shares in respect of which any person upon Article 75 has become entitled to be a member, or any person under that article is entitled to transfer, until such person becomes a member, irrespect of such shares or shall duly transfer the same.

Effect of transfer of Shares

202. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend, etc. to joint holders

203. Any one of several persons who are registered as joint holders of any shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

Dividend etc. how remitted.

204. (1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant payable only in India, or by a pay slip or receipt having the force of a cheque or warrant, sent through post direct to the registered address of the member or person entitled to the payment of the dividend or in case of joint holders to registered address of that one of the members who is first named on the Register of Member in respect of joint holding or to such address as the holder or the joint holder may in writing direct.
- (2) Every cheque or warrant shall be crossed and made payable to the order of the person to whom it is sent.
- (3) The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Unclaimed dividend not to be forfeited.

205. No Unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205(A) of the Act in respect of such dividend.

No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereout.

206. No member shall be entitled to receive payment of interest or dividend or bonus in respect of his share of shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board of Directors may deduct from them interest or dividend to any member all such sums of money so due from him to the Company.

Notice of dividend.

207. Notice of declaration of any dividend, interim or otherwise, shall be given to the registered holder of share in the manner herein provided.

Dividend to be paid within forty two days.

208. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within fortytwo days from the date of declaration unless:

- (a) Where the dividend could not be paid by reason of the operation of any law;
- (b) Where a shareholder has given directions regarding the payment of the dividend and those 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 to it from the shareholder or
- (e) Where for any other person, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

Undistributed dividend to be transferred to special account with a Scheduled Bank.

209. (a) Where the dividend has been declared but not paid but the warrant in respect thereof has not been posted, within 42 days from the date of the declaration to any share holder entitled to the payment thereof, the company shall within 7 days from the date of expiry of the said period of 42 days transfer the total amount of dividend which remains unpaid in relation to which no dividend has been posted within said period of 42 days to a special account to be opened by the Company in that behalf in any Scheduled Bank, to be called unpaid 'dividend' account of the company.
- (b) Any money transferred to the unpaid dividend account of the Company in pursuance to Clause 209(a)of the Articles of Association which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 205C of the Companies Act, 1956.”
- (c) The Company shall when making any transfer under Clause (b) hereof to the Fund established under section 205C of the Companies Act, 1956, any unpaid or unclaimed dividend furnish to such authority or committee as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereof and such other particulars as may be prescribed.

Dividend and call together.

210. Any General Meeting declaring a dividend may, on the recommendations of the Directors make a call on the members of such amount as the meeting fixed but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the members be set off against the call.

No interest on dividends.

211. No unpaid dividend shall bear interest as against the Company.

CAPITALISATION**Capitalisation of undistributed profits etc.**

212. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undistributed profits of the company standing to the credit of the Reserve fund, or to 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 and 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 proportions on the footing they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or partly in one way and partly in the other, and that such distribution or payment shall be accepted by such Members in full satisfaction of their interest in the said capitalised sum.
- (2) A 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 Member on the footing that they receive the same as capital.

- (3) The Board shall give effect to the resolution passed as aforesaid and for that Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trust for the person entitled to the dividend or capitalised funds as may seem expedient to the Board. where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such contract on behalf of persons entitled to dividend or capitalised fund, and such appointment shall be effective.

Fractional certificates.

213. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :
- (a) make all appropriations of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power :
- (a) to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; 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 to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding clause of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

ACCOUNTS

Directions to keep true Accounts.

214. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper books of account in accordance with Section 209 of the Act with respect to
- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place :
 - (b) the assets and liabilities of the Company -
 - (c) all sales and purchases or goods by the Company.
- (2) The books of accounts shall be kept at the office or at such other place or places as the Board thinks fit and shall be open to inspection by any Director during business hours.
- (3) The Company shall preserve in good order the books of account relating to period of not less than eight years preceding the current year together with the voucher relevant to entries in such books of account.
- (4) When the Company has a branch office, Whether in or outside India, the company shall be deemed to have complied with this Article if proper books of account relating to the transaction effected at the branch office are kept at the branch office and proper summarised returns. made up-to dates at intervals of not more than three months are sent by the branch office to the Company at its Registered Office or other place in India, at which the company's books of accounts are kept as aforesaid.

Inspection of Accounts or Books by Members.

215. (1) The Board of Directors shall from time to time determine whether and to what extent and at what times and place 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 and no Member not being a Director, shall have and right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors.

Balance Sheet and Auditor's Report.

216. (1) The profit and Loss Account and Balance Sheet shall be signed by two Directors and by the General Manager or Manager or Secretary or Chief Accountant, if any, of the company, provided that if there is only one Director present in India at the or that the other Directors are not available for any reason, the Profit and Loss Account and Balance Sheet shall be signed by such Director but in such a case there shall sub-jointed to the Profit and Loss Account and Balance Sheet a statement signed by such Director explaining the reason for noncompliance with the aforesaid provision requiring the signature of two Directors.
- (2) The Profit and Loss Account and Balance Sheet shall be audited by the Auditor and the Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto and such Report shall be read before the Company in General Meeting and shall be open to inspection by any Member.

AUDIT

Accounts to be audited.

217. Every Balance Sheet and Profit & Loss Account shall be audited by one or more auditor (s) to be appointed as hereinafter mentioned.

First Auditors to be appointed by the Board.

218. (1) The first Auditor or Auditors of the Company shall be appointed by the Board of Director within one month of the date of registration of the Company; and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

Appointment of Auditors.

219. (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 seven days of the appointment give intimation thereof to every Auditor so appointed, unless he is retiring Auditor.

Qualifications and Disqualifications of Auditors.

220. The qualifications and disqualifications of Auditors shall be those contained in Section 226 of the Act.

Auditors to receive notice of certain meetings.

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 also be forwarded to the Auditor or Auditors of the Company; and the auditor or Auditors of the Company, shall be entitled to attend any General Meeting and to be heard at any General Meeting which he or they attend on any part of the business which concerns him or them as Auditor or Auditors.

Accounts when Audited and approved to be conclusive except as to errors discovered within three months.

222. Every Account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the Account shall forthwith be corrected, and henceforth shall be conclusive, subject to the approval of the Company in General Meeting.

DOCUMENTS AND NOTICES

Service of document or notices on members by the Company.

223. A document or 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 or if he has no registered address in India, to the address if any within India supplied by him to the Company for serving document or notice on him.

Service by post

224. Where a document or notice is sent by post :
- (a) service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or 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 acknowledgment 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 in the manner intimated by the member :

- (b) such service shall be deemed to have been effected :
 - (i) In the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted and
 - (ii) In any other case at the time at which the letter would be delivered in the ordinary course of post :

Service by advertisement.

225. A document or 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 had no registered address in India and has not supplied to the company an address within India for serving of documents or the sending or notices to him.

Service on joint holders.

226. A document or notice may be served by the Company on or to the joint-holders of a share by serving it on or to the joint-holder named first in the Register in respect of the share.

Service on Official Receiver or liquidators and person entitled to a share consequent on the death etc. of member.

227. A document or notice may be served by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter, addressed to them by name or by title or 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 person to be so entitled, or until such an address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

Signing of documents and notices to be served or given by company.

228. Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.

To whom the documents or notices must be served or given.

229. Document or notices of every General Meeting shall be served or given in the same manner herein before authorised on or to every member, every person entitled to a share in consequence of the death or insolvency of a member and the Auditor or Auditors for the time being of the company.

PROVIDED THAT When the notice of the meeting is given by advertising the same in newspaper circulating in the neighbourhood of the office of the Company, pursuant to Article 232 a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members bound by documents or notices served on or given to previous holders.

230. Every person who by operation of law, transfer or by other means whatsoever, becomes entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derived his title to such share.

Service of documents on Company.

231. A document may be served on the Company or an officer thereof by sending it to the company or Officer at the Registered Office or by leaving it at its Registered Office.

Service of documents by Company on the Registrar of Companies.

232. A document may be served on the Registrar of Companies by sending it to him at his office by ordinary post or by under a Certificate of posting or by Registered Post or by delivering it to or leaving it for him in his office.

Authentication of documents and proceedings.

233. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager or Secretary or other authorised officer of the company and need not be under the common seal of the company.

Power of promoter to give directives and of chairman to reserve important

Decisions for promoter

Power of promoter to give directives.

234. Notwithstanding anything contained in any of these Articles, so long as the Promoter holds not less than 51% of the subscribed capital of the Company the Promoter may from time to time, issue to the Directors such directives as it may consider necessary in regard to the conduct of the business of the Company, and in like manner may vary and annul any such directive. The Directors shall give immediate effect to the directives so issued.

Chairman to reserve certain important decisions for consideration of Promoter.

235. The Chairman shall reserve for the approval of the Promoter any proposals to or decisions of the Board of Directors in respect of any matter which in the opinion of the Chairman should be reserved for such approval on the ground that they are likely to affect the Promoter as the majority share holder in the Company.

No action shall be taken by the Company in respect of any proposals or decisions of the Board of Directors reserved for the approval of the Promoter as aforesaid until its approval for the same has been obtained.

WINDING UP

Distribution of assets.

236. If the Company shall be wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. If in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding-up, paid-up or which ought to have been paid-up on the shares by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions and preference shares-holders shall have prior rights to re-payment of capital and dividend due.

Distribution of assets in specie.

237. If the company shall be wound up whether voluntarily or otherwise the Liquidators, may, with the sanction of special resolution, divide among the contributories, in special or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the Liquidators, with the like sanction, shall think fit.

SECRECY

238. Every Director, Manager, Secretary, Trustee for the Company its members or debentures holders members of a Committee, officer, servant, agent, accountant other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required so do by the Board or by any General Meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions of these Articles contained.

No member to enter the premises of the Company without permission.

239. No shareholder or person (not being a Director) shall be entitled to enter upon the premises of the company or to inspect or examine the Company's premises or properties without the permission of the Board require discovery of or any information, respecting any detail of the trading of the company or any matter which is or may be in the nature of a trade secret mystery of trade, or secret process, or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the Company to communicate.

INDEMNITY

Indemnity of Directors and others.

240. (1) Save and except so far as the provision of this Article shall be avoided by Section 201 of the Act the Board of Directors, Managing Director, Managers, Secretary and other officers or other employee for the time being of the Company, Auditor and the trustees, if any for the time being acting in relation to any of the affairs of the Company, and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the company from and against all actions, costs charges, losses, damages and expenses which they or any of them or any of their executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such, if any as they shall incur or sustain through or by their own wilful neglect or default respectively.
- (2) Save as except so far as the provisions of this Article shall be avoided by Section 201 of the Act none of them shall be answerable for the acts, receipts, neglects or defaults or the other or others of them or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the company shall be placed out or invested or for any other loss, misfortune or damaged which may happen in the execution of their respective offices or trusts or in relation thereto, except when the same shall happen by or through their own willful neglect or default respectively.

We, the several persons, whose names and addresses are subscribed, hereunder are desirous of being formed into a Limited Company in pursuance of this 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.

S. No.	Name and Signature of each subscriber	Occupation, Address description of each Subscriber	No. of equity Share taken by each subscriber (in words and figure)	Name Signature address, occupation and description of the witnesses
1.	Mrigendra kumar Chaturvedi S/o Shri Bhajalal Chaturvedi For and on behalf of M.P. State Industries Corporation Ltd. Bhopal	Chairman and Managing Director, M.P. State Industrial Corporation Ltd., Feroz Cottage, Old Secretariat Road, Bhopal (M.P.)	(1) One	R.K. Dube Jt. Registrar Agriculture University Jabalpur (Camp. Bhopal)
2.	Kuldeep Shankar Bhatnagar S/o Shri Hari Shankar Bhatnagar,	Personnal-cum-Industrial Relation Officer, M.P. State Industrial Corporation Ltd., Bhopal (M.P.) E-1/42, Arera Colony, Bhopal (M.P.)	(1) One	
3.	Lal Chand Kothari S/o Shri Nemi Chand Kothari	Senior General Manager, M.P. State Industries Corporation Ltd., Bhopal (M.P.) E-1/39, Arera Colony, Bhopal (M.P.)	(1) One	
4.	G. Narayana Swamy, S/o Shri Gopalakrishna Iyer,	Chartered Accountant, 115, Mowbrays Road, Madras - 16 (Tamil Nadu)	(1) One	
5.	Odayamadath Padmanabhan Nambiar, S/o Shri T.V.P. Nambiar Chemical Construction Company (P) Ltd. 29, Ring Road, New Delhi - 24	Director, Chemical Construction Company (P) Ltd. 29, Ring Road, New Delhi - 24	(1) One	
6.	Machingal Gopala Krishna Menon S/o Shri T.K. Raman Nair	Journalist, E-189/1, Professors Colony Bhopal - 462 002 (M.P.)	(1) One	
7.	Venkataraman Ranganathan S/o Shri G. Venkataraman	Insuctrial Consultant, C-198, Defence Colony, New Delhi - 24	(1) One	
8.	Shive Prasad Markam S/o Shri Dhasol Markam	Secretary & Chief Administrative Officer, M.P.S.I.C. Bhopal (M.P.)	(1) One	

Total (8)
Eight

Date : 9-2-1976

Authorised Representative and Subscriber.

HIGH COURT, BOMBAY
IN THE HIGH COURT, OF JUDICATURE AT BOMBAY
O.O.C.J.

COMPANY PETITION No. 204 of 2006.
CONNECTED WITH
COMPANY APPLICATION No. 727 of 2005.

In the Matter of Composite Scheme of Arrangement and Amalgamation of Anik Industries Pvt. Ltd. and General Foods Ltd. and General Foods Ltd. and Madhya Pradesh Glychem Industries Ltd. and Ruchi Health Foods Ltd. and Ruchi Pvt. Ltd. and Nutrela Marketing Pvt. Ltd. and Ruchi Soya Industries Ltd. and their respective shareholders.

ANIK INDUSTRIES PVT. LTD.	-	Petitioner Company
With CP No. 205/2006 CA No. 728/2005		
General Foods Limited	-	Petitioner
With CP No. 206/2006 CA No. 836/2005		
Madhya Pradesh Glychem Industries Ltd.	-	Petitioner
With CP No. 207/2006 CA No. 729/2005		
Ruchi Health Foods Ltd.	-	Petitioner
With CP No. 208/2006 CA No. 730/2005		
Ruchi Pvt. Ltd.	-	Petitioner
With CP No. 209/2006 CA No. 731/2005		

HIGH COURT, BOMBAY

Nutrela Marketing Pvt. Ltd. - Petitioner

With

CP No. 210/2006

CA No. 837/2005

Ruchi Soya Industries Ltd. - Petitioner

Versus.

M/s. Nutricia (India) Pvt. Ltd. - Objector

Mr. D. Khambhata with Rajesh Shah for Petitioners.

Mr. C. J. Joy for Regional Director

Mr. Sanjay Udeshi i/b. Sanjay Udeshi & Co. for Objector.

CORAM : S. C. DHARMADHIKARI, J.

DATE : 30th June, 2006

P.C.

- 1] At the out set, Mr. Udeshi, learned Counsel appearing for one of the unsecured Creditors states that there is an objection to the scheme because this unsecured Creditor had supplied to the petitioners certain machineries upon payment of monthly lease rental. There is default committed in paying the same and, therefore, matter was referred to Arbitration of a Retired Judge of Delhi High Court. The Arbitrator has made an Award and apart from directing payment of monetary sums has also issued a direction to the petitioners to hand over the machineries. A copy of the Award is placed on record by Shri Udeshi. Mr. Khambata, Sr. Counsel, appearing for the petitioners invites my attention to a letter which is addressed by the petitioner to the Company - M/s. Nutricia (India) Pvt. Ltd. (the objector, herein) forwarding therewith demand draft and also stating clearly that the petitioners would comply with the Award inasmuch as the objector should come and take back the machineries from the site. Mr. Khambata after taking instructions makes a further statement that the machineries are available at the site and the objector can collect the same as stated in this letter.
- 2] In the light of this statement of Shri Khambata and the letter addressed by the Company to objector on 22nd June, 2006 the objection of Mr. Udeshi to the sanction of the scheme does not survive.
- 3] This is a scheme of amalgamation and various businesses of the petitioners are sought to be reorganized for better and efficient management and smooth operation.
- 4] A copy of the scheme has been annexed to the petition and its salient features are set out in the petition.
- 5] All details including with regard to latest financial position have been set out. Necessary declarations have been given and compliance with the statutory provisions with regard to sanction are made.
- 6] The Regional Director has filed an affidavit in which the objection raised is that the scheme envisages that certain businesses (other than dairy businesses) of one of the petitioners are going to be sold for cash consideration of Rs. 80.57 crores. According to the Regional Director such a case is not envisaged by Sections 391 to 394 and the case falls under Section 293 of the Companies Act.

- 7] In my view, the scheme which is for organizing and re-organizing the business and clearly falling within the Section 391 would involve save and except all but one of the businesses. The Board of Directors are empowered under the Companies Act to take a decision of sale of assets save and except after seeking sanction of the general body of shareholders. It is not the Regional Director's case that a scheme framed under Section 391 of the Companies Act cannot in all cases cover sale or disposal of businesses of Transferor Company. On the other hand, he places reliance upon Section 293 to urge that it is only this provision which would permit such a course of action whenever a scheme of compromise or arrangement with the persons envisaged by Section 391 is placed for sanction of the Court and the Court having directed in this case convening of the meeting of the shareholders of the Madhya Pradesh Glychem Industries Ltd. (one of the petitioner-transferor) and they having approved the scheme, in my view, this objection need not be examined in further details. The Company has gone to its shareholders and may be with the sanctioned scheme but it is under the orders and directions of this Court that the meeting was convened. Therefore, I donot find any merit in this objection. The larger Issue as to whether such a step on the part of the Transferor Company is covered by Section 391 or not, need not be examined in the facts and circumstances of the case.
- 8] As far as change of name, the Company would comply with the provisions in the Companies Act in that behalf is the statement made by Mr. Khambata on instructions. Therefore, that objection also does not survive. The last objection pertains to increase in the authorised capital and Mr. Khambata after taking instructions makes a statement that due compliance with the provisions of Sections 94 to 97 in respect of the filing necessary forms would be made.
- 9] The Official Liquidator has also filed his report and relied upon the observations of the Chartered Accountants. It is pointed out that the books of account and other relevant records have been duly scrutinized. The accounts for the past five years have also been looked into. The explanation given for writing off the Bad Debts has also been found to be satisfactory.
- 10] The affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to public interest is the conclusion of the Chartered Accountants.
- 11] In the above circumstances, all company petitions deserve to succeed. Company petition No. 204 of 2006 is made absolute in terms of prayer clause (a) to (l), Company Petition No. 205 of 2006 is made absolute in terms of prayer clause (a) to (t), Company Petition No. 206 of 2006 is made absolute in terms of prayer clause (a) to (t), Company Petition No. 207 of 2006 is made absolute in terms of prayer clause (a) to (m), Company, Petition No. 208 of 2006 is made absolute in terms of prayer clause (a) to (u), Company Petition No. 209 of 2006 is made absolute in terms of prayer clause (a) to (l) and Company Petition No. 210 of 2006 is made absolute in terms of prayer clause (a) to (u), subject to payment of costs to Regional Director and Official Liquidator quantified at Rs. 2,500/- each in a respective petitions.
- 12] All concerned parties including Registrar of Companies to act on the ordinary copy of the order and scheme annexed to the petition authenticated by the Company Registrar, High Court, Bombay.

[S.C. DHARMADHIKARI, J.]

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION
OF
ANIK INDUSTRIES PRIVATE LIMITED
AND
GENERAL FOODS LIMITED
AND
MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED
AND
RUCHI HEALTH FOODS LIMITED
AND
RUCHI PRIVATE LIMITED
AND
NUTRELA MARKETING PRIVATE LIMITED
AND
RUCHI SOYA INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

1. The objective of this Composite Scheme of Arrangement and Amalgamation ('the Scheme') is to reorganize the business operations of the Ruchi Group companies to ensure that the operations are streamlined / merged into different companies in the manner laid down in this Scheme.
2. The Scheme is divided into following parts:
 - (a) Part A deals with the Introduction and Definitions;
 - (b) Part B deals with demerger of Leasing Business of Ruchi Private Limited into Nutrela Marketing Private Limited
 - (c) Part C deals with the sale of Soya Processing, Vegetable Oils and Fats and Food Businesses (other than dairy business) ('SVF') of Madhya Pradesh Glychem Industries Limited to Ruchi Soya Industries Limited;
 - (d) Part D deals with merger of Anik Industries Private Limited with Madhya Pradesh Glychem Industries Limited
 - (e) Part E deals with merger of General Foods Limited, Ruchi Health Foods Limited and Ruchi Private Limited with Ruchi Soya Industries Limited
 - (f) Part F deals with the General Terms and Conditions.
3. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PART A - INTRODUCTION AND DEFINITIONS

4. **Definitions**
- 4.1 **"Act" or "the Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 4.2 **"Anik"** means Anik Industries Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 610, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
- 4.3 **"Appointed Date"** means the 1st day of April 2005 or such other date as may be approved by the Bombay High Court.
- 4.4 **"Effective Date"** means the date on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- 4.5 **"GFL"** means General Foods Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Kapadia Chamber, 1st Floor, 51, Broach Street, Masjid Bunder, Mumbai - 400 009.

- 4.6 **“High Court”** means the High Court of Judicature at Bombay or such other High Court having jurisdiction in the matter.
- 4.7 **“Leasing Business”** means the leasing business of RPL and includes
- 4.7.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) and liabilities pertaining thereto.
- 4.7.2 Without prejudice to the generality of the provisions of sub-clause 4.7.1 above, the Leasing Business shall include in particular:
- (i) All property of or required for the above business wherever situated, including all current assets, funds, capital work in progress, furniture, fixtures, office equipment, appliances, accessories;
 - (ii) All permits, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Leasing Business;
 - (iii) All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Leasing Business; and
 - (iv) Debts, duties, obligations, and liabilities (including contingent liabilities) relating to the Leasing Business.
- For the purpose of this Scheme, it is clarified that liabilities pertaining to the Leasing Business include:
- (a) The liabilities, which arise out of the activities or operations of the Leasing Business.
 - (b) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Leasing Business.
 - (c) Liabilities other than those referred to in sub-clauses (a) and (b) above, being the amounts of general or multipurpose borrowings of RPL, allocated to the Leasing Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of RPL immediately before giving effect to this Scheme.
- 4.7.3 All permanent employees of the Leasing Business, as identified by the Board of Directors of RPL, as on the Effective Date.
- 4.7.4 The Leasing Business would include all assets and liabilities other than those specified in sub-clause 4.12
- 4.7.5 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Leasing Business or whether it arises out of the activities or operations of the Leasing Business shall be decided by mutual agreement between the Board of Directors of RPL and NMPL.
- 4.8 **“NMPL”** means Nutrela Marketing Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Giriraj Building, Office no. 15, Sant Tukaram Road, Masjid Bunder, Mumbai 400 009.
- 4.9 **“MPGIL”** means Madhya Pradesh Glychem Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 610, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
- 4.10 **“Preference Shares”** means cumulative redeemable preference shares of Rs. 100 each to be issued and allotted by NMPL under this Scheme, the terms of which are specified in Schedule – 1 hereto.
- 4.11 **“Residual MPGIL”** means all the businesses of MPGIL remaining with MPGIL after sale of business pursuant to Clause 16 of the Scheme.
- 4.12 **“Residual RPL”** means all the businesses of RPL remaining with RPL after demerger of Leasing Business pursuant to Clause 7 of the Scheme.

- 4.13 **“RHFL”** means Ruchi Health Foods Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 408, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
- 4.14 **“RPL”** means Ruchi Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 408, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
- 4.15 **“RSIL”** means Ruchi Soya Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 408, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
- 4.16 **“Record Date”** means the date to be fixed by the Board of Directors of RSIL, MPGIL and NMPL in consultation with the Board of Directors of Anik, GFL, RHFL and RPL for the purposes of issue and allotment of equity shares of RSIL, MPGIL and NMPL to the shareholders of Anik, GFL, RHFL and RPL under the Scheme
- 4.17 **“SVF Business”** means the Soya Processing, Vegetable Oils and Fats and Food Businesses (other than dairy business) of MPGIL and including but not limited to:
- 4.17.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, present, future or contingent) and liabilities of MPGIL pertaining to the SVF Business.
- 4.17.2 Without prejudice to the generality of the provisions of Sub-Clause 4.17.1 above, the SVF Business shall include the whole of the undertaking of the SVF Business of MPGIL, as a going concern, including in particular:
- (a) all property required for the SVF Business wherever situated, including overseas locations, whether movable or immovable, tangible or intangible, including all current assets, funds, plant and machinery, buildings, offices (including marketing offices and liaison offices), raw materials, capital work in progress, finished goods, goods-in-transit, furniture, fixtures, office equipment, appliances, accessories and vehicles & aircraft; and
 - (b) all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential) whether under agreements or otherwise, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office and/or residential properties for the employees, bank accounts, privileges, all other rights including sales tax deferral and exemptions and other benefits, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements including insurance contracts and all other interests in connection with or relating to the SVF Business of MPGIL.
 - (c) all brands, trademarks, patents, copyrights, logos, designs, drawings, technical know-how and other intellectual property rights, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to fixed assets, provisions, leases, hire purchase and lease arrangements, computers, softwares, office equipments, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, advances, receivables, cash, bank balances, accounts and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favor of or enjoyed by MPGIL in connection with or pertaining or relatable to the SVF Business of MPGIL and all earnest money and/or deposits including security deposits paid by MPGIL in connection with or relating to the SVF Business
 - (d) all records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the SVF Business of MPGIL.
 - (e) all debts, liabilities, contingent liabilities, duties, obligations and provisions including current liabilities and provisions relatable to the SVF Business of MPGIL on the Appointed Date.
- 4.17.3 All employees of MPGIL relating to the SVF Business, as identified by the Board of Directors of MPGIL, as on the Effective Date.
- 4.17.4 Any question that may arise as to whether a specified asset or liability and/ or employee pertains or does not pertain to the SVF Business or whether it arises out of the activities or operations of the SVF Business shall be decided by mutual agreement between the Board of Directors of MPGIL and RSIL.

- 4.18 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement and Amalgamation in its present form as submitted to the Hon’ble High Court or this Scheme with such modification(s), if any made, as per Clause 48 of the Scheme.
- 4.19 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.
- 4.20 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

5 **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Courts of Judicature of Bombay or made as per Clause 48 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

6 **SHARE CAPITAL**

- 6.1 The share capital of Anik as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
7,20,00,000 Equity Shares of Rs 10 each	72,00,00,000
Total	72,00,00,000
Issued, Subscribed and Paid-up	
6,64,29,560 Equity Shares of Rs 10 each fully paid-up	66,42,95,600
	66,42,95,600

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of Anik.

- 6.2 The share capital of GFL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
1,00,00,000 Equity Shares of Rs 10 each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up	
33,55,000 Equity Shares of Rs 10 each fully paid-up	3,35,50,000
Total	3,35,50,000

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of GFL.

6.3 The share capital of MPGIL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
2,50,00,000 Equity Shares of Rs 10 each	25,00,00,000
25,00,000 Redeemable Cumulative Preference Shares of Rs. 100 each	25,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up	
2,11,10,530 Equity Shares of Rs 10 each fully paid-up	21,11,05,300
Total	21,11,05,300

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of MPGIL.

6.4 The share capital of RHFL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
1,50,00,000 Equity Shares of Rs. 10 each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
1,41,66,667 Equity Shares of Rs. 10 each	14,16,66,670
Total	14,16,66,670

Of the above, 76,62,426 equity shares is held by the holding company i.e RSIL. Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of RHFL.

6.5 The share capital of RPL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
1,00,000 Equity Shares of Rs. 100 each	1,00,00,000

Total	1,00,00,000
Issued, Subscribed and Paid-up	
15,972 Equity Shares of Rs. 100 each	15,97,200
Total	15,97,200

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of RPL.

6.6 The share capital of NMPL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
10,000 Equity Shares of Rs 10 each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs 10 each	1,00,000
Total	1,00,000

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of NMPL.

6.7 The share capital of RSIL as at March 31, 2005 is as under:

	Amount in Rupees
Authorised Capital	
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
65,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each	65,00,00,000
Total	90,00,00,000
Issued, Subscribed and Paid-up	
2,10,51,905 Equity Shares of Rs. 10 each	21,05,19,050
Less: Calls unpaid	62,000
	21,04,57,050

45,24,285 4% Cumulative Redeemable Preference Shares of Rs. 100 each	45,24,28,500
Total	66,28,85,550

Subsequent to the balance sheet date, there has been no change in the issued, subscribed and paid-up capital of RSIL.

PART B - DEMERGER OF LEASING BUSINESS OF RPL INTO NMPL

7 TRANSFER AND VESTING OF LEASING BUSINESS

The Leasing Business of RPL, as defined in Clause 4.7, shall stand transferred to and vested in or deemed to be transferred to and vested in NMPL, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

- 7.1 With effect from the Appointed Date, the Leasing Business, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in NMPL, so as to vest in NMPL all the rights, title and interest pertaining to the Leasing Business.
- 7.2 With effect from the Appointed Date, the liabilities of RPL relating to the Leasing Business shall, without any further act or deed be and stand transferred to NMPL so as to become as from the Appointed Date, the liabilities of NMPL 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 liabilities have arisen in order to give effect to the provisions of this sub-clause. After the Effective Date, NMPL undertakes to meet, discharge and satisfy the said liabilities to the exclusion of RPL and to keep RPL indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.
- 7.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by RPL required to carry on operations in the Leasing Business shall stand vested in or transferred to NMPL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of NMPL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to NMPL pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by RPL relating to the Leasing Business, are concerned, the same shall vest with and be available to NMPL on the same terms and conditions.

8 ISSUE OF SHARES

- 8.1 Upon this Scheme becoming operative and upon vesting of the Leasing Business of RPL in NMPL in terms of this Scheme, NMPL shall without any further application or deed, issue and allot Preference Shares, credited as fully paid-up, to the extent indicated below, to the members of RPL, holding fully paid up equity shares in RPL and whose name appears in the Register of members of RPL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognised by the Board of Directors of NMPL in the following proportion, viz:
- “1 (One) fully paid up Preference Share of Rs. 100 each of NMPL shall be issued and allotted for every 1 (One) equity share of Rs. 100 each held in RPL
- 8.2 NMPL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Preference Shares to the members of RPL under the Scheme.
- 8.3 The Preference Shares of NMPL will be issued in physical form to all the equity shareholders who hold shares of RPL. One certificate shall be issued by NMPL to every such member of RPL in respect of all the Equity Shares allotted by NMPL.
- 8.4 The said Preference Shares in NMPL to be issued to the members of RPL shall be subject to the Scheme and the Memorandum and Articles of Association of NMPL.

9 ACCOUNTING TREATMENT IN THE BOOKS OF NMPL

- 9.1 NMPL shall, upon the arrangement becoming effective, record the assets and liabilities of the Leasing Business of RPL vested in it pursuant to this Scheme, at the respective book values, as appearing in the books of RPL at the close of business of the day immediately preceding the Appointed Date.

9.2 NMPL shall credit to the Share Capital Account in its books of account, the aggregate face value of the Preference Shares of NMPL issued and allotted by it to the equity shareholders of RPL pursuant to this Scheme.

9.3 The difference between the book value of net assets of Leasing Business of RPL and the face value of Preference Shares allotted shall be credited by NMPL to the General Reserve Account or debited to the Goodwill Account, as the case may be.

10 CONDUCT OF BUSINESS BY RPL TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

10.1 RPL shall be deemed to have been carrying on and shall carry on its business and activities of Leasing Business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets pertaining to the Leasing Business, for and on account of and in trust for NMPL. RPL hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.2 RPL shall carry on the business and activities of Leasing Business with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of NMPL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off its Leasing Business or part thereof.

10.3 All the profits or income accruing or arising to RPL or expenditure or losses arising or incurred or suffered by RPL pertaining to the Leasing Business shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of NMPL.

10.4 RPL shall not vary the terms and conditions of employment of any of the employees engaged in and for the Leasing Business except in the ordinary course of business or without the prior consent of NMPL or pursuant to any pre-existing obligation undertaken by RPL as the case may be, prior to the Appointed Date.

10.5 RPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which NMPL may require to own and operate the Leasing Business.

11 PROFITS, DIVIDEND, BONUS/RIGHT SHARES

11.1 RPL shall not utilize profits, if any, of the Leasing Business for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. RPL shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Leasing Business after the Appointed Date.

11.2 Until the Effective Date, RPL shall not issue or allot any further equity shares either rights or bonus or otherwise.

12 EMPLOYEES OF LEASING BUSINESS

12.1 On the Scheme becoming effective all the employees of RPL in respect of the Leasing Business, as may be identified by the Board of Directors of RPL shall become the employees of NMPL, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. NMPL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with RPL in respect of the Leasing Business, shall also be taken into account.

12.2 The accounts / funds of the employees whose services are transferred under Clause 12.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts / Funds of NMPL and such employees shall be deemed to have become members of such Trusts / Funds of NMPL in respect of the Leasing Business of RPL.

13 LEGAL PROCEEDINGS

13.1 All legal proceedings of whatsoever nature by or against RPL in respect of the Leasing Business pending on and/or arising after at the Appointed Date, as and from the Effective Date shall not abate or be continued or be in any way prejudicially affected by reason of the Scheme of Arrangement or by anything contained in this Scheme but shall be continued and enforced by or against NMPL in the manner and to the same extent as would or might have been continued and enforced by or against RPL.

13.2 After the Appointed Date, if any, proceedings are taken against RPL in respect of the Leasing Business, it shall prosecute or defend the same, as the case may be, at the cost of NMPL, and NMPL shall reimburse and indemnify RPL against all liabilities and obligations incurred by RPL in respect thereof.

13.3 NMPL undertakes to have all legal or other proceedings initiated by or against RPL referred to in Clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against NMPL to the exclusion of RPL.

14 CONTRACTS, DEEDS, ETC.

14.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature relating to the Leasing Business and to which RPL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of NMPL, as the case may be, and may be enforced by or against NMPL as fully and effectually as if, instead of RPL, NMPL had been a party thereto.

14.2 NMPL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which RPL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. NMPL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of RPL and to implement or carry out all formalities required on the part of RPL to give effect to the provisions of this Scheme.

15 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 7 above and the continuance of proceedings by or against RPL under Clause 13 above shall not affect any transaction or proceedings already concluded by RPL on or after the Appointed Date till the Effective Date, to the end and intent that NMPL accepts and adopts all acts, deeds and things done and executed by RPL in respect thereto as done and executed on behalf of NMPL.

PART C - SALE OF SVF BUSINESS OF MPGIL TO RSIL

16 SALE OF SVF BUSINESS

The SVF Business of MPGIL, as defined in Clause 4.17 shall be sold on a 'Slump Sale' basis to RSIL, as a going concern, and in the following manner:

16.1 With effect from the Appointed Date, the whole of the undertaking and properties, as aforesaid, of the SVF Business, shall, under the provisions of Sections 391 to 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 deemed to be transferred to and vested in RSIL so as to vest in RSIL all the rights, title and interest of MPGIL therein, save and except the movable assets of the SVF Business, which will be transferred in the manner provided in 16.2 below.

16.2 All the moveable assets, including cash in hand, if any, of MPGIL pertaining or relating to the SVF Business, 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 RSIL to the end and intent that the property therein passes to RSIL, 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 MPGIL and the Board of Directors of RSIL.

16.3 In respect of movables other than those specified in sub-clause 16.2 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, customers and other persons, the following modus operandi shall, to the extent possible, be followed:

16.3.1 MPGIL shall give notice in such form as it may deem fit and proper to each person, debtor or deposittee that pursuant to the High Courts of Judicature at Bombay having sanctioned the Scheme under Sections 391 to 394 of the Act, the said debt, loan, advance or deposit be paid to or made good to or held on account of RSIL and that the right of MPGIL to recover or realise the same stands extinguished.

16.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of MPGIL relating to the SVF Business including secured and unsecured loans and the current liabilities shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to RSIL so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of RSIL 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 sub-clause.

16.5 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets forming part of the SVF Business.

16.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by MPGIL required to carry on operations

in the SVF Business shall stand vested in or transferred to RSIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of RSIL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to RSIL pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by MPGIL relating to the SVF Business, are concerned, the same shall vest with and be available to RSIL on the same terms and conditions.

16.7 All employees of MPGIL relating to the SVF Business, as identified by the Board of Directors of MPGIL, as on the Effective Date shall be deemed to have become staff, workmen and employees of RSIL without any break in their service.

16.8 RSIL 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 MPGIL in connection with or pertaining or relatable to the SVF Business for all intents and purposes and specifically including but not limited to the track-record and experience of having undertaken, performed and/or executed the business and/or orders by the SVF Business from the commencement of its business.

17 CONSIDERATION

The consideration for the sale of SVF Business would be equal to Rs. 80.57 crores (Rupees eighty crores fifty seven lacs only) to be discharged in cash, in a manner as mutually agreed by Board of Directors of RSIL and MPGIL.

18 ACCOUNTING TREATMENT IN THE BOOKS OF RSIL

18.1 RSIL shall record the liabilities of the SVF Business of MPGIL at their fair values as on the Appointed Date.

18.2 The aggregate of the consideration and the liabilities taken over as above being the cost to RSIL of the assets of the SVF Business will be apportioned as set out herein to the various assets of the SVF Business

18.3 As far as the current assets of SVF Business are concerned, the same will be apportioned on the basis of their book values, after making necessary adjustments, if any to take into account the realisable values.

18.4 As far as the fixed assets of the SVF Business are concerned the apportionment would be made on the basis of the respective fair values thereof, at the close of business of the Appointed Date, as certified by a reputed valuer appointed by MPGIL.

18.5 The balance amount, if any would be recorded as goodwill.

19 ACCOUNTING TREATMENT IN THE BOOKS OF MPGIL

The excess of the consideration as mentioned Clause 17 above over the book value of net assets (assets less liabilities) of the SVF Business, shall, in case of surplus, be credited to the General Reserve Account. In case of any shortfall the same shall be debited to Profit and Loss Account.

20 BUSINESS AND PROPERTY IN TRUST FOR RSIL

20.1 During the period between the Appointed Date and the Effective Date:

20.1.1 MPGIL shall carry on and deemed to have carried on its business and activities in relation to the SVF Business and shall stand possessed of all assets and properties of the SVF Business as defined in Clause 4.17, in trust for RSIL and shall account for the same to RSIL.

20.1.2 Any income or profit accruing or arising to MPGIL in relation to the SVF Business and all costs, charges, expenses and losses incurred by MPGIL in relation to the SVF Business shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of RSIL.

20.1.3 MPGIL shall not utilize the profits or income, if any, relating to the SVF Business for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of RSIL.

20.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the SVF Business of MPGIL as on the Appointed Date whether or not provided in the books of MPGIL and all other liabilities relating to the SVF Business which arises or accrues on or after the Appointed Date but which relates to the period on or upto the Appointed Date shall be deemed to be the debt, liabilities, duties and obligations of RSIL.

20.3 MPGIL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary

under any law for such consents, approvals and sanctions which RSIL may require to carry on the business of the SVF Business of MPGIL.

21. CONDUCT OF BUSINESS

- 21.1 As and from the date of acceptance of this Scheme by the Board of Directors of MPGIL and the Board of Directors of RSIL and till the Effective Date:
 - 21.1.1 MPGIL shall carry on the business of the SVF Business with reasonable diligence and in the same manner as it had been doing hithertofore.
 - 21.1.2 MPGIL shall not, without the written concurrence of Board of RSIL, alienate, charge or encumber any of its properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of MPGIL and RSIL.
 - 21.1.3 MPGIL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the said SVF Business.
- 21.2 With effect from the Effective Date, RSIL shall commence and carry on and shall be authorized to carry on the businesses carried on by the SVF Business of MPGIL.

22. STAFF, WORKMEN & EMPLOYEES

- 22.1 On the Scheme becoming operative, all employees of MPGIL relating to the SVF Business, as identified by the Board of Directors of MPGIL, as on the Effective Date shall be deemed to have become staff, workmen and employees of RSIL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with RSIL shall not be less favorable than those applicable to them with reference to MPGIL on the Effective Date.
- 22.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of MPGIL shall become the trusts/funds of RSIL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of MPGIL in relation to such Fund or Funds shall become those of RSIL. It is clarified that the services of the staff, workmen and employees of MPGIL will be treated as having been continuous for the purpose of the said Fund or Funds.

23. LEGAL PROCEEDINGS

- 23.1 All legal proceedings of whatsoever nature by or against MPGIL pending and/or arising at the Appointed Date and relating to the SVF Business of MPGIL as and from the Effective Date shall be continued and enforced by or against RSIL in the manner and to the same extent as would or might have been continued and enforced by or against MPGIL.
- 23.2 After the Appointed Date, if any proceedings are taken against MPGIL in respect of the matters referred to in the sub-clause 23.1 above, it shall defend the same at the cost of RSIL and RSIL shall reimburse and indemnify MPGIL against all liabilities and obligations incurred by MPGIL in respect thereof.
- 23.3 RSIL undertakes to have all legal or other proceedings initiated by or against MPGIL referred to in Clause 23.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against RSIL to the exclusion of MPGIL.

24. CONTRACTS, DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the SVF Business and to which MPGIL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of RSIL, as the case may be, and may be enforced by or against RSIL as fully and effectually as if, instead of MPGIL, RSIL had been a party thereto. RSIL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MPGIL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. RSIL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MPGIL and to implement or carry out all formalities required on the part of MPGIL to give effect to the provisions of this Scheme.

25. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against RSIL shall not affect any transaction or proceedings already concluded by MPGIL on or after the Appointed Date till the Effective Date, to the end and intent that RSIL accepts and adopts all acts, deeds and things done and executed by MPGIL in respect thereto as done and executed on behalf of itself.

26. COSTS

All costs on account of stamp duty shall be borne by RSIL. Any other cost, charges and expenses (including income tax) arising out of or in connection with the sale shall be borne by MPGIL.

PART D – MERGER OF ANIK WITH MPGIL

27. MERGER

27.1 With effect from the opening of the business as on the Appointed Date, the entire business and whole of the undertaking of Anik including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the Bombay High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in MPGIL so as to become the properties and assets of MPGIL.

27.2 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which Anik is party wherein the assets of Anik have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to Anik and vested in MPGIL by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of MPGIL.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of Anik which shall vest in MPGIL by virtue of the Scheme and MPGIL shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise. The transfer / vesting of the assets of Anik as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of MPGIL.

27.3 The liabilities shall also, without any further act, instrument or deed be and transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by MPGIL pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of MPGIL 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

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

27.5 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licences, permissions, approvals or consents to carry on the operations and business of Anik shall stand vested in or transferred to MPGIL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of MPGIL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licences and consents shall vest in and become available to MPGIL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Anik, are concerned, the same shall vest with and be available to MPGIL on the same terms and conditions.

28. ISSUE OF SHARES OF MPGIL

- 28.1 Upon this Scheme becoming operative and upon amalgamation of Anik with MPGIL in terms of this Scheme, MPGIL shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of Anik holding fully paid-up equity shares in Anik and whose names appear in the register of members of Anik, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Anik in the following proportion viz.:
- 1 (One) fully paid up equity share of Rs 10 each of MPGIL shall be issued and allotted for every 10 (Ten) equity shares of Rs 10 each held in Anik.”
- 28.2 In so far as the issue of shares pursuant to sub-clause 28.1 above is concerned, each of the members holding shares in physical form shall have the option, exercisable by notice in writing by them to MPGIL on or before such date as may be determined by the Board of Directors of MPGIL or a committee of such Board of Directors, to receive, either in certificate form or in dematerialized form, the shares of MPGIL in lieu thereof in accordance with the terms hereof. In the event that such notice has not been received by MPGIL in respect of any of the members, the shares of MPGIL shall be issued to such members in certificate form. Those of the members exercising the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that MPGIL shall issue and directly credit the demat/dematerialized securities account of such member with the shares of MPGIL. It is clarified that each of the members holding shares in dematerialized form shall be issued the shares of MPGIL by the National Securities Depository Limited and/or Central Depository Services Limited on the Record Date.
- 28.3 The Equity Shares to be issued to the members of Anik under Clause 28.1 shall be subject to the Memorandum and Articles of Association of MPGIL and shall rank pari passu with the existing equity shares of MPGIL in all respects save and except that the said equity shares shall be eligible for dividend for the period commencing from the Appointed Date.
- 28.4 MPGIL, shall, to the extent required increase its Authorised Share Capital in order to issue Equity Shares under this Scheme.
- 28.5 MPGIL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of Anik under the Scheme.
- 28.6 MPGIL shall apply to the relevant Stock Exchange(s) for listing of its equity shares, which will be allotted in pursuance of this Scheme.
- 28.7 Approval of this Scheme by the shareholders of Anik and MPGIL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by MPGIL to the shareholders of Anik as provided in this Scheme.
- 28.8 The Board of Directors of MPGIL shall consolidate all fractional entitlement(s), if any, arising due to the merger of Anik and allot Equity Shares in lieu thereof to a director or an officer of MPGIL or such other person as the Board of Directors of MPGIL shall appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to MPGIL, the net sale proceeds thereof, whereupon MPGIL shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.
- 29. ACCOUNTING TREATMENT IN THE BOOKS OF MPGIL**
- 29.1 With effect from the Appointed Date, all the assets including investments, and liabilities appearing in the books of accounts of Anik shall stand transferred to and vested in MPGIL pursuant to the Scheme and shall be recorded by MPGIL at their fair values.
- 29.2 MPGIL shall credit to the Share Capital Account in its books of account, the aggregate face value of the Equity Shares of MPGIL issued and allotted under Clause 28.1 of the Scheme by it to the equity shareholders of Anik pursuant to this Scheme
- 29.3 The difference, being the excess of the value of the net assets of Anik transferred to MPGIL pursuant to High Court Order at their fair values over the face value of shares allotted by MPGIL shall be credited to General Reserve Account or debited to Goodwill Account, as the case may be.
- 29.4 In case of any differences in accounting policy between Anik and MPGIL, the accounting policies followed by MPGIL will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve Account mentioned earlier to ensure that the financial statements of MPGIL reflect the financial position on the basis of consistent accounting policy.

30. CONDUCT OF BUSINESS OF ANIK TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 30.1 Anik shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Anik for and on account of and in trust for MPGIL. Anik hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 30.2 Anik shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of MPGIL alienate, charge, mortgage, encumber or otherwise deal with or dispose of Anik or part thereof.
- 30.3 All the profits or income accruing or arising to Anik or expenditure or losses arising or incurred or suffered by Anik pertaining to the business and undertaking of Anik shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of MPGIL.
- 30.4 Anik shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of MPGIL or pursuant to any pre-existing obligation undertaken by Anik as the case may be, prior to the Appointed Date.
- 30.5 Anik shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which MPGIL may require pursuant to this Scheme.

31. EMPLOYEES

- 31.1 On the Scheme becoming effective all the employees of Anik shall become the employees of MPGIL, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. MPGIL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with Anik shall also be taken into account. MPGIL undertakes to continue to abide by the terms of agreement / settlement entered into by Anik with employees' union / employee or associations of Anik.
- 31.2 The accounts / funds of the employees whose services are transferred under Clause 31.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts / Funds of MPGIL and such employees shall be deemed to have become members of such Trusts / Funds of MPGIL.

32. LEGAL PROCEEDINGS

- 32.1 If any suit, appeal or other proceeding of whatever nature by or against Anik is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against MPGIL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Anik as if this Scheme had not been made.
- 32.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Anik, MPGIL shall be made party thereto and any payment and expenses made thereto shall be the liability of MPGIL.

33. CONTRACTS, DEEDS, ETC.

- 33.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Anik to which Anik is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of MPGIL, as the case may be, and may be enforced by or against MPGIL as fully and effectually as if, instead of Anik, MPGIL had been a party thereto.
- 33.2 MPGIL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Anik will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. MPGIL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf Anik and to implement or carry out all formalities required on the part of Anik to give effect to the provisions of this Scheme.

34. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 27 above and the continuance of proceedings by or against Anik under Clause 32 above shall not affect any transaction or proceedings already concluded by Anik on or after the Appointed Date till the Effective Date, to the end and intent that MPGIL accepts and adopts all acts, deeds and things done and executed by Anik in respect thereto as done and executed on behalf of MPGIL.

35. CHANGE OF NAME

With effect from the Effective Date, subject to MPGIL obtaining all necessary regulatory approvals, the name of MPGIL shall stand changed from “Madhya Pradesh Glychem Industries Limited” to “Anik Dairy Industries Limited”, or such other alternate name as may be approved by Registrar of Companies, Maharashtra.

36. DISSOLUTION OF ANIK

On the Scheme becoming effective, Anik shall stand dissolved without being wound-up.

PART E – MERGER OF GFL, RHFL AND RPL WITH RSIL

37. MERGER

37.1 With effect from the Appointed Date, the entire business and whole of the undertakings of GFL, RHFL and RPL including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the Bombay High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in RSIL so as to become the properties and assets of RSIL.

37.2 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which GFL, RHFL and RPL are party wherein the assets of GFL, RHFL and RPL have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to GFL, RHFL and RPL and vested in RSIL by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of RSIL.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of GFL, RHFL and RPL which shall vest in RSIL by virtue of the Scheme and RSIL shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise. The transfer / vesting of the assets of GFL, RHFL and RPL as aforesaid shall be subject to the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of GFL, RHFL and RPL.

37.3 All the moveable assets including cash in hand, if any, of GFL, RHFL and RPL pertaining or relating to the business, 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 RSIL to the end and intent that the property therein passes to RSIL, 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 GFL, RHFL, RPL and RSIL.

37.4 In respect of movables other than those specified in sub-clause 37.3 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, customers and other persons, the following modus operandi shall to the extent possible be followed:

37.4.1 GFL, RHFL and RPL shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Courts of Judicature at Bombay having sanctioned the Scheme under Sections 391 to 394 of the Act, the said debt, loan, advance or deposit be paid to or made good to or held on account of RSIL and that the right of GFL, RHFL and RPL to recover or realise the same stands extinguished.

37.5 The liabilities shall also, without any further act, instrument or deed be and transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by RSIL pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of RSIL 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

37.6 RSIL may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of GFL, RHFL and RPL or in favour of any other party to any contract or arrangement to which GFL, RHFL and RPL are parties or any writings as may be necessary to be executed in order to give formal effect to the above provisions. RSIL shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of GFL, RHFL and RPL and to implement or carry out all

such formalities or compliance referred to above on the part of GFL, RHFL and RPL to be carried out or performed.

- 37.7 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licences, permissions, approvals or consents to carry on the operations and business of GFL, RHFL and RPL shall stand vested in or transferred to RSIL without any further act, instrument or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of RSIL. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licences and consents shall vest in and become available to RSIL pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GFL, RHFL and RPL, are concerned, the same shall vest with and be available to RSIL on the same terms and conditions.

38. ISSUE OF SHARES OF RSIL

- 38.1 Upon this Scheme becoming effective, shares will be issued and allotted to the members of GFL, RHFL and RPL holding fully paid-up equity shares in GFL, RHFL and RPL and whose names appear in the respective Register of members, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion viz.:

“20 (Twenty) fully paid up equity share of Rs 10 each of RSIL shall be issued and allotted for every 33 (Thirty Three) equity shares of Rs 10 each held in GFL

“2 (Two) fully paid up equity share of Rs 10 each of RSIL shall be issued and allotted for every 25 (Twenty Five) equity shares of Rs 10 each held in RHFL

“53 (Fifty Three) fully paid up equity share of Rs 10 each of RSIL shall be issued and allotted for every 2 (Two) equity shares of Rs 10 each held in RPL

- 38.2 In so far as the issue of shares pursuant to sub-clause 38.1 above is concerned, each of the members holding shares in physical form shall have the option, exercisable by notice in writing by them to RSIL on or before such date as may be determined by the Board of Directors of RSIL or a committee of such Board of Directors, to receive, either in certificate form or in dematerialized form, the shares of RSIL in lieu thereof in accordance with the terms hereof. In the event that such notice has not been received by RSIL in respect of any of the members, the shares of RSIL shall be issued to such members in certificate form. Those of the members exercising the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that RSIL shall issue and directly credit the demat/dematerialized securities account of such Member with the shares of RSIL. It is clarified that each of the members holding shares in dematerialized form shall be issued the shares of RSIL by the National Securities Depository Limited and/or Central Depository Services Limited on the Record Date.
- 38.3 The Equity Shares to be issued to the members of GFL, RHFL and RPL under Clause 38.1 shall be subject to the Memorandum and Articles of Association of RSIL and shall rank pari passu with the existing equity shares of RSIL in all respects save and except that the said equity shares shall be eligible for dividend for the period commencing from the Appointed Date.
- 38.4 RSIL shall, if and to the extent required, increase its authorised share capital in order to issue equity shares under the Scheme.
- 38.5 RSIL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of GFL, RHFL and RPL under the Scheme.
- 38.6 RSIL shall apply to the relevant Stock Exchange(s) for listing of its equity shares, which will be allotted in pursuance of this Scheme.
- 38.7 Approval of this Scheme by the shareholders of GFL, RHFL, RPL and RSIL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by RSIL to the shareholders of GFL, RHFL and RPL as provided in this Scheme.
- 38.8 The Board of Directors of RSIL shall consolidate all fractional entitlement(s), if any, arising due to the merger of GFL, RHFL and RPL and allot Equity Shares in lieu thereof to a director or an officer of RSIL or such other person as the Board of Directors of RSIL shall appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to RSIL, the net sale proceeds thereof, whereupon

RSIL shall distribute such net sale proceeds subject to taxes, if any, to the members in proportion to their respective fractional entitlements.

39. TRANSFER OF SHARES TO TRUST

39.1 GFL may, prior to the Effective Date, transfer all the shares of RSIL held by it on such date, to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee, to have and to hold the RSIL shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of GFL and its successor subject to the powers, provisions, discretions, rights and agreement contained in the instrument establishing the aforesaid trust.

39.2 RPL may, prior to the Effective Date, transfer all the shares of RSIL and GFL held by it on such date, to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee, to have and to hold the RSIL and GFL shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of RPL and its successor subject to the powers, provisions, discretions, rights and agreement contained in the instrument establishing the aforesaid trust.

39.3 RSIL may, on the Appointed Date, transfer all the shares of RHFL held by it on such date, to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee, to have and to hold the RHFL shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of RSIL and its successor subject to the powers, provisions, discretions, rights and agreement contained in the instrument establishing the aforesaid trust.

40. ACCOUNTING TREATMENT IN THE BOOKS OF RSIL

40.1 With effect from the Appointed Date, all the assets including investments, and liabilities appearing in the books of accounts of GFL, RHFL and RPL shall stand transferred to and vested in RSIL pursuant to the Scheme and shall be recorded by RSIL at their fair values.

40.2 RSIL shall credit to the Share Capital Account in its books of account, the aggregate face value of the equity shares of RSIL issued and allotted under Clause 38.1 of the Scheme by it to the equity shareholders of GFL, RHFL and RPL pursuant to this Scheme. The difference, being the excess of the value of the net assets of GFL, RHFL and RPL transferred to RSIL pursuant to High Court Order at their fair values over the face value of shares allotted by RSIL, after adjusting any revision, if and to the extent considered appropriate by the Board of Directors of RSIL, in the value of the assets as on April 1, 2005, whether fixed or current, of RSIL shall be credited to the General Reserve Account in case of surplus. In case of deficit, the same would be charged to the Share Premium Account, to the extent available, and thereafter to General Reserve and to the extent required, to the Profit & Loss Account in the books of account of RSIL. The shortfall, if any, shall be debited to Goodwill Account.

The reduction of Share Premium Account, if any, shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the Order of the Bombay High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

40.3 In case of any differences in accounting policy between GFL, RHFL, RPL and RSIL, the accounting policies followed by RSIL will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve Account mentioned earlier to ensure that the financial statements of RSIL reflect the financial position on the basis of consistent accounting policy.

41. CONDUCT OF BUSINESS OF GFL, RHFL AND RPL TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

41.1 GFL, RHFL and RPL shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of GFL, RHFL and RPL for and on account of and in trust for RSIL. GFL, RHFL and RPL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

41.2 GFL, RHFL and RPL shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of RSIL alienate, charge, mortgage, encumber or otherwise deal with or dispose of GFL, RHFL and RPL or part thereof.

41.3 All the profits or income accruing or arising to GFL, RHFL and RPL or expenditure or losses arising or incurred or suffered by GFL, RHFL and RPL pertaining to the business and

undertaking of GFL, RHFL and RPL shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of RSIL.

41.4 GFL, RHFL and RPL shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of RSIL or pursuant to any pre-existing obligation undertaken by GFL, RHFL and RPL as the case may be, prior to the Appointed Date.

41.5 GFL, RHFL and RPL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which RSIL may require pursuant to this Scheme.

42. EMPLOYEES

42.1 On the Scheme becoming effective all the employees of GFL, RHFL and RPL shall become the employees of RSIL, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. RSIL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with GFL, RHFL and RPL shall also be taken into account. RSIL undertakes to continue to abide by the terms of agreement / settlement entered into by GFL, RHFL and RPL with employees' union / employee or associations of GFL, RHFL and RPL.

42.2 The accounts / funds of the employees whose services are transferred under Clause 42.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts / Funds of RSIL and such employees shall be deemed to have become members of such Trusts / Funds of RSIL.

43. LEGAL PROCEEDINGS

43.1 If any suit, appeal or other proceeding of whatever nature by or against GFL, RHFL and RPL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against RSIL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against GFL, RHFL and RPL as if this Scheme had not been made.

43.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against GFL, RHFL and RPL, RSIL shall be made party thereto and any payment and expenses made thereto shall be the liability of RSIL.

44. CONTRACTS, DEEDS, ETC.

44.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to GFL, RHFL and RPL to which GFL, RHFL and RPL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of RSIL, as the case may be, and may be enforced by or against RSIL as fully and effectually as if, instead of GFL, RHFL and RPL, RSIL had been a party thereto.

44.2 RSIL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which GFL, RHFL and RPL, will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. RSIL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of GFL, RHFL and RPL and to implement or carry out all formalities required on the part of GFL, RHFL and RPL to give effect to the provisions of this Scheme.

45. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 37 above and the continuance of proceedings by or against GFL, RHFL and RPL under Clause 43 above shall not affect any transaction or proceedings already concluded by GFL, RHFL and RPL on or after the Appointed Date till the Effective Date, to the end and intent that RSIL accepts and adopts all acts, deeds and things done and executed by GFL, RHFL and RPL in respect thereto as done and executed on behalf of RSIL.

46. DISSOLUTION OF COMPANIES

On the Scheme becoming effective, GFL, RHFL and RPL shall stand dissolved without being wound-up.

PART F – GENERAL TERMS AND CONDITIONS

47. APPLICATION TO HIGH COURT

Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL shall with all reasonable dispatch make all necessary applications under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court for seeking approval of the Scheme.

48. MODIFICATION OR AMENDMENTS TO THE SCHEME

48.1 Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Courts and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

49. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

49.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL as may be directed by the High Court.

49.2 The sanction of the High Courts under Sections 391 to 394 of the said Act in favour of Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;

49.3 Certified or authenticated copy of the Order of the High Courts sanctioning the Scheme being filed with the Registrar of Companies at Maharashtra by the Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL, as may be applicable.

49.4 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL, by their respective Board of Directors or any Committee constituted by them.

50. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Bombay High Court or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2006 or within such further period or periods as may be agreed upon between Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL by their Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

51. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Anik, GFL, MPGIL, RHFL, RPL, NMPL and RSIL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne in the following manner:

- a. By MPGIL and RSIL if pertaining to Part C in accordance with Clause 26 of the Scheme,
- b. By MPGIL if pertaining to Part D and
- c. By NMPL if pertaining to Part B
- d. By RSIL if pertaining to Part E

SCHEDULE – 1
TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	Nutrela Marketing Private Limited
Instrument	Cumulative Redeemable Preference Shares
Face value	Rs. 100 per Preference Share
Redemption	At par
Coupon Rate	5% per annum cumulative
Redemption	To be redeemed at the end of 5 years from the date of allotment
Call Option	NMPL will have an option to redeem the Preference Shares at any time after the end of 18 months from the date of allotment. If NMPL exercises its call option, it will pay the amount of the face value of the Preference Shares along with dividend accrued upto the date on which it exercises the call option. In case NMPL exercises the call option, its liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques/pay order for the redemption amount along with dividend.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 206 OF 2006,

CONNECTED WITH

COMPANY APPLICATION NO. 836 OF 2005

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

AND

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

AND

In the matter of Composite Scheme of Arrangement and Amalgamation of Anik Industries Private Limited and General Foods Limited and Madhya Pradesh Glychem Industries Limited and Ruchi Health Foods Limited and Ruchi Private Limited and Nutrela Marketing Private Limited and Ruchi Soya Industries Limited and their respective shareholders.

MADHYA PRADESH GLYCHEM INDUSTRIES LIMITED

..... Petitioner Company

Authenticated copy of the Minutes of the Order
dated 30th June, 2006 along with Composite
Scheme of Arrangement and Amalgamation.

Dated this day of July, 2006

M/S RAJESH SHAH & CO.

Advocates for the Petitioner.

16, Oriental Building

30, Nagindas Master Road,

Flora Fountain,

Mumbai-400 001

HIGH COURT, BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 204 OF 2006.

In the matter of the Companies Act, 1956;

AND

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

AND

In the matter of Composite Scheme of Arrangement and Amalgamation of Anik Industries Pvt. Ltd. and General Foods Limited and Madhya Pradesh Glychem Industries Ltd. and Ruchi Health Foods Ltd. and Ruchi Private Ltd. and Nutrela Marketing Pvt. Ltd. and their respective shareholders.

Anik Industries Pvt. Ltd.

.... Petitioner

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

CORAM : S.C. DHARMADHIKARI, J.

DATE : 21st JULY 2006

P.C.

At the request of learned Counsel for petitioner, following corrections/modifications are made in the order passed by this Court on 30th June 2006:-

- (i) In the Cause title of the said order name of General Foods Limited is appearing twice. The repetition be deleted.
- (ii) The name of objector is wrongly stated as Nutricia (India) Pvt. Ltd. The same is corrected and be read as "Rollatainers Limited".
- (iii) In para (1) of the order it is stated that "letter which is addressed by the petitioner to the company - M/s. Nutricia (India) Pvt. Ltd. (the objector herein)". Instead the sentence be read as "letter which is addressed by the petitioner M/s. Nutricia (India) Pvt. Ltd. (now known as Anik Industries Pvt. Ltd.) to the objector."
- (iv) In para 11 it is mentioned that Company petition No. 205 of 2006 is made absolute in terms of prayer clauses (a) to (t), instead prayer clauses be read as (a) to (n).
- (v) In para 11 it is mentioned that Company Petition No. 209 is made absolute in terms of prayer clauses (a) to (l) instead, prayer clauses be read as (a) to (j).
- (vi) Rest of the order remains the same. Application for speaking to the minutes disposed of.

(S. C. Dharmadhikari, J.)