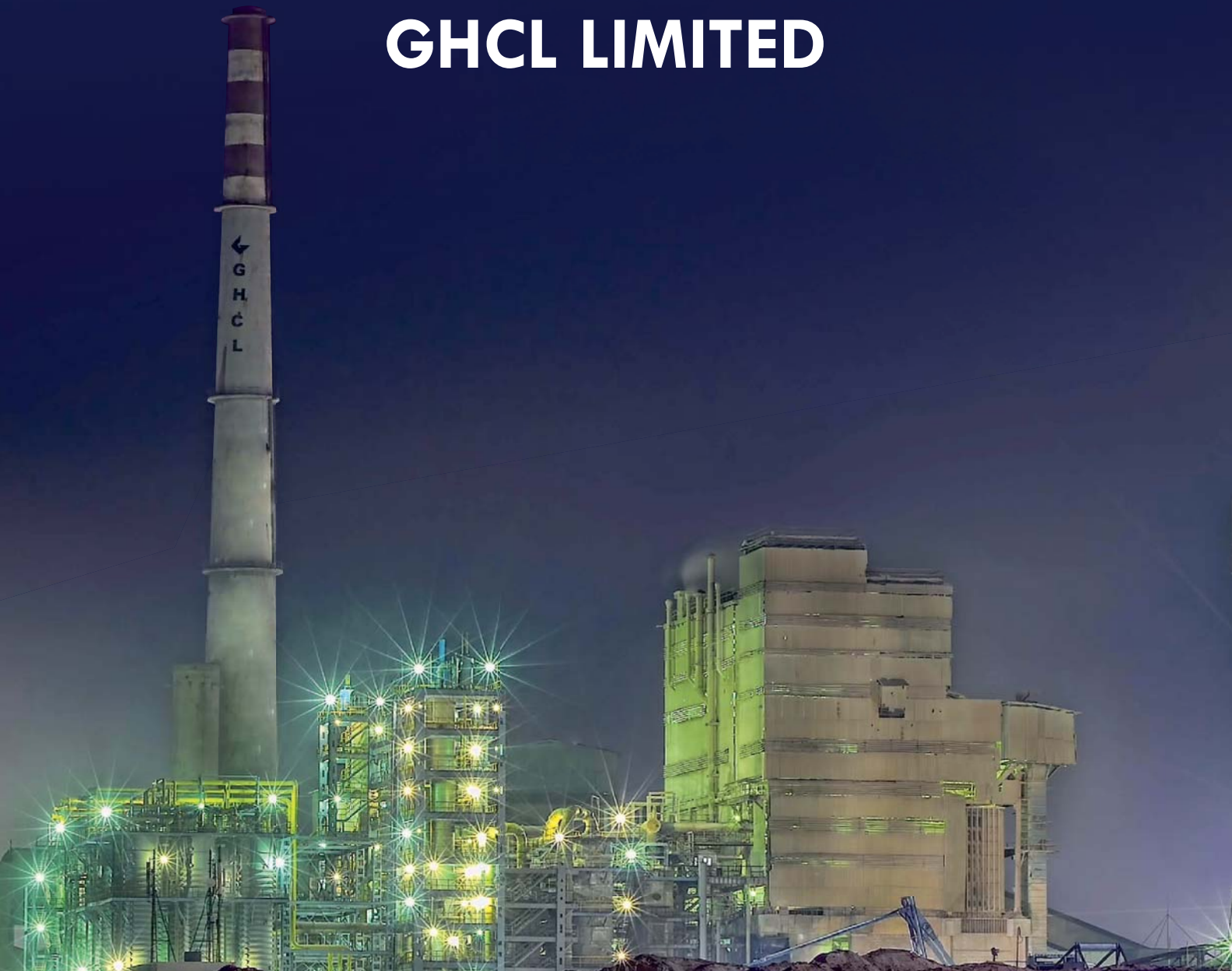




**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
GHCL LIMITED**



Fresh Certificate of Incorporation on
CHANGE OF NAME
IN THE OFFICE OF
THE REGISTRAR OF COMPANIES
GUJARAT, DADRA AND NAGAR HAVELI
(Under the Companies Act, 1956 (1 Of 1956))

In the Matter of

GUJARAT HEAVY CHEMICALS LIMITED

I certify that

GUJARAT HEAVY CHEMICALS LIMITED

originally incorporated on 14/10/1983 under the Companies Act, 1956 and the name

GUJARAT HEAVY CHEMICALS LIMITED

having duly passed the necessary resolution in terms of section 21 of the Companies Act, 1956 on 26-09-2003 and the approval of the Central Government signifies in writing having been accorded there to by the Registrar of Companies, Gujarat vide his letter dated 21-11-2003 in terms of Government of India, Ministry of Law, Justice & Company Affairs, (Department of Company Affairs) Notification No GSR 507 (E) dated 24/06/1985 the name of the said company is this day changed to

GHCL LIMITED

And this certificate is issued pursuant to section 23 (1) of the said Act.

Given under my hand at Ahmedabad.
Dated this 21ST NOVEMBER 2003.



B.N. Harish
(B.N. HARISH)
REGISTRAR OF COMPANIES
GUJARAT.



सत्यमेव जयते

CERTIFICATE OF INCORPORATION

No. 6513 of 1983-84

ता. _____ का सं. _____

I hereby certify that GUJARAT HEAVY CHEMICALS
LIMITED. * * * * *

is this day incorporated under the Companies Act, 1956
(No. 1 of 1956) and that the Company is Limited.

मैं एतद्वारा प्रमाणित करता हूँ कि आज _____

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और वह
कम्पनी परिसीमित है।

मेरे हस्ताक्षर से आज ता. _____ को दिया गया।

Given under my hand at AMMEDABAD

this FOURTEENTH day of OCTOBER

one thousand nine hundred and EIGHTY THREE



K.G. Ananthakrishnan

(K.G. ANANTHAKRISHNAN)
Registrar of Companies

कम्पनियोंका रजिस्ट्रार, गुजरात
GUJARAT



सत्यमेव जयते

Certificate for Commencement of Business

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

Co. No. 6513

I hereby certify that the GUJARAT HEAVY
CHEMICALS LIMITED

which was incorporated under the Companies Act, 1956, on
the 14th day of OCTOBER 1953

and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 149 (1) (a) to (d)/149 (2) (a) to (c) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at AHMEDABAD
this 5th day of DECEMBER

One thousand nine hundred and EIGHTY THREE

K. G. A. KRISHANAN
(K. G. A. KRISHANAN)
Registrar of Companies.

J. S. C. 10.

MGIPTC-1313 JSC-11110 (C-1310)-1-10-53-1000.

GUJARAT.

GHCL LIMITED

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MEMORANDUM OF ASSOCIATION

OF

GHCL LIMITED

1. The name of the Company is "GHCL LIMITED".
2. The Registered Office of the Company will be situated in the State of Gujarat.
3. The Objects for which the company is established are :-
 - A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE.
 1. To carry on the business of manufacturing Soda Ash (Sodium Carbonate), Sodium Bicarbonate and Salt and to deal in the same.
 2. To carry on the business and trade of manufacturing, producing, packing, refining, processing and developing all grades of Soda Ash (Sodium Carbonate), Salt (Sodium Chloride), sodium Bicarbonate, Calcium Chloride, Bromine and all compounds of Bromine of all grades, Iodine, Potassium Schoenite.
 3. To carry on business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting, distributing, importing, exporting and disposing.
 - (a) All types of chemicals, heavy chemicals including Soda Ash (Sodium Carbonate) of all grades, Sodium Bicarbonate of all grades, Sodium Chloride of all grades, Iodine, Bromine and all compounds of Bromine of all grades, Potassium Schoenite, Ammonia, Ammonium Chloride, Caustic Soda (Sodium Hydroxide) in all forms, Chlorine and its compounds of all grades both organic and inorganic, Hydrochloric Acid, Gypsum, Explosives, Calcium Chloride, Calcium Hydroxide, Hydrogen Sulfide, Carbon-Di-oxide, Limestone, Calcium Oxide, Coke, Power, Steam, Oils, Greases.
 - (b) All Organic and inorganic chemicals, synthetic chemicals derived from Salt, Sodium Carbonate, Ammonia, Limestone, Coke, Coal, elements, chemicals and compounds and products of any nature and kind whatsoever including byproducts, derivatives and
 - B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS :-
 1. To treat, cure, submit to any process or manufacture and prepare for the market whether on account of the Company or other Soda Ash and any other salt or any allied or kindred products thereof.
 2. To own, prospect for, explore, acquire by lease, licence, purchase or otherwise open, work, develop and maintain, natural deposits of salt, brine, natron, soda, kieselguhr nitrates and other chemical substances of all kinds and to carry on and conduct the business of working and getting and supplying to other persons such salt, brine and other substances.
 3. To refine, treat and tender merchantable and fit for use natural deposits of salt, brine, natron, soda, kieselguhr nitrates and other chemical substances of all kinds obtained as aforesaid and to manufacture therefrom by electrolytic, metallurgic or other forms of plant or process every kind of chemical and other products and bye-products.
 - 4.¹ To own, prospect for, explore, acquire, acquire by lease, licence, purchase or otherwise open, work, develop and maintain, clay and sand pits, state stone and lime stone quarries, coal and lignite mines, copper mines and mineral, mineral oil, nitrate and mining properties of all kinds and to conduct the business of working, getting therefrom, and selling clay, sand, lime, quarriable substances, coal, lignite copper, oil nitrates and minerals of all kinds.
 5. To supply water and for this purpose to sink wells and shafts and to make, build and construct, lay down and maintain reservoirs, water-works, waterhouses, canals, ponds, cisterns, culverts, filter beds, main and other pipes and appliances and to execute and do all other works and things necessary or convenient for obtaining storing, selling, delivering, measuring, converting or

1 Adopted under Main Objects of the Company vide resolution no. 11 passed at the 14th Annual General Meeting of the Company held on 12-9-1997.

using for creation and reserve of power and distributing water.

6. To enter into any arrangements with any Government authorities, municipal, local, or any person or company in India or abroad that may seem conducive to the company's objects or any of them and to search for and to purchase or otherwise acquire from any Government, authority, person or Company any licences, concessions, grant, right, charters, contracts, power and privilege whatsoever, which may seem to the company capable of being turned to account and in particular any rights or concessions for the benefit of the Company and to work, develop, carry out, exercise and turn to account the same.
7. To design, supply, erect and commission chemical plants in India and/or abroad, based on company's own know-how and /or by the purchase or otherwise of know-how from the Companies in India and/or abroad on turnkey basis or otherwise.
- 8.¹ To offer and/or give, and/or supply Consultancy and/or Engineering Services and/or Managerial and other services and/or supply Technical know-how and/or Technical services in India and/or abroad.
9. To offer and/or provide Plant and Equipments, Services, Civil Works and such other things as may be necessary for putting up chemical plants in India and/or abroad.
10. To form joint ventures and/or consortium with any Government in India and/or abroad, or with any Company or Body Corporate in India and/or abroad for the design, supply, and commissioning of Chemical Plants in India and/or abroad.
11. Generally to acquire by purchase, lease or otherwise for the purposes of the company any real or personal property, rights or privileges and in particular any lands, buildings, rights of way, easements, licences, concessions and privileges, patents, patent rights machinery, rolling stock, plant, accessories and stock-in trade.
12. To carry on any other business which may seem to the Company to be capable of being conveniently carried on in connection with the business of the company or calculated directly to enhance the value of or render profitable any of the company's property or right.
13. To build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery engines, roads, ways, tramways, railways, branches of sidings, bridges, dams weirs, reservoirs, warehouses wharves, electric works and other works and conveniences, which may seem calculated directly or indirectly to advance the interests of the Company and to join with any other person or Company in doing any of the aforesaid things.
14. Subject to provisions of Section 58A of the Companies Act, 1956 and rules made thereunder and the directions issued by Reserve Bank of India, to borrow or raise moneys or loans for the purpose of the company by promissory notes, bills of exchange, hundies and other negotiable or transferable instruments, or by mortgage, charge, hypothecation or pledge or by debentures, or by debenture stock, perpetual or otherwise, charged upon all or any of the Company's property and assets, both present and future, moveable and immovable, including its uncalled capital, upon such terms as the Directors may deem expedient or in such other manner, or to take money on deposits or otherwise (merely for the purpose of financing the business of the company) with or without allowance of interest thereon and to lend money to customers and other having dealing with the company and to guarantee the performance of contracts by any such persons and to execute all deeds, writings and assurances for any of the purposes. The company shall not carry on banking business as defined by the Banking Companies Act 1949 or any insurance business.
15. To establish laboratories for control of the quality of raw materials, intermediates and finished products and to carry out research and investigations to process, improve and invent new and better techniques and methods of the Company and allied products.
16. To make donations to such persons or institutions either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and also to subscribe, contribute or otherwise assist or guarantee money for charitable objects or

¹ Adopted under Main Objects of the Company vide resolution no. 11 passed at the 14th Annual General Meeting of the Company held on 12-9-1997.

institutions having specific, religious or benevolent, national, cultural, educational or object of general public utility.

17. To apply for and acquire permits, licences and quota rights from the Government of India or from State Government or from Foreign Governments to import and export plant, equipment, spare parts thereof machinery, raw materials, intermediates, finished products and processing materials connected with the manufacturing and selling of the products of the Company.
18. To open current, fixed, overdraft or other accounts with any Bank, Bankers, Shroff or Merchant and to pay into and draw moneys from such accounts.
19. To invest the funds of the Company from time to time in such assets, properties, securities, shares, bullions specie or investments or otherwise as may from time to time be determined by the Directors and from time to time to sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
20. Upon any issue of shares, debentures or any other securities of the company, to employ brokers, commission agents and underwriters and to provide for the remuneration of such persons for their services by payments in cash or issue of shares, debentures or other securities of the Company by granting of options to take the same or in any other manner allowed by law.
21. To enter into partnership or into any arrangement for sharing profits, union of interests, Co-operation, joint adventure, reciprocal connection or otherwise or collaborate with any person or company, carrying on or engaged in any business or transaction, either in India or abroad, which this Company is authorised to carry on or engage in any business or transaction, capable of being conducted so as to directly or indirectly benefit the Company.
22. To act in conjunction with, unite or amalgamate with, create or constitute or assist in creating or constituting any other Company or Association of a kind similar wholly or partially to this Company, for the purpose of acquiring all or any of the properties rights and liabilities of the Company, and to buy up or absorb all or any part of the business or property of any such Company or Association and to acquire and secure membership, seat or privilege in and of any association, exchange, market or institution in India or any part of the world.
23. To act as buying and selling agents of any company and to do and perform wholly or partly the several duties, services and offices which the buying and selling agents of any company usually do and perform and to undertake and to become bound by conditions of any agreement entered into for any purposes.
24. To alter, manage, develop, exchange, lease, mortgage, underlet, sell, give in gifts or otherwise dispose off, improve or deal with the land, property, assets and rights and resources and undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of this Company provided that no such distribution amounts to reduction of share capital except in accordance with the provision of the companies Act in this behalf.
25. To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company or which the Company shall construe to be preliminary, including therein the costs of advertising, commission for underwriting, brokerage, printing and stationery, the expenses attendant upon the formation of and local boards.
26. To procure the incorporation, registration or other recognition of the Company in India and to establish and regulate agencies for the purposes of the Company's business and to apply or join in applying to Government, local or Municipal or other authority or body, for concessions, orders rights or privileges that may seem conducive to the company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
27. To provide for welfare of the Directors or Ex-Directors or the employees or ex-employees of the Company ; and the wives, widows and families of such persons, by building or by contributing to the building or houses, dwelling houses, chawls or by grant of money, pensions, allowances, bonus, or other payments or by creating and from time to time subscribing to provident and

other funds and providing or subscribing towards schools, place of instruction, recreation club and hospitals, dispensaries, medical and other attendance and other assistance as the Company shall think fit.

28. To sell, dispose off or transfer the business property and undertaking of the Company or any part thereof for any consideration which the Company may deem fit to accept, and in particular for shares, debentures, debenture stock, bonds, or securities of any other Company or Companies for the purpose of its or their acquiring all or any of the property, rights, or liabilities of this Company or for other purposes which may seem to benefit this Company directly or indirectly.
29. To create any reserve fund, sinking fund, insurance fund, dividend equalisation fund or any other fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose which may seem to benefit this company, directly or indirectly.
30. Subject to Section 78 of the Companies Act, 1956, to place, to reserve or to distribute as dividend or bonus among the member or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued by the Company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale of forfeited shares by the Company or from unclaimed dividends.
31. To take part in the management, supervision and control of the business or operations of the company or undertaking entitled to carry on the business which this Company is authorised to carry on.
32. 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 this Company, or which can be carried on in conjunction therewith or which is capable of being so conducted as to directly or indirectly benefit the Company.
33. To underwrite, acquire, take up and hold shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or any foreign country in connection with the business which the Company is authorised to carry on and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
34. To establish or promote or concur in establishing or promoting any company or companies in India or anywhere else in the world for the purpose of acquiring all or any of the properties rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.
35. To apply for, purchase, or take licence, or otherwise acquire and protect and renew in any part of the world any patents, patent rights, brevets, invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly to benefit the Company, and to use exercise, develop, or grant licence 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.
36. To purchase and acquire secret procedure and formulate in connection with any of the objects of the Company and specifications and designs for the apparatus and equipments related thereto and to pay for the same by allotment of fully paid shares of the Company or in any way under agreement or agreements for those purposes.
37. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake

and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations or inventions by Providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical 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.

38. To enter into negotiations and / or agreement with any firm, company, body corporate, Government authority, association or any other person in India or anywhere else in the world for collaboration financial, technical, commercial or of any other terms, formulate other rights and benefits and to obtain technical information, know how and expert advice or financial accommodation for the production, manufacture or marketing of any product herein before mentioned and to pay to or to the order of such firm, company, body corporate, Government authority or person, any fee, royalty, shares, bonus remuneration and otherwise to compensate them in any other manner for the services rendered by them.
39. To undertake and execute any trusts, undertaking of which may seem to the Company desirable and either gratuitous or otherwise.
40. To lend and advance money or to give credit to such persons or companies and on such terms as 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 money by any of such persons or companies and generally to give guarantee and indemnities.
41. To insure the whole or any part of the property of the Company either fully or partly to protect and indemnify the Company from liabilities or loss in any respect either fully or partially and also to insure and to protect and indemnify any part of or portion thereof either on mutual principle or otherwise.
42. To remunerate any person, or company for services rendered or to be rendered in placing or assisting to place, or guaranteeing the placing of any of the shares in the Company's capital or any debentures' or debenture stock or other securities of the Company, in or about the formation or promotion of the Company or the conduct of its business.
43. To draw, make, accept, endorse, discount, execute and issue, negotiate, assign, buy and sell or otherwise deal in cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warrants and coupons and all other negotiable and transferable securities, instruments and documents.
44. To adopt such means for making known the business and /or products, of this company or any company in which the company is interested as its agent, representatives or in any other way, by advertisements in papers, periodicals, magazines through cine slides and films, by issue of circulars, posters, calendars, show cards, playing cards, hoardings, by radio programme, T.V. programme, exhibitions, by publication of books, periodicals and by granting prizes, rewards and donation, subject to law.
45. To establish and support funds and institutions calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons and to grant pensions and allowances.
46. To train or pay for the training in India or abroad of any of the Company's employees or any other candidates in the interests and for the furtherance of the Company's objects and business.
47. To do all or any of the above things in any part of the world and either as Principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub contractors, trustees or otherwise.
- 47-A To promote protection of environment including air, land, forests, water and for this purpose to undertake all necessary activities independently or in conjunction with other agencies engaged for the same purpose.

- 47-B To establish, provide, maintain and perform scientific, engineering, project management consultancy/ contracting including but limited to technical design, construction, maintenance repair of all kinds of works and buildings, procurement, inspect expediting management of construction operation and maintenance data acquisition and related services for power generation and transmission.

OTHER OBJECTS

- 48.¹ To carry on business as manufacturers of manure, paper pulp, paper glass, bricks, pottery, terrocotta and sanitary and disinfecting preparations, coke, cement and artificial stones.
- 49.² To carry on the business of waterproofers and manufacturers of India rubber, leather, imitation leather cloth plastics, oil cloth, linoleum, tarpaulines, hospital sheetings and surgical handbags.
50. To manufacture, prepare and treat quarriable and mineral substances or products of all kinds obtained as aforesaid for sale or use or for manufacturing, building or any other purposes of processes and to manufacture therefore every kind of product.
51. To manufacture, acquire, product, use sell and supply gas and electricity for lighting, heating or power purposes and to deal with, manufacture and render saleable all residueal products obtained in the manufacture of gas.
52. To manufacture and deal in electrical machinery and apparatus of all kinds, including wireless apparatus, radios and electric lamps.
- 53.³ To carry on business on its own account or on accounts of the consultants, as buyers, sellers, importers, exporters, agents, dealers or as collectors, manufacturers of all or any of the goods and things in which the Company is authorised to deal.
54. To acquire from time to time and to manufacture and deal in all such stock in trade, goods, chattel and effect as may be necessary or convenient for any business for the time being carried on by the Company.
55. To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, buildings, flats and hereditaments of any tenure or description in India or elsewhere for residential business, manufacturing or other purposes and any rights, easements, advantages and privileges relating thereto and either for investment or resale or for trafficking in the same and to turn the same into account as may seem expedient, and to construct, alter, improve, decorate, develop, finish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings and other structures, works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company.
- 56.¹ To manufacture, import, export, deal in or prepare for market, revise, clean restore, recondition, repair, treat and otherwise manipulate and deal in and turn to account by process or mean whatsoever all bye-products, refuse and waste and their products capable of being manufactured or produced out of or with the use of all or any of raw materials, ingredients, substances or commodities used in the manufacture of all or any of the products which the Company is entitled to manufacture or deal in and to make such other use of the same as may be thought fit.
- 57.⁴ To carry on whether in India or anywhere else in the world any business or branch of a business which the Company is authorised to carry on by means, of or through the agency or any subsidiary company or companies and to enter into any arrangement with such subsidiary company for sharing the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.
- 58.³ To carry on the business of manufacturers, producers, dealers and exporters of articles and substances in which

1 Adopted under Main Objects of the Company vide resolution no. 12 passed at the 9th Annual General Meeting of the Company held on 19-9-1992

2 Adopted under Main Objects of the Company vide resolution no. 6 passed at the 10th Annual General Meeting of the Company held on 27-9-1993

3 Adopted under Main Objects of the Company vide resolution no. 8 passed at the 6th Annual General Meeting of the Company held on 23-9-1989

4 Adopted under Main Objects of the Company vide resolution no. 6 passed at the 11th Annual General Meeting of the Company held on 27-9-1994

any product manufactured by the company is a raw material or one of the materials which can be manufactured with or without any product of the Company.

- 59.¹ To carry on the business of manufacturers of and dealers in essences, pharmaceutical, photographic, sizing, medicinal, chemical industrial preparations including toluene and articles of any nature and kind whatsoever, minerals and other waters, cements, oils, paints, pigments and varnishes, compounds, drug, dye-stuff, organic or mineral intermediates, paint and colour grinders, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical photographic surgical and scientific apparatus and materials.
- 60.² To carry on business as manufacturers of dye makers, gas makers, metallurgists, engineers, shipowners and charterers, and carriers by land, seal and air, wharfingers, warehousemen, planters, farmers, sawmill proprietors, timber merchants, sugar merchants and to buy, sell, grow, prepare for the market, manipulate, import and deal in timber wood and / or produce or products of earth of all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber wood or any such product is used.
61. To carry on the trades or business of manufacturers of blasting ballistic and pyrotechnic apparatus and apparatus of a similar of analogous description or of the several component and parts thereof.
62. To carry on the business of manufacturers and producers of fats, fertilisers, manures, dips, sprays, vermifuges, fungicides, medicines and remedies of all kinds of agricultural, fruit growing or other purposes or as remedies for men or animals, and whether produced from vegetables or animal matter or by any chemical process.
- 63.³ To cultivate, grow, produce or deal in any vegetable products for the time being required for any of the manufacturers which the Company is authorised to undertake and to carry on all or any of the business as farmers, dairymen, milk contractors, dairy farmers, millers, cheese, butter, poultry and provisions of all kinds, growers of and dealers in corn, hay and straw, seedsmen and nursemen and to buy, sell and trade in any goods usually traded in any of the above businesses or any other business associated with farming which may be advantageously carried on by the Company.
64. To manufacture all metals, their salts and various inorganic compounds by all possible method now prevalent or as they may be devised in future, to buy, sell and deal in apparatus, machinery, materials and articles of all kinds.
65. To carry on the business of manufactures of soaps and dealers in all kinds of toilet requisites and manufacture of all kinds of boxes and cases wholly of card boards, wood, metal or otherwise and printers, colour printers, publishers, stationers, candle makers, manufacturers of perfumes, collectors of flowers and perfume producing vegetation.
66. To buy, sell, manufacture, refine, prepare and deal in all kinds of oils including vanaspati or hydrogenated groundnuts and/or cooking oil and oleaginous and saponaceous substances and all kinds of unguents and ingredients.
- 67.⁴ To transact, deal in or carry on all kinds of agency business, and subject to the provisions of law for the time being in force, in particular in relation to the collection, payment, remittance and transmission of money, securities and valuables or investment of the same, purchase sales and improvement, development, management of property including business concerns and undertakings.
- 68.² To carry on business as importers, exporters, import agents, buyers, and sellers of mechanical electrical, refrigeration, air conditioning, pharmaceutical, chemical and other products including toluene, apparatus, tools appliances and all kinds of food stuffs, canned or otherwise, including meat, sheep, pigs, poultry and other live and dead stock milk cream, butter, cheese, eggs, sausages, preserved milk and meat and other commodities, articles, goods or things of every description and as general merchants, bakery and confectionery.
- 69.¹ To carry on the business of manufacturers and producers of plasticisers, fertilisers, enzymes, acids, amino

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- 1 Adopted under Main Objects of the Company vide resolution no. 6 passed at the 10th Annual General Meeting of the Company held on 27-9-1993
- 2 Adopted under Main Objects of the Company vide resolution no. 6 passed at the 11th Annual General Meeting of the Company held on 27-9-1994
- 3 Adopted under Main Objects of the Company vide resolution no. 14 passed at the 17th Annual General Meeting of the Company held on 20-9-2000
- 4 Adopted under Main Objects of the Company vide resolution no. 8 passed at the 6th Annual General Meeting of the Company held on 23-9-1989

acids, sulphates by any chemical or synthetic process.

- 70.¹ To fix atmospheric nitrogen by the synthetic ammonia or by any other process and to manufacture its derivatives compounds.
71. To carry on the business of manufacturing and compressing oxygen hydrogen, nitrogen, carbonic acid, acetylene and other gases or chemicals or kindred substances or any compounds thereof by any processed, and of bushing, selling or applying such gases, substances and compounds or any of them to such purposes as the Company may from time to time think desirable and to manufacture, buy, sell, let on hire, and deal in engines, cylinders, compressors, machines, laboratory equipments and other apparatus and conveniences which may seem to promote (directly or indirectly) the interests of the company or the consumption of any of the aforesaid gases.
- 72.❖ To carry on business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packing, selling, transporting, trading, distributing, importing, exporting and disposing.
- a) Boron based chemicals in any form, including Borax, Boric Acid, Borax Anhydrous, Borax Pentahydrate and Borax Decahydrate ;
- b) All types of Sodium based chemicals in any form; and
- c) Compounds and products of any nature and kind whatsoever including by-products, derivatives if items at (a) and (b) above.
- 73.❖ To acquire by purchase, lease or otherwise all kinds of plant, machinery, equipment and property, assets, (whether moveable or immovable), rights and resources and to sell, let out on hire, lease, exchange, develop, manage, alter, mortgage, underlet or otherwise dispose off the same or any part thereof for such consideration and on such terms and conditions as the Company may think fit.
- 74.❖ To carry on the business either directly or through a partnership, arrangements for sharing profits, union of interest, joint venture or other arrangement including investment with any person(s) or company or companies as transporters of goods, passengers, live stock and materials by road, rail, waterways, sea or air and to own purchase, take or give on lease, charter or hire or otherwise run, use of acquire transport, vehicles, crafts, ships, barges and carriers of all kinds required for the transport business and to act as forwarding agents warehouse-men, booking and commission agents, and to acquire, after build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control infrastructural facilities of all kinds including ports, roads, jetties, repair facilities including work shops.
- 75.❖ The build, own, manage, operate, acquire, rehabilitate and maintain coal, lignite, gas, oil, diesel, petroleum, hydrocarbons, hydel, solar, wind, geothermal and/or any other source energy based power generating stations and ancillary facilities of ever kind and description, co-ordinate their operations and maintenance with other organisations, and generate, sell distribute and purchase power, ensure safe, efficient and proper evacuation of power generated at such power stations, and to provide associated transmission facilities required for the purpose or otherwise on commercial basis.
- 76.❖ To plan, promote and develop an integrated and efficient power distribution system network in all its aspects, including planning, investigation, research design and engineering, construction, operation and maintenance of power stations, transmission lines, sub-stations, loan despatch stations and communication facilities and appurtenant works directly on in co-ordination with the Electricity Boards and /or generating companies.
- 77.❖ To provide consultancy services in power generation and system areas including planning, investigation, research, design and preparation of preliminary and detailed feasibility and definite project reports, power project management, maintenance and operation of power stations and to undertake execution of turn-key jobs for establishment, maintenance and operation power generating stations and installation of connected facilities for other utilities organisations.
- 78.❖ To carry on the business of sale and purchase of power and purchasing, selling, producing, trading, manufacturing power plant equipment or otherwise deal in equipments and undertake all aspects of investigation, research, design, engineering and construction, operation and facilities and for that purpose to install, operate and manage all necessary plants, establishments, works, switchyards, sub-stations, transmission lines and allied works.
- 79.❖ To indent, buy, sell, deal in, import, export and otherwise trade in all-types of and all manners of products

1 Added vide Resolution No. 11(v) passed at 14th Annual General Meeting held on 12-9-1997.
 ❖ Substituted vide Resolution No. 8 passed at 12th Annual General Meeting held on 27-9-1995 & Adopted under Main Objects of the Company vide resolution no. 9 passed at 12th Annual General Meeting of the Company held on 27-9-1995.

materials, goods, articles, equipments and merchandise, both conventional and unconventional, either on commission basis or any other commercial or trading basis or practice as may be authorised or permitted by government through trade policies and also to act as an Export House/Trading House, subject to applicable trade laws.

- 80.❖ To manufacture, produce, refine, process, formulate, mix or prepare, enrich, mine, import or otherwise acquire own, hold, use, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of agricultural chemicals, fertilisers, intermediates, derivatives and compounds, heavy chemicals, petrochemicals, synthetic chemicals derived from petroleum hydrocarbons, fine chemicals and any and all classes and kinds of inorganic and organic chemicals, source materials, intermediates, ingredients, mixtures, derivatives and compounds thereof and any and all kinds of products of which any of the foregoing constitutes an ingredient or in the preparation, formulation, mixtures or production of which any of the foregoing is used or required.
- 81.¹ To Carry on the business of ginner, spinners, weavers, dyers, manufacturers, balers and pressers of all textiles including cotton, man-made and synthetic fibrous and filament materials and manufacture thereof, and the business of buyers, sellers, exporters, traders and dealers in kinds of textile materials mentioned above and transacting all manufacturing, curing, preparig, colouring, dyeing or bleaching, processing and purchasing and vending the raw materials and manufactured articles.
- 82.¹ To carry on the business of manufacturing, fabricating, consulting, importing, exporting, selling, distributing, servicing, and dealing in all types of plants, machineries and equipments
- 83.¹ To purchase, sell, take or give on lease or in exchange or under amalgamation, licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, install, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose of, exchange lands, buildings, roads, highways, bridges, canals, water courses, ternes, piers, airports, ports, rail systems including railways sidings, tramways, water supply project, irrigation project, sanitation and sewerage system or any other infrastructural facility.
- 84 To install, operate, maintain any services relating to information technology including manufacturing and selling of any hardware and development service of software and telecommunications services in any form including video conferencing, data services, mobile communication services and to install, operate and maintain any telecom or other networks.

AND IT IS HEREBY DECLARED THAT :

- (i) The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the company herein mentioned.
- (ii) The word "Company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any individual, partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) Nothing in this paragraph shall authorise the company to do any business which may fall within the purview of the Banking Companies (Regulation) Act, 1938.
4. The liability of the members is limited.
- 5.³ The Authorised Share Capital of the Company is Rs. 175,00,00,000 (Rs. one hundred seventy five crores only) divided into 17,50,00,000 (Seventeen crores fifty lacs only) equity shares of Rs. 10 each; with power to increase and/or reduce Capital of the Company and to divide the Share Capital for the time being into several classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the provisions of Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the Articles of Association of the Company.

❖ Substituted vide Resolution No. 8 passed at 12th Annual General Meeting held on 27-9-1995 & Adopted under Main Objects of the Company vide resolution no. 9 passed at the 12th Annual General Meeting of the Company held on 27-9-1995.

1 Adopted under Main Objects of the Company vide resolution no. 11 passed at the 14th Annual General Meeting of the Company held on 12-9-1997.

2 Adopted under Main Objects of the Company vide resolution no. 14 passed at the 17th Annual General Meeting of the Company held on 20-9-2000

3 Substituted vide Resolution No. 1 passed at Extraordinary General Meeting held on August 04, 2006.

We the several persons, whose names and addresses are subscribed and desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name of Subscriber	Address Description and Occupation of the Subscriber	No. of Equity Shares Taken by each Subscriber	Signatures of Subscriber	Name and Signature of the Witness and his Address Description. Occupation
Mayur S. Panchal	292, Madan Gopal's Haveli, Astodia, Ahmedabad-1 S/o. Somabhai S. Panchal Service	1 (One)	Sd/- M.S. Panchal	<p style="text-align: center;">I Remain Witness To All the Signatories</p> <p style="text-align: center;">Hawa-Mahal, A/ward Bungalows Sajipur Bogha, Ahmedabad-382345. Service.</p> <p style="text-align: center;">Sd/- P. G. Makhija</p>
Lalit P. Vishnav	A-7, Rangmilan Flats Naranpura, Ahmedabad-13 S/o. Prabhakar D. Vaishnav Service	1 (One)	Sd/- L. P. Vaishnav	
Bhupesh R. Shah	10, Walkeshwar Society Polytechnic Ahmedabad-380015. S/o. Ratilal N. Shah Service	1 (One)	Sd/- B. R. Shah	
Jayendra G. Parikh	41, Mahavir Nagar Society Vastrapur Ahmedabad-15. S/o. Govindlal Parikh Service	1 (One)	Sd/-	
Fattechand B. Virani	6, Purvi Apartments Near L-Colony Ambavadi, Ahmedabad. S/o. Bhagwandas U. Virani Service	1 (One)	Sd/- F. B. Virani	
Devendra Kumar J. Patel	6, Avantika Co-op. Society Naranpura, Ahmedabad-13 S/o. Jivanlal N. Patel Service	1 (One)	Sd/-	
Yogeshwar Kumar Tyagi	12, Ratnagiri Appts. Mirambica School Marg Naranpura, Ahmedabad-13 S/o. Rameshwar Dayal Service	1 (One)	Sd/- Y. K. Tyagi	

Dated this Tenth day of October 1983

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)
ARTICLES OF ASSOCIATION

OF
GHCL LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' special resolution passed at 39th Annual General Meeting of the Company held on June 30, 2022 in substitution for and to the entire exclusion of the earlier clauses comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

Table 'F' not to apply 1. Save as reproduced herein, the regulations contained in Table 'F' in the First Schedule to the Act shall not apply to the Company

Save as provided hereinafter in respect of any matter not covered under these Articles, the provisions of the Act with such statutory modifications, rules, regulations or amendments, as may for the time being be in force, shall apply. Further, in case of any inconsistency between these Articles and the Act, then the Act shall prevail.

INTERPRETATIONS

Interpretation 2. In the interpretation of these Articles the following expression shall have the following meanings unless repugnant to the subject or context.

The Act "The Act" means The Companies Act, 2013, or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any rules for the time being in force and any previous Company Law, so far as may be applicable.

Auditors "Auditors" means and includes the person appointed as such for the time being of the company.

Articles "These Articles" means these Articles of Association as originally framed or as altered from time to time.

Board of Directors "The Board of Directors" or "The Board"-means the collective body of Directors of the Company

Bye Laws "Bye-Laws" means the bye laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force.

Beneficial owner "Beneficial owner" means the beneficial owner as defined in the Depositories Act.

Capital "Capital" means the Share Capital for the time being raised or authorised to be raised for the purpose of the Company.

Chairman "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

The company or This Company "The Company" or "This Company"-means GHCL LIMITED

Debenture "Debenture" includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not;

Provided that—

- (a) the instruments referred to in Chapter III-D of the Reserve Bank of India Act, 1934; and
- (b) such other instrument, as may be prescribed by the Central Government in consultation with the Reserve Bank of India, issued by a company, shall not be treated as debenture;

Depository Act	“Depositories Act” means the Depositories Act, 1996 or any statutory modification or re-enactment thereof, for the time being in force.
Depository	“Depository” means a Depository as defined in clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.
Directors	"Directors" means a director appointed to the Board of a company.
Dividend	"Dividend" includes any interim dividend and special dividend, if any.
Documents	"Documents" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
Executor or Administrator	"Executor" or "Administrator"-means a person who has obtained probate or letter of administration, as the case may be, from a Court of Competent jurisdiction and shall include of a holder of succession certificate authorising holder thereof to negotiate or transfer of share or shares deceased member of a certificate and shall also include the holder of a certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.
Financial Institutions	"Financial Institutions" includes a scheduled bank, and any other financial institution defined or notified under the Reserve Bank of India Act, 1934 (2 of 1934).
Gender	“Gender” means words importing the masculine gender also include the feminine gender.
In Writing and Written	"In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form, including telex and telegram.
Independent Director	"Independent Director" shall have the meaning assigned thereto by Section 149(5) of the Act.
Key Managerial Personnel	“Key Managerial Personnel" means the Chief Executive Officer or the Managing Director; the Company Secretary; Whole time Director; Chief Financial Officer; and such other Officer as may be notified from time to time in the Rules.
Legal Representative	“Legal Representative" means a person who in law represents the estate of a deceased Member
Marginal Notes	The Marginal notes hereto shall not affect the construction hereof.
Members	"Members" means: the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members; the duly registered holders, for the time being of the shares of the Company and in case of shares held in dematerialized form such persons whose name is entered as a beneficial owner In the records of a depository.
Memorandum	“Memorandum” means Memorandum of Association of the Company.
General Meeting	"General Meeting" means a general meeting of the Members of the Company
Annual General Meeting	"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 96 of the Companies Act, 2013
Extra-ordinary General Meeting	“Extra-ordinary General Meeting” means an extraordinary general meeting of the members duly called and constituted any adjourned holding thereof.
Month	“Month” means a calendar Month
National Holiday	"National Holiday" means and includes a day declared as National Holiday by the Central Government.
Non-retiring Directors	"Non-retiring Directors" means a Director not subject to retirement by rotation.

Office	“Office” means the registered office for the time being of the company.
Ordinary and Special Resolution	"Ordinary Resolution" and Special Resolution shall have the meaning assigned thereto by Section 114 of the Act.
Paid-up	"Paid-up" in relation to shares includes credited as paid-up
Promoter	<p>“Promoter” means a person-</p> <p>(a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or</p> <p>(b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or</p> <p>(c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:</p> <p>Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;</p>
Private Promoters	“Private Promoters” means a group of investment companies which are directly or indirectly in control of the Dalmia family.
Persons	"Persons" Includes individuals, any company or Association or body of individuals whether incorporated or not.
Proxy	"Proxy" means an instrument whereby any person is authorised to vote for a member at general meeting or poll, and any person so authorised.
The Register of Members	"The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.
The Registrar	“The Registrar” means the Registrar of the Companies, Gujarat.
The Company's Regulations	"The Company's Regulations" means the regulations for the time being in force for the management of the company.
Seal	"Seal" means the Common Seal of the Company, if any.
Secretary	"Secretary" means a Company Secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by the Board of Directors to perform the functions of a Company Secretary under this Act and is a Key Managerial Person.
Shares	"Share" means a share in the share capital of a Company and includes stock.
Resolution Passed through Postal Ballot	“The resolution passed through Postal Ballot shall have the same meaning assigned thereto by Section 110 of the Act”
Year and Financial Year	<p>"Year" means the calendar year; and</p> <p>"Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.</p>
Gender	Words imparting the masculine gender also include the feminine gender and neutral gender and vice versa.
Singular Number	Words imparting the singular number include where the context admits or requires, the plural number and vice versa.
Rules	“Rules” means the Rules framed under the Act.
SEBI	“SEBI” means Securities Exchange Board of India;
SEBI regulations	“SEBI regulations” mean the regulations issued by the SEBI.
SEBI (LODR)	SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

Stock Exchange	“Stock Exchange” means the recognized stock exchange(s) where the securities of Company are listed.
Expressions in the Act to bear the same meaning in Articles.	Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act or the rules as the case may be or any modifications thereof for the time being in force.
Act to include modification	Any reference to the Act or to the Companies Act, 2013 shall be deemed to include modification reference to any statutory modification or re-enactment thereof for the time being in force, and any reference to any Section or provision of the Act or the Companies Act, 2013 shall be deemed to include reference to the relative section or provision in the modified or re-enacted statute.

CAPITAL

Capital	<ol style="list-style-type: none"> 3. a. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time , be provided in Clause V of the Memorandum of Association of the Company. b. The Company shall have the power to increase or reduce the capital from time to time and to divide the shares capital into several classes with rights, privileges or conditions as may be determined. The Company may issue preference shares, which shall at the option of the Company, be liable to be redeemed. The Company may also issue equity shares with differential rights as to dividend, voting or otherwise. The Board of Directors of the Company is authorized, at its absolute discretion, to issue and allot equity or any other class of shares out of the authorized unclassified shares, subject to provisions of Section 62 of the Companies Act, 2013. c. The Company may from time to time by ordinary resolution increase the authorised share capital by such sum to be divided into shares of such amount as may be specified in the resolution. d. Where the Central Government has made an order under Sub-section 4 of Section 62 directing that any debenture issued by the company or loan taken by the Company or any part thereof shall be converted into shares of the Company or where in pursuance of an option attached to debentures issued to or loans raised by the Company from any Financial Institutions such Financial Institution has proposed to convert such debentures or loans or any part thereof into shares of the Company and on the application of such Public Financial Institution the Central Government shall make any order under Section 64(1) of the Act for increasing the Share Capital of the company, the Authorised Share Capital of the Company shall, if it falls short, stand increased by an amount which will be equal to the paid up Capital of the Company.
Preference Shares Right of Holders	<ol style="list-style-type: none"> 4. The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rate as may be decided at the time of issue on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of the winding up, and also to be repaid the amount of capital paid or credited as paid up on the preference shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company

Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to Preferential repayment over the equity shares in the event of the winding up of the company, the holders of the Equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity shares in proportion to the amount paid up or credited as paid up on such Equity shares respectively at the commencement of the winding up.

Increase or alteration of Share Capital

5. (a) The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares and 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 resolution shall prescribe, 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 meeting of the Company in conformity with Section 47 of the Act.
- (b) Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 62 and 64 of the Act.

Kinds of Share Capital

6. (1) Neither the original capital nor any increased capital shall be of more than two kinds, namely
- (i) Equity Share Capital
- (a) with voting rights;
- (b) with differential rights as to dividend, voting or otherwise in accordance with the rules;
- (ii) Preference Share Capital as defined in Section 43 of the Act;
- (2) Subject to provisions of Section 43 of the Act and read with Rules 4 of the Companies (Share Capital and Debentures) Rules, 2014, the Company shall have the power to issue equity shares with differential rights as to dividend, voting or otherwise and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such issue. Further, if required as per prevailing laws, the Company agrees to make application to the Stock Exchanges for the listing of any new issue of shares or securities and provisional documents relating thereto and further agrees to get the newly issued shares listed within the stipulated period as per the SEBI listing Regulations.
- (3) All the provisions of Memorandum and Articles of Association shall be applicable to the Equity Share Capital with Differential Rights with such modifications and variations wherever necessary as to differential rights to dividend, voting or otherwise as the case may be and further subject to the terms and conditions of the issue of such Equity Share Capital with differential rights.

New Capital same as existing capital

7. Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by 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 payment of calls and instalments, forfeiture lien, surrender, transfer and transmission, voting and otherwise.

- Redeemable Preference Shares** 8. (a) Subject to the provisions of these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption or liable to be redeemed at the option of the company and the Board, may subject to the provisions of Section 55 of the Act, exercise such power in such manner as may be provided in these Articles.
- Issue and Redemption of Preference Shares** (b) Subject to the provisions of Section 55 of the Act, redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions 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
- Reduction of Capital** (c) Subject to the provisions of sections 52, 55 and 66 of the Act, the Company may from time to time, by Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorised and consent required by law.
- Consolidation, Division, sub-division and cancellation of Shares** 9. Subject to the provisions of Sections of Section 61 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows
- (a) Consolidate and divide all or any of its capital into shares of larger amount than its existing Shares.
- (b) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by 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) 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 its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction or share capital within the meaning of the Act.
- (d) 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
- Debentures** 10. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
- Issue of Sweat Equity Shares** 11. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.
- Stock Option to the employees of the Company** 12. The Company may provide share based benefits including but not limited to Stock Option, Stock Appreciation Rights or any other co - investment share plan and other forms of share based compensations to Employees including its Directors other than Independent Directors and such other persons as the Rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.

Commencement of business 13. The Company shall not commence any business until the requirements of Section 10A of the Act shall have been complied with.

Modification of rights 14. 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 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with, with the consent in writing of the holders of not less than three fourth 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 to derogate from any power the Company would have if this Article was omitted.

The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred of other rights or privileges shall unless otherwise expressly provided by the terms of the issue of share of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or the creation or issue of further shares ranking pari passu varied by therewith.

SHARES AND CERTIFICATES

Register and Index of Members 15. The Company shall cause to be kept a Register and index of members in accordance with Section 88 of the Act. 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 16. The Shares in the capital shall be numbered progressively according to the several denominations and except in the manner herein before 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.

Restriction on Allotment and Return of Allotment 17. The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Sections 39 of the Act, and shall cause to be made the returns as to allotment provided for in Rule 12 of the Companies (Prospectus and allotment of Securities) Rules, 2014.

Shares under control of Directors 18. Subject to the provisions of these Articles, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times as the Directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the company by the issue of further shares, the provisions of Section 62 of the Act will be complied with. Provided further that the option of right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

Application of premium received on shares. 19. Where the company issue 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". The share premium account may be applied by the company ;

(a) in paying up unissued shares of the company, to be issued to the members of the company as fully paid bonus shares; or

(b) in writing off the preliminary expenses of the company; or

(c) in writing off the expenses or the commission paid or discount allowed, on any issue of shares or debentures of the company, or

(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

- Shares at a discount** 20. The Company shall have power to issue Securities at a discount and shall duly comply with the provision of Sections 53 of the said Act.
- Instalments on shares to be duly paid.** 21. If by the conditions of any allotment of any shares the whole or any part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.
- The Board may issue shares as fully paid up** 22. Subject to the provisions of the Act and these Articles the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business, or otherwise for consideration other than cash and any shares which may be so issued shall be deemed to be fully paid up shares.
- Acceptance of Shares** 23. Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any shares therein shall be an acceptance of the shares and every person who thus or otherwise accepts any shares and whose name is therefore placed on the Register shall be a member of the Company.
- Deposits and calls, etc. to be a debt payable immediately** 24. The money (if any) which the Directors shall on allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any share, shall immediately on allotment 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** 25. Every member or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to 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 require or fix for the payment thereof.
- Share Certificate** 26. Every Member or allottee of Shares shall be entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. Every Share Certificate shall specify the number and the distinctive number(s) of the Shares in respect of which it was issued and the amount Paid-up thereon. 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 case of issues against letters of acceptance or of renunciation or in case of issue of bonus Shares. PROVIDED THAT if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate of title to Shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to Shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment.
- Renewal of Share Certificate** 27. (1) Any two or more joint allottees or holders of share shall, for the purpose of this Article, be treated as a single number and the certificate of any share, which may be the subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them

- (2) A person opts to hold any shares with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that shares.
- (3) No Certificate of any share shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

PROVIDED FURTHER that in case of any Share Certificates 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.

- (4) Every certificate of shares shall be either under the seal of the Company or will be authenticated by (1) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.
- (5) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Sub-division of Shares

28. Notwithstanding anything contained in Article 27, the Board of Directors may refuse applications for sub-division of Share Certificate into denominations of less than the marketable lot for the time being in force, except when such sub-division is required to be made to comply with a statutory order or an order of a competent court of law or to remedy a genuine mistake of fact or law.

PROVIDED THAT the Board may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence therefor.

The First name of Joint-holders deemed soleholder

29. If any share stands in the names of two or more persons, the person first named in the Register shall, as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of 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 according to the Company's regulations.

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

30. Except as ordered by a court of Competent jurisdiction 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 a share other than an absolute right thereto, in accordance with these Articles in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Notwithstanding anything contained herein above, when declaration is filed with the Company under the provision of Section 89 of the Act by any holder of share who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such share or by a person who holds beneficial interest in any share of the company but is not the registered holder thereof, the company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration.

DEMATERIALIZATION OF SECURITIES

Dematerialization of securities 31. (i) **For the purpose of this Article :**

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository.

‘SEBI’ means the Securities and Exchange Board of India.

(ii) Dematerialization of Securities

Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996

(iii) Options for Investors

Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and, on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(iv) Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(v) Rights of Depositories and Beneficial Owner

- (a) Notwithstanding anything to the contrary contained in the Act of these Articles, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) 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 of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(vi) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository to the company by means of electronic mode or by delivery of floppies or discs.

(vii) Transfer of Securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(viii) Allotment of securities dealt within a depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

(ix) Distinctive numbers and securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held in a depository.

(x) Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by the depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles".

PURCHASE OF COMPANY'S SHARES (BUY-BACK OF SHARES)**Purchase of
Company's Shares
(Buy-Back of Shares)**

32. Subject to all applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions, and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company, the Company may purchase any of its shares, odd lots or otherwise, on such terms and conditions and upto such limits as may be prescribed by Law from time to time

UNDERWRITING AND BROKERAGE**Commission may be
paid**

33. Subject to the provision of Section 40 of the Act the Company may at any time pay such commission as may be lawful to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the Company. Such commission may be satisfied by payment of cash or by allotment of the fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.

Brokerage

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

CALLS**Directors may make
calls**

35. Subject to the Provisions of Section 49 of the Act the Board of Directors may, from time to time, by a Resolution passed at a meeting of the Board (and not by a circular resolution) make such calls, as it thinks fit, upon the members in respect of all moneys unpaid on the shares whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine

- Notice of calls.** 36. Thirty days notice at least in writing 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 of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.
- Liability of Joint-holders** 38. The joint--holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- Powers to make calls** 39. A Call may extend to the entire nominal amount of the share.
- Directors may extend time** 40. The Board of Directors may, from time to time at discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.
- Amount payable at fixed time or by instalments to be treated as calls.** 41. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.
- When interest on call or instalment payable.** 42. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest on the same at such rate not exceeding eighteen per cent per annum as Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the directors may waive payment of such interest wholly or in part.
- Evidence in actions by Company against Shareholders.** 43. On the trial or hearing of any action or suit brought by the company against any member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares in money is sought to be recovered and entered on the register of member as the holder or as one of the holders at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minutes book, and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Partial payment not to preclude forfeiture.** 44. Neither 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 share, either by way of principal or interest, nor 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 such shares as hereinafter provided.

Payment in anticipation of calls may carry interest.

45. The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon moneys so paid in advance of upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect or the shares on account of which such advances are made, the Board of Directors may pay or allow interest at such rate as may be decided by the Board. 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 such member three months' notice in writing. No member paying any such sum in advance shall be entitled to voting rights or dividend or to participate in the profits of the company, 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.

46. The Company shall have a first and paramount lien upon all 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 thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footing and condition that this article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of shares. PROVIDED THAT the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. 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.

Ask to enforcing lien by sale

47. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has lien for the purpose of enforcing the same.

Provided That no sale shall be made: -

- a. unless a sum in respect of which the exist is presently payable or
- b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered-holder for the time being of the share of the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise a person out of their members to execute a transfer on behalf of and in the name of such members.

Transfer of shares sold under lien

48. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The Purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Application of proceeds of sale

49. (1) The net proceeds of any such sale shall be applied by the company in payment or towards such part of the amount in respect of which the lien exists as is presently payable, and

- (2) The residue, if any shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale.)
- (3) In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
- (4) The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

- | | |
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| If money payable on share not paid notice to be given to Members | 50. If any member fails to pay any call or any instalment of 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 for 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 |
| If call or instalment not paid, notice may be given | 51. For the purposes of the provisions if 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. |
| Form of Notice | 52. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate and expenses as aforesaid are to be paid. 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. |
| In default of payment, shares to be forfeited | 53. If the requirements of any such notice as aforesaid 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 instalment, 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 and not actually paid before the forfeiture. |
| Forfeited share to be the property of the Company and may be sold etc. | 54. When any share shall have 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 omission or neglect to give such notice or to make any such entry as aforesaid |
| Member still liable to pay money and interest owing at the time of forfeiture | 55. 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 or to any other person, upon such terms and in such manner as the Board of Directors shall think fit |
| | 56. 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 eighteen per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligations so to do. |

- Effect of Forfeiture** 57. 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.
- Power to annule Forfeiture** 58. The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annule the forfeiture thereof upon such conditions as it thinks fit.
- Validity of Forfeiture** 59. (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the company, and that a share in the company has been duly 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 persons 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 thereupon be registered as the holder of the shares.
- (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 bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
- (5) Such Purchaser or allottee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.
- Provision of these articles as to forfeiture to apply in case of non-payment of any sum.** 60. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- Cancellation of share certificates in respect of forfeited shares.** 61. 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 shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled 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 shares to the persons entitled thereto.
- Surrender of Shares** 62. The Directors may subject to the provisions of Section 66 of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.
- TRANSFER AND TRANSMISSION OF SHARES**
- Register of Transfers** 63. The Company shall keep a book to be called the Register of Transfers, and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
- Transfer of shares** 64. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

- Form of Transfer** 65. The Instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 56 of the Act.
- Application for Transfer.** 66. In accordance with the provisions of Section 56 of the Act
- (1) An application for the registration of transfer of the shares in the company may be made either by the transferor or transferee.
 - (2) When the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to transfer within two weeks from the receipt of the notice.
 - (3) For the purpose of sub-clause (2), above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
- Instrument of Transfer** 67. Save as provided by Section 56 of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the company together with the certificate or certificates of the shares.
- 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 of Members in respect thereof.
- Transfer by legal representative.** 69. A transfer of a share in the Company of a deceased member thereof 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 or transfer.
- Transfer books when closed** 70. Pursuant to Section 91 of the Act, the Board of Directors shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate to close the transfer books. The Register of Members or the Register or 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 to the Board.
- Directors may refuse to register transfers** 71. (a) Subject to the provisions of Section 58 of the Act, or any statutory modification thereof for the time being in force, 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 of any shares and in particular may so decline in any case in which the company has a lien upon the shares desired to be transferred or any call or instalment regarding any of them remains unpaid. The registration of a transfer shall be conclusive evidence of the approval of the Directors of the transfer.
- 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 a lien on shares.
- (b) No share shall in any circumstance be transferred to any minor, insolvent or person of unsound mind.

- Directors may decline to recognize transfers** (c) The Board may also decline to recognise any instruments of transfer unless:--
- (i) The instruments of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
 - (ii) The instrument of transfer is in respect of only one class of shares; and
 - (iii) The instrument of transfer is duly stamped.
- Notice of refusal to be given to Transferor and Transferee.** 72. If the company refuse to register the transfer of any shares or transmission of any right therein, the company shall within one month from the date on which instruments 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, and thereupon the provisions of Section 58 of the Act or any statutory modification thereof for the time being in force shall apply.
- Death of one or more joint holders of shares** 73. In case of the death of any one or more person named in the Register of Member 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.
- Titles to shares of deceased Member** 74. The executors or administrators of a deceased member of the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the company as having any title to the shares registered in the names of such member, and the company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or succession Certificate and register under Article 75 the name of any persons 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 (Transmission clause)** 75. Subject to the provision of Article 73 & 74 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Art. may with the consent of the Board of Directors (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 of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors 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.** 76. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

- Directors entitled to refuse to register more than four joint-holders.** 77. The Director shall be entitled to decline to register more than four persons as the holders of any share.
- Persons entitled may receive dividend without being registered as Member** 78. A person entitled to a share by transmission shall subject to the right of the Directors 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.
- Transfer to be presented with evidence of title.** 79. Every instrument of transfer shall be presented to the company duly stamped for registration accompanied by such evidence as the Board of Directors 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 of Directors 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 of Directors. But any instrument of transfer which the Board of Directors may decline to register shall on demand be returned to the person depositing the same.
- Conditions of registration of transfer.** 80. Prior to the registration of a transfer, the certificates of the share or shares to be transferred, and if no such certificate is in existence the Letter of Allotment of the shares must be delivered to the company along with (save as provided in Sec. 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly engrossed thereon.
- No fee on transfer or transmission.** 81. No fee shall be charged for registration of transfer or for effecting transmission or for registering any grant of Probate, Succession Certificate and Letter of Administration Certificates of Death or marriage, Power of Attorney or similar other documents.
- The Company not liable for disregard of a notice prohibiting registration or a transfer.** 82. 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 or attend or give effect to any notice which may be given to it 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 book of the company, but the company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

NOMINATION

- Nomination** 83. (a) Notwithstanding anything contained in the Articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.
- (b) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder·(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.
- (c) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

- (d) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.
- Transmission of Securities by nominee**
84. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
- (a) to be registered himself as holder of the security, as the case may be; or
 - (b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;
 - (c) if the nominee elects to be registered as holder of the security, himself, 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 security holder;
 - (d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

- Copies of Memorandum and Articles of Association to be sent by the Company to Members**
85. The Company shall subject to the payment of the fee prescribed under Section 17 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 (7) days of the requirement, a copy of each of the following documents as in force for the time being.
- (a) The Memorandum,
 - (b) The Articles, and
 - (c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

BORROWING POWERS

- Power to Borrow**
86. Subject to the provision of Section 73, 74, 76, 177 and 179 of the Act and of these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source PROVIDED HOWEVER, 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 the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the company in general meeting. No debt incurred by the company in the excess of the limit imposed by these Articles shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

- Long term borrowing (other than working capital / temporary loan)** 87. Subject to the provision of Section 180(1)(c) of the Act and of these Articles, the Board of Directors may, from time to time at its discretion, borrow money for the purpose of the company including the money already borrowed, other than for its working capital requirements, exceeding the aggregate of its paid up capital, free reserves, and security premium, by way of obtaining Special Resolution from the shareholders of the company.
- The payment or repayment of moneys borrowed.** 88. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the company (both present and future) including its uncalled capital for the time being, and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- Terms of issue of debentures.** 89. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and condition as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise, Debentures 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 any Mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the member in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
- Register of Charges etc. to be kept.** 91. The Board of Directors shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all Mortgage, debentures, and charges specifically affecting the property of the Company, and shall cause the requirements of Section 71, 77 and Section 79 to 85 (both inclusive) of the Act in that behalf to be duly complied with so far as they fall to be complied with by the company. The Company shall comply with provisions of Section 79 of the Act as regards modification of a charge and its registration with the Registrar.
- Transfer of Debentures** 92. (a) The holder of a Debenture can transfer his interest therein in the same manner and subject to the same regulations under which the shares can be transferred under these articles.
(b) Subject to the provisions of Section 58 of the Act, if the Board refuses to register the transfer of any debenture, the Company shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor notice of the refusal.
- Register and index of Debenture holders** 93. The Company shall, if at any time it issues debentures, keep a Register and index of Debenture Holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture-holders resident in that State or Country.

- Register of Directors and Key Managerial Personnel and Contracts**
94. The Directors shall arrange to maintain at the Registered office of the Company a Register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by Section 170 of the Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said Sections. The Directors shall cause to be kept at the Registered Office
- (a) a Register in accordance with Section 170 and
 - (b) a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act.
- The Registers can be maintained in electronic form subject to the provisions of the Act.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- Shares may be converted into stock**
95. The company, may by ordinary Resolution :-
- (a) Convert any paid up shares into stock, and
 - (b) reconvert any stock into paid-up shares of any denomination
- Transfer of stock**
96. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.
- PROVIDED that the Board may, from time to time, fix minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose,
- Rights of stock holders**
97. The holders of stock shall, according to the amount of stock held by them, have the same right privileges and advantages as regards dividends, votings at meeting of the company, and other matters, as if 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 those privileges or advantages.
- Regulations applicable to stock**
98. Such of the regulations of the company as are applicable to paid up shares shall apply to stock and the words 'Shareholder' in these regulations shall include 'stock' and 'stock-holder' respectively.

MEETINGS OF MEMBERS

- Annual General Meeting**
99. (1) The Company shall in each year hold, in addition to any other meeting a general meeting as its Annual General Meeting in accordance with the provisions of sections 96 and 129 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

- (2) PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any annual general meeting shall be held, such annual meeting may be held within the extended time.
- (3) Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday and shall be held either at the Registered office of the company or at some other place within the city or town or village in which the registered office of the company is situate for the time being.
- (4) 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.

**Extraordinary
General Meetings**

100. The Directors may, whenever they think fit, call an extraordinary general meeting provided however if at any time they are not in India Directors capable of acting who are sufficient in number to form a quorum, any Directors present in India may call an extra ordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

The Board of Directors of the company shall on the requisition of such member or members of the Company as is specified in sub-section (2) of Section 100 of the Act, forthwith proceed duly to call an extra-ordinary general meeting of the company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Act and of any statutory modification thereof for the time being shall apply.

Annual Return

101. The Company shall comply with the provisions of Section 92 of the Act regarding the filing of Annual Return and the provisions regarding the annual return and certificates to be annexed thereto.

**Place of keeping
& Inspection of
registers & returns**

102. The register required to be kept and maintained by the Company under Section 88 of the Act and copies of the annual return filed under Sections 92 of the Act, shall be kept at the Registered Office of the Company.

PROVIDED THAT such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of Members entered in the Register of Members reside, if approved for this purpose by a Special Resolution passed in General Meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.

Inspection

103. (a) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any Member, debenture holder or other security holder or Beneficial Owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other Person on payment of such fees as may be prescribed under the Act and the rules made thereunder.
- (b) Any such Member, debenture-holder, other security holder or Beneficial Owner or any other Person may take extracts from any register, or index or return without payment of any fee or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act not exceeding Rs. 10/- (Rupees ten only) for each page. Such copy or entries or return shall be supplied within seven (7) days of deposit of such fee.

The Company shall cause any copy required by any Person under Clause (b) of sub-clause (3) to be sent to that Person within a period of seven (7) days of th deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

When Register of members and Debenture-holders may be closed.	104. Pursuant to Section 91 of the Act and Rules made thereof, the company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered office is situate, close the Register of Members or the Register of Debenture-holders, as the case may be, for any period not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any time.
Circulation of Members Resolution	105. The company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
Notice of General Meeting	106. (1) Save as provided in the proviso sub-section (1) of Section 101 of the Act, not less than twenty-one days' notice (either in writing or electronic mode) shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Where any such business consists of "Special Business" as hereinafter defined there shall be annexed to the notice an explanatory statement complying with Section 102 of the Act. Notice of every meeting of the company shall be given to every member of the company, to the Auditors of the company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notices to such persons. (2) The company shall give public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting under clause (i) of sub-rule (4) of Rule 20 of the Companies (Management and Administration) Rules 2014 but at least twenty-one days before the date of general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having country-wide circulation.
Omission to give notice not to invalidate a resolution passed	107. 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.
Notice of business to be given.	108. No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.
Shorter notice admissible	109. As per first proviso of sub section (1) of Section 101 of the Act, , an Annual General Meeting or any General Meeting may be convened by giving a shorter notice less than twenty one (21) days if consent is given in writing or by electronic mode by not less than 95% (ninety-five per cent) of the Members entitled to vote at such meeting.
Quorum	110. The number of Members prescribed under Section 103 of the Act and entitled to vote and present in Person shall be a quorum for a General Meeting and no business shall be transacted at the General Meeting unless the requisite quorum is present at the commencement of the meeting. A body corporate being a member shall be deemed to be present if it is represented in accordance with Section 113 of the Act. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be present if he is represented in accordance with Section 112 of the Act.

- Presence of Quorum** 111. 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 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 such other time and place as the Board may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.
- Resolution passed at adjourned meeting** 112. 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.** 113. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or 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 Directors present shall elect one of them as Chairman and if no Directors be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands 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** 114. No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.
- Chairman may adjourn meeting** 115. (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 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 any adjourned meeting.
- Voting to be by show of hands in the first instance.** 116. At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded under Article 113 or the voting is carried out electronically, be decided on a show of hands.
- Provided that voting by show of hands would not be allowable in cases where Rule 20 of the Companies (Management and Administration) Rules, 2014 is applicable as per MCA General Circular 20/2014 dated 17 June 2014.
- Chairman's declaration of result of voting on show of hands** 117. A declaration by the Chairman that in pursuance of Article 111, on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of votes in favour or against resolution.

- Demand for poll** 118. (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 on his own motion, and shall be ordered to be taken by him on a demand made in that behalf,—
- (a) in the case a company having a share capital, by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up; and
- (b) in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power.
- (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** 119. A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being relating to the election of a Chairman which is provided for in Article 113) shall be taken at such time not being later than forty-eight hours from time to time when the demand was made and in such manner and place as the Chairman of the meeting may direct.
- Scrutineers at poll** 120. Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutineer to scrutinise the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- 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 prevent transaction of other business.** 121. 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.
- Security arrangement at venue of meetings.** 122. The Board, and the persons authorized by it, shall have the right to take and/or make suitable arrangements for ensuring the safety of any meeting - whether a general meeting or a meeting of any class of Security, or of the persons attending the same, and for the orderly conduct of such meeting, and notwithstanding anything contained in these Articles, any action, taken pursuant to this Article in good faith shall be final and the right to attend and participate in such meeting shall be subject to the decision taken pursuant to the Article.
- Resolution through Postal Ballot** 123. Notwithstanding anything contained in the provisions of the Act and the Rules made there under, the Company may, and in the case of resolutions relating to such business other than the Ordinary business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
- Special notice** 124. 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 by such number of Members holding not less than one percent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been Paid-up and the Company shall give its Members notice of the resolution in such manner as may be prescribed.

Registration of documents with the Registrar

125. A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Act, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty (30) days of the passing or making thereof in such a manner and with such fees as may be prescribed under Section 403 of the Companies Act:
- (a) Every Special Resolution.
 - (b) Every resolution which has been agreed to by all Members of the Company but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a Special Resolution.
 - (c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director.
 - (d) Every resolution or agreement which has been agreed to by all the Members of any class of Shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or otherwise in some particular manner; and every resolution or agreement which effectively binds all the Members or any class of Shareholders though not agreed to by all those Members.
 - (e) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 59 of the Insolvency and Bankruptcy Code, 2016.
 - (f) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Act; and
 - (g) Any other resolution or agreement as may be prescribed and placed in the public domain.

Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement

VOTES OF MEMBERS

**Members paying money in advance not to be entitled to vote in respect thereof
Restriction on exercise of voting rights of members who have not paid calls.
Number of votes to which member entitled.**

126. A member paying the whole or a part of the amount remaining unpaid on any share held by them 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.
127. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or their sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
128. Subject to the provisions of Articles 126 and 127 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 (or being a body corporate present by a representative duly authorised) have one vote and on a poll (including voting by electronic means) when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid up equity share capital of the Company provided however if any preference shareholder be present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his Preference Share. 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.

- Vote of members of unsound mind** 129. A member of unsound mind or in respect of whom 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; any such committee or guardian may on a poll vote by proxy.
- Votes of joint members** 130. If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney 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 agent or by proxy, that one of the said persons so present who 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 holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect to 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.
- Casting of votes by a member entitled to more than one vote** 131. 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.
- Representation of body corporate.** 132. (1) A body corporate (where a company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures), authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing body to act as its representative at any meeting of the 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 powers (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 Governor of State** (2) 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 appoint such person as he thinks fit to act as his representative at any meeting of any class of members 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 right and powers, 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 members.** 133. 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 forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his 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.
- E-Voting** 134. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and shall vote only once.
- Appointment of Scrutinizer** 135. (1) The Board of Directors shall appoint one or more scrutiner, who may be Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, or any other person who is not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinise the voting and remote e-voting process in a fair and transparent manner.

- (2) The scrutiner shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiner's report of the total votes cast In favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- Voting in person or by proxy or by authorised representative.** 136. Votes may be given either personally or by attorney or by proxy or in case of a Company, by a representative duly Authorized as mentioned in Articles.
- At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109, or if the voting is carried out electronically be decided on a show of hands. Such voting in a general meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by applicable laws from time to time.
- Rights of member to use his votes differently.** 137. 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 vote or cast in the same way all the votes he uses.
- Proxies** 138. 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.** 139. An instrument of proxy may appoint a proxy either for the purposes 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.
- No proxy to vote on a show of hands.** 140. No proxy shall be entitled to vote on a show of hands.
- Deposit of instrument of appointment** 141. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the registered office forty-eight hours before the time for holding 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** 142. Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms prescribed in the Rules made under Section 105 of 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 officer or attorney duly authorised by it.
- Inspection of Proxies.** 143. Every member entitled to vote at a meeting of the Company according to the provisions of these articles on any resolution to be moved thereat 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 not-withstanding revocation of authority** 144. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation to the proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office before the commencement of the meeting, or adjourned meeting at which the proxy is used.

- Time for objections to vote.** 145. 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 purposes. 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.** 146. 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 instrument** 147. If any such instrument of appointment be confined to the object of appointing an attorney or 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 examined with the original shall be delivered the Company to remain in the custody of the Company.

BOARD OF DIRECTORS

- Number of Directors** 148. Unless otherwise determined by the Company in general meeting and subject to the provisions of Section 149(1) and 151 of the Act, the number of directors of the Company shall not be less than 3 (three) and shall not be more than 15 (Fifteen) excluding Debentures, Special and Directors appointed by the financial institutions, if any, Provided that a company may appoint more than fifteen directors after passing a special resolution in the general meeting.
- However, so long as the private promoters shall continue to hold not less than 25% in the equity share capital of the Company, they shall be entitled to nominate upto (4) four directors. Provided that in the event of private promoters reducing their equity shareholding their representation on the Board will be reduced by 1(one) director for every reduction of 6.25% in the equity shareholding.
- Women Director** 149. The Company shall have such number of women director as may be prescribed under the Act and /or SEBI Listing Regulations, as may applicable to the Company.
- Independent Directors** 150. The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re- appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.
- Directors appointed at the time of first adoption of Article (i.e. 14.10.1983)** 151. The following persons are the Directors of the Company on the day of adoption of these articles :
- (1) Shri H.K. Khan
 - (2) Shri Sanjay Dalmia
 - (3) Shri Anurag Dalmia
 - (4) Shri R.K. Jajoo
 - (5) Shri R Balakrishnan
 - (6) Shri R S Agrawal
 - (7) Dr. P K Das
 - (8) Shri M R Gami
 - (9) Dr. B C Jain
 - (10) Shri Shobhan M Thakore

- Directors name on adoption of Article at 39th Annual General Meeting held on June 30, 2022**
152. The following persons are the Directors of the Company on adoption of new Article as per Companies Act 2013 at 39th Annual General Meeting of the Company held on June 30, 2022;
- (1) Mr. Sanjay Dalmia
 - (2) Mr. Anurag Dalmia
 - (3) Dr. Manoj Vaish
 - (4) Mrs. Vijaylaxmi Joshi (Retd.) IAS
 - (5) Justice (Retd). Ravindra Singh
 - (6) Mr. Arun Kumar Jain (Retd.) IRS
 - (7) Dr. Lavanya Rastogi
 - (8) Mr. Ravi Shanker Jalan
 - (9) Mr. Raman Chopra
 - (10) Mr. Neelabh Dalmia
- Business Committee**
153. If the Board of Directors of the Company find it necessary to constitute any Committee, such Committee includes such number of Directors from among Independent Director, Executive Director and Promoter Director as may be decided by the Board and also Nominee(s) of Financial Institutions as may be approved by the Financial Institutions, if any. The Chairman of the Committee shall be appointed by the Board/ Committee and the Chairman shall have a casting vote at the Committee Meetings. The Committee shall be delegated with such powers and functions as are decided by the Board from time to time.
- Debenture Directors**
154. Any Trust Deed for securing debentures or debenture stocks, may, if so agreed provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company any may empower such Trustees or holder of Debentures or debenture stocks, from time to time, to remove and re appoint any Director so appointed. The Director appointed under this article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
- Corporation Directors**
- 155..Notwithstanding anything to the contrary contained in the Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Financing 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 so long as any liability of the company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time, (which Director or Directors is/are hereinafter referred to as 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.

The Board of Directors of the Company shall have no power to remove from office the Corporation Director/s. At the option of the Corporation Such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such 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 other 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 the liability of the company arising out of the Guarantee is outstanding and the Corporation Director/s so appointed in exercise of the said power shall ipso facto vacate such 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 or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.

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

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

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

In the event of the Corporation Director/s being appointed as whole time Director/s such Corporation Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

Special Directors

156. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know how and/or machinery or technical advice the Directors may authorise such Company, Corporation firm or person hereinafter in the clause referred to as 'Collaborator' to appoint from time to time any person as a Director of the Company (hereinafter referred to as 'Special Director') and may agreed by both parties.

The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by the collaborator or his authorised representative and shall be delivered to the company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborators is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.

- Limit on number of non rotating Directors** 157. The provisions of Articles 154, 155 and 156 are subject to the provisions of section 152 of the Act and the number of such Directors appointed under Articles 154, 155 and 156 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. The remaining Directors shall be appointed by the Company in General Meeting.
- Appointment of Alternate Director** 158. The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, 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.
- Directors may fill casual vacancies** 159. The Directors 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. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
- Additional Directors** 160. The Board of Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall be eligible for only upto the date of the next annual general meeting but shall be eligible for election at such meeting.
- Qualification of Directors** 161. A Director shall not be required to hold any qualification shares.
- Disqualification of Directors** 162. (1) The Company shall not appoint any person as its Director if :
- (a) he has been found to be of unsound mind and stands so declared by a competent court;
 - (b) he is an undischarged insolvent;
 - (c) he has applied to be adjudicated as an insolvent and his application is pending;
 - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
 - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - (h) he has not complied with sub-section (3) of section 152.
 - (i) he has not complied with the provisions of sub-section (1) of section 165.
- (2) No person who is or has been a Director of a company, where the company—
- (a) has not filed financial statements or annual returns for any continuous period of three (3) Financial Years; or
 - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any Debentures on the due date or pay interest due thereon or pay any Dividend declared and such failure to pay or redeem continues for one (1) year or more,
- (3) shall be eligible to be re-appointed as a Director of that company or appointed in other company for a period of five (5) years from the date on which the said company fails to do so.

Remuneration of Directors

163. Each Director shall be entitled to receive out of the Funds of the Company by way of remuneration for his services in attending meetings of the Board or any Committee of Directors attended by him such sum as may be determined by the Board from time to time subject to the provisions of the Act and the Rules made thereunder. The Directors subject to the sanction of the Central Government (if any required) may 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 of Special Work

164. Subject to the provisions of Section 197 and 188 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of 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

165. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors 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.

- No increase in remuneration of Director without approval of Shareholders by passing special resolution**
166. Any amendment of any provision relating to the remuneration of any Director including a Managing or Whole time Director, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, shall not have effect unless approved by shareholders by passing special resolution in general meeting as per provisions of section 197 of the Act.
- Directors may act notwithstanding vacancy**
167. The continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, 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
- Casual vacancy**
168. The Board of Directors of the company at a meeting of the Board may fill up a casual vacancy if the office of any Director appointed by the company in General Meeting is vacated before his term of office is due to expire in the normal course. 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 had not been vacated as aforesaid.
- Vacation of office by Directors**
169. Subject to Section 167 of the Act, the office of a Director shall be vacated if :
- (a) he incurs any of the disqualifications specified in Section 164 of the Act;
 - (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
 - (c) he acts in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
 - (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184;
 - (e) he becomes disqualified by an order of a Court or the Tribunal;
 - (f) he is convicted by a Court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such Court;
 - (g) he is removed in pursuance of the provisions of the Act;
 - (h) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.
- Removal of Directors**
170. (a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) by Ordinary Resolution remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard:

Provided that nothing contained in this sub-clause shall apply where the Company has availed itself of the option given to it under Section 163 of the Act, to appoint not less than two-thirds of the total number of Directors according to the principle of proportional representation.

- (b) A special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.
- (c) On receipt of notice 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 notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to Members of the Company, the Company shall, if the time permits it to do so;
 - (i) in the notice of the resolution given to the 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 notice of the meeting is sent (before or after the receipt of the representations by the Company), and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the 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 any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the Director notwithstanding that he is not a party to it.

- (e) 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 be filled by the appointment of another director in his stead at the meeting at which he is removed; Provided special notice of the intended appointment has been given. A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions of the Act.
- (g) A Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.
- (h) 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 as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as Director; or
 - (ii) as derogating from any power to remove a Director under the provisions of the Act.

Resignation of Directors

171. A director may at any time give notice in writing of his wish to resign by delivering such notice to the Secretary or leaving the same at the registered office of the Company and there upon his office shall be vacated.

- Directors may contract with Company** 172. Subject to the provision of Section 188 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Director or the Managing Director or with any firm in which any Director or a relative shall be a Partner or with any other partner or with a Private Company in which such Director is a member or Director interested, be avoided, nor shall any Director or otherwise so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.
- Disclosure of Director's interest** 173. Every Director of the company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Act.
- Disclosure to the members of Director's interest in contract in appointing manager or Managing Director;** 174. If the Company-
- (a) enters into a contract for the appointment of a Manager or Managing Director of the Company in which contract any Director of the company is in any way directly or indirectly concerned or interested ; or
 - (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Act shall be complied with.
- Holding of office of profit by Directors etc.** 175. No director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that Section.
- Loans to Directors etc** 176. The Company shall comply with the provisions contained in Section 185 of the Act in regard to making loans to Directors.
- Interested Director not to participate or to vote in Board's proceedings.** 177. No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in 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, it shall be void : provided that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private Company which is subsidiary of a public Company in which the interest of the Director aforesaid consists solely.
- (a) in his being Director of such Company and the holder of not more than shares of such number and value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company.
 - (b) 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.** 178. The Company shall keep one or more registers in which shall be entered separately particulars of all contracts and arrangements to which Section 188 or Section 184 of the Act applies

RETIREMENT OF DIRECTORS BY ROTATION

- Rotation of Directors** 179. 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 Article be appointed by the Company in General Meeting
- Explanation:- for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.
- Retirement of Directors** 180. Subject to the provisions of Section 152 of the Companies Act, 2013 or any amendment thereto from time to time, and Articles 148 to 160 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. The Managing Director or a Whole time Director, who is re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director or Whole time Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Managing Director or a Whole time Director. In these articles a 'Retiring Director' means a Director retiring by rotation.
- Ascertainment of Directors retiring by rotation and filling of vacancies.** 181. The Directors to retire by rotation under Article 180 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 for re-election** 182. A retiring Director shall be eligible for the re-election.
- Company to fill vacancies** 183. Subject to Section, 169 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring director or some other person thereto.
- Provision in default of appointment** 184. Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting the places of the retiring Directors are not filled up the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjournment meeting.
- Company may increase or reduce the number of Directors** 185. Subject to the provisions of Sections 149 and 151 of the Act the company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.
- Appointment of Directors to be voted on individually** 186. Save as permitted by Section 162 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.
- When the Company and candidate for office of Director must give notice** 187. (1) No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, along with a deposit of Rupees one lakhs which shall be refunded to such person or as the case may be to such member if the person succeeds in getting elected as a Director or gets more than 25% of valid votes castes either by show of hands or on poll of such resolution..

Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee, if any, constituted under sub-section (1) of section 178 or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute Nomination and Remuneration Committee.

- (2) The Company shall inform its members of the candidature of a person to the office of a Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the general 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 general meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

Register of Directors etc. and notification of change to registrar. 188. (1) The Company shall keep at its registered office a Register containing the particulars of its Directors and other persons mentioned in Section 170 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 keep at the registered office a Register showing as respect each Director of the Company the number, description and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding Company or a subsidiary of the Company's holding Company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 170 of the Act. Such register shall be kept open for inspection by any member or debenture holder of the Company as per provision of the Act.

Disclosure by Director of appointment to any other body corporate 189. Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to sub-section (1) of Section 170 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 184 of the Act.

Disclosure by Directors of their holdings of share and debentures of the Company 190. Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Act shall give notice to the Company of such matters relating to itself as may be necessary for the purpose of enabling the Company to comply with the provision of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that is brought up and read at the first meeting of the Board next after it is given.

MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

Board may appoint Managing Director and Whole-time Director 191. Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:

- (a) The Directors may from time to time appoint Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for a term not exceeding 5 (five) years (or such other terms as prescribed under the Act) at a time and may from time to time remove or dismiss him or them from office.

- (b) The managing Director or the Managing Directors, or whole-time Director or whole-time Directors, while he or they continue to hold that office shall, subject to the provisions of the Act, not be Directors, whose period of office is liable to determination by retirement by rotation but he or they shall ipso- facto cease to be Managing Director or Managing Directors or whole-time Director or whole-time Directors if he or they cease to hold office of a Director for any cause. For the purpose of this Article a Managing or whole- time Director shall not be understood to have ceased to hold office of Managing or whole-time Director if, being required to retire as a Director he retires and is re-appointed
- (c) The remuneration of a Managing Director or Managing Directors or whole time Director or whole time Directors shall be from time to time fixed by the Board and subject to the provisions of the Act, may be by way of fixed salary and/or commission and in any mode, and may be in addition to any other remuneration which he may be entitled to as a Director.
- (d) The Board of Directors may from time to time subject to the provisions of the Act, entrust to or confer upon the Managing Director or Managing Directors or whole-time Director or whole-time Directors for the time being such of the power(s) exercisable by such Director under these Articles and the Act, as they think may fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient, and they may confer such powers either collectively with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers, provided that time Board shall not delegate the power to make calls on shareholders and to issue debentures or to raise the capital.
- (e) The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.

What provision they will be subject to

192. The Managing Director shall be a professional person to be appointed by the Board of Directors of the Company on recommendation of the Nomination & Remuneration Committee. The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013.

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 under Article 180 but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or whole time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or whole time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Directors or Whole-time Director or two or more of them as the Directors may from time determine shall be liable to retirement by rotation in accordance with the Article 175 to the intent that the number of Directors 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)** 193. The remuneration of the Managing Director or Whole time Director shall (subject to Section 197 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 of the Company or by participation in such profits or by fee for each meeting of the Board or by and/or all these modes or other mode not expressly prohibited by the Act.
- Power and duties of Managing and/or Whole-time Director(s)** 194. Subject to the 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/or Whole-time Director(s) if any, 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 in any such Managing Director or Managing Directors or Whole-time Director or Whole-time Directors such of the power vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such power 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 time to time, revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD OF DIRECTORS

- Meeting of Directors** 195. Minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit.
- Meeting through Audio-Visual Media** 196. The Board of Directors shall be entitled to hold its meeting through video conferencing or any other audio visual means and in conducting the Board meetings through such video conferencing or any other audio visual means, the procedures and the precautions as laid down in the relevant Rules and Secretarial Standards shall be adhered to. With regard to every meeting conducted through video conferencing or any other audio visual means the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting..
- Notice of Meetings** 197. The Chairperson may at any time summon a meeting of the Board or the Chairperson or a Secretary, on the requisition of a Director, shall at any time summon a meeting of the Board. Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.
- Quorum** 198. The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other audio visual means shall also be counted for the purposes of quorum, Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.

Explanation:

The expressions "interested Director" shall have the meanings given in Section 184(2) of the said Act and the expression "total strength" shall have the meaning as given in Section 174 of the Act

- Procedure when meeting adjourned for want of quorum** 199. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If there is no Quorum at the adjourned Meeting also, the Meeting shall stand cancelled.
- Chairman** 200. The Chairman of the Company shall be appointed by the Board of Directors of the Company and Chairman of the Company shall be Chairman of the Board.
- If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors then present to preside at the meeting.
- Questions at Board meeting how decided.** 201. Subject to provisions of Section 203, and 186 (5) of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- Powers of Board Meetings** 202. A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.
- Director may appoint committees** 203. The Board may, subject to the provisions of Section 179 of the Act and other relevant provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
- Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- The participation of member in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- A Committee may meet and adjourn as it thinks fit.
- Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
- All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
- Meeting of the Committee how to be governed** 204. The meeting and proceeding of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article.

Circular Resolution 205. Subject to the provisions of Section 175 of the Act, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or members of the committee as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution under stated above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

Acts of Board or Committee valid notwithstanding defect in appointment 206. 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, had vacated office or that the appointment of any of them is deemed to be 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.

POWERS OF THE BOARD

Powers of Directors 207. The business of the Company shall be managed by the Board who may exercise all such powers of the company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of Company required to be exercised by the Company in general meeting, subject nevertheless to the Articles or the provisions of the Act or any other Act and to such regulation (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed by the Company in general meeting but no regulations made 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 Provided that the Board shall not except with the consent of the Company in general meeting.

(a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole or substantially the whole of any such undertaking.

(b) remit or give time for the payment of any debt due by a Director.

(c) invest otherwise than in trust securities the amount of compensation received by the company in respect of the compulsory acquisition of any such undertaking as is referred to in Clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose, or

- (e) Contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act during the three financial years immediately preceding whichever is greater. Provided that the company in general meeting or the Board shall not contribute any amount to any political party or for any political purpose to any individual or body so long as it is prohibited by law :-
- (i) Provided that in respect of the matter referred to in clauses (d) or (e) such consent shall be obtained by a resolution of the company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) or as the case may be total amount which may be contributed to charitable or other fund in any financial year under clause (e).
- (ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.

Certain powers to be exercised by the Board only at meetings. 208. Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the company and they shall do so only by means of resolutions passed at the meetings of the Board.

- (1) a) Power to make calls on shareholders in respect of money unpaid on their shares ;
- b) Power to authorise buy-back of securities under section 68;
- c) Power to issue securities, including debenture , whether in or outside India;
- d) Power to borrow monies;
- e) Power to invest the funds of the company;
- f) Power to grant loans or give guarantee or provide security in respect of loans;
- g) Power to approve financial statement and the Board's report;
- h) Power to diversify the business of the company;
- i) Power to approve amalgamation, merger or reconstruction;
- j) Power to make political contribution
- k) Power to appoint or remove Key Manageial Personnel (KMP)
- l) Power to appoint Internal Auditors and Secretarial Auditors

Provided that the Board may by resolution passed at a meeting delegate to any committee of Directors, Managing Director or any other principal officer of the Company or in the case of a branch office of the Company principal officer of the Branch office the powers specified in (d) to (f) of this clause to the extent specified below

- (2) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount, outstanding at any one time, upto which moneys may be borrowed by the delegatee.

- (3) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which the funds of the Company may be invested and the nature of investment which may be made by the delegatee.
- (4) Every resolution delegating the power referred to in sub-clause (1) (f) shall specify the total amount upto which loans may be made by the delegatee, the purpose for which the loans may be made and the maximum amount of loans which may be made for each purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to affect the right of the company in general meeting to impose restriction and conditions on exercising by the Board of any of the powers referred to in sub-clause (a), (b), (c), (d), (e), (f), (g), (g), (h) and (i) of clause (1) above

Certain powers of the Board 209. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article is hereby declared that the Directors shall have the following powers that is to say, power--

- (1) to pay and charge to the capital account of the company any commission or interest, lawfully payable thereof under the provision of Section 40 of the Act.
- (2) subject to Section 164 and 188 of the Act to purchase or for otherwise acquire for the Company any property, rights or privileges which the company is authorised to acquire at such price or consideration and generally on such terms & conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (3) at their discretion and subject to the provision of the Act to pay for any properly rights or privileges 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
- (4) credited as paid up thereon as may be agreed upon 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.
- (5) to secure the fulfilment of any contracts or engagement entered in to by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit.
- (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, conditions as shall be agreed.
- (7) to appoint any person to accept and hold in trust for the company any property belonging to the company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustees.
- (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 therein.

- (9) to act on behalf of the company in all matters relating to bankrupts and insolvents.
- (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.
- (11) subject to the provisions of Section 117, 180, 181, 182, 183, and 185 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 187 of the Act, all investments shall be made and held in the Company's own name;
- (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.
- (13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (14) to distribute by way of bonus amongst the staff of the Company a share or shares in 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;
- (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, dwelling units or chawls or by grants to 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 Section 181 of the Act to subscribe or contribute to 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 claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.
- (16) before recommending any dividend, subject to the provisions of Section 123 of the Act to set aside out of the profits of the Company such sums as they may think proper, for depreciation or the 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 purposes 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 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this company) as they may think fit, and from time to time to deal with and vary such investments and

dispose of and apply and expend 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 that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the company might rightly be applied or expended; 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 Reserve Fund or division of a Reserve Fund to 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 stock and that 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.

- (17) to appoint, and at their discretion remove or suspend such General Manager, Managers, Secretaries, Assistants, Supervisors, Scientists, Technicians, Engineers, Consultants, Legal, Medical or Economic Advisers, Research Workers, Labourers, Clerks, Agents and servants for permanent, temporary or special services as they 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 security in such instances and to such amounts as 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 manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) to comply with the requirement of any local law which in their opinion it shall in the interest of the company be necessary or expedient to comply with;
- (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;
- (20) subject to Section 179 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 member 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 appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annule or vary any such delegation;
- (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 powers, authorities and discretions (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 limit authorised by the Board the power to make loans and borrow moneys and for such period and subject to such condition as the Board may from time to time think fit, and any such appointments may (if the Board thinks 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 firms or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any

such powers of Attorney may contain such powers for the protection or convenience of person dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

- (22) subject to Section 188 of the Act, for or in relation to any of the matters aforesaid or other-wise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts deeds and things in the name and on behalf of the company as they may consider expedient.
- (23) from time to time to make, vary and repeal bye-laws for the regulation of the business of the company, its officers and servants.
- (24) to have superintendence, control and direction over Managers or Managing Director or Whole time Director and all other officers of the company.

MINUTES

- Minutes to be considered evidence.** 210. The company shall cause minutes of all proceedings of general meetings and of all proceedings of every meeting of the Board of Directors or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose.
- Minutes to be evidence of the proceedings** 211. The minutes of meeting kept in accordance with the provisions of Section 118 of the Act shall be evidence of the proceedings recorded therein.
- Presumptions to be drawn where minutes duly drawn and signed.** 212. Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act until the Contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.
- Inspection of Minutes Books of General Meetings** 213. (1) The Books containing the minutes of the proceedings of any general meetings of the company shall be opened to inspection of members without charge on such days and during such business hours as may be consistent with the provisions of section 119 of the Act and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.
- (2) Any member of the company shall be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any minutes, referred to in sub-clause (1) hereof .
- Publication of Report of proceedings of General Meeting.** 214. No document purporting to be a report of the proceedings of any general meeting of the company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the minutes of the proceedings of such meeting.

MANAGEMENT

- Prohibition of simultaneous appointment of different categories of managerial personnel.** 215. The company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :-
- a. Managing Director
 - b. Manager

Key Managerial Personnel (KMP)

216. Subject to the provisions of Section 203 of the Act;

- (1) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer or any other Key Managerial Personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board
- (2) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- (3) A provision of the Act or Regulations requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

THE SECRETARY**Secretary**

217. The Board may from time to time appoint, and at their discretion remove any individual possessing the qualifications prescribed under the Act (hereinafter called "The Secretary") to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors.

THE SEAL**The Seal**

218. (1) The Board of Directors 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 Board may prescribe.
- (2) The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of any two Directors of the Company or such other person, the Board may appoint in that behalf who shall sign every instrument to which the Seal is affixed. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.

DIVIDEND AND RESERVES**Division of Profits**

219. (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 according 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 amount 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 regulation as paid on the share.
- (3) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

- The Company in General Meeting may Declare dividend** 220. Subject to the provisions of Section 123 and other applicable provisions of the Act, 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 the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the company may declare a smaller dividends in general meeting.
- Dividend out of profits only** 221. (1) No Dividend shall be declared or paid by the Company for any Financial Year except (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) 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; or (b) out of the monies provided by the Central Government or State government for the payment of Dividend in pursuance or guarantee given by the Government.
- (2) For the purposes of sub-clause (1), the depreciation shall be provided in accordance with the provisions of Schedule II of the Act.
- (3) No Dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully Paid-up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.
- Interim dividend** 222. The Board of Directors may from time to time, pay to the members such interim dividends as in the judgement of the Board the position of the company justifies.
- Debts may be deducted** 223. The Directors may retain any dividends on which the company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.
- Capital paid up in advance at interest not to earn dividend.** 224. Where the capital is paid in advance of the calls upon the footing that 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** 225. 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 rank for dividend accordingly.
- Retention of Dividends until completion of transfer under Article 75.** 226. The Board of Directors may retain the dividend payable upon share in respect of which any person under 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, in respect of such share or shall duly transfer the same.
- Right to Dividend, Right Shares, and bonus shares in case of pending regn. of transfer of shares.** 227. Right to dividend, right shares and bonus shares shall be governed by the provisions of Section 126 of the Companies Act, 2013.
- No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof.** 228. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares whilst any money may be due or owing from him to the company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of money so due from him to the company.

Effect of Transfer of Shares	229. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend to joint-holders.	230. Anyone of several persons who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
Dividend how remitted	231. The dividend payable in cash may be paid by cheque or warrant sent through post direct to registered address of the share-holder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as to holder or the joint holder may in writing direct or electronically by ECS/NEFT/RTGS. The company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged signature on any pay slip or receipt the fraudulent recovery of the dividend by any other means.
Notice of Dividend	232. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.
Dividend to be paid within thirty days.	233. The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within "thirty days" from the date of the declaration.
Unpaid/Unclaimed Dividend	234. No unclaimed dividend shall be forfeited by the Board and unpaid and/ or unclaimed dividend shall be dealt with the accordance with Section 124 of the Companies Act, 2013

CAPITALISATION OF PROFITS

Capitalisation of profits	235. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve: <ul style="list-style-type: none"> a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit & Loss Account or otherwise available for distribution; and b. that such sum is accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have entitled thereto if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; <ul style="list-style-type: none"> i. paying up any amounts for the time being unpaid on shares held by such members respectively; ii. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause(ii) (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
	(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

**Fractional
Certificates**

236. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
- (a) make all appropriations and applications of the undivided profits resolved to capitalise thereby, and all allotments and issue of fully paid shares if any and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power ;
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities 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 profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.
- (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new equity fractional certificate as they think fit.

ACCOUNTS**Books to be kept**

237. (1) The Company shall prepare and keep at its Registered Office proper books of account and other relevant books and papers and financial statement for every Financial Year in accordance with Section 128 of the Act, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the Registered Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven (7) days of the decision file with the Registrar a notice in writing giving the full address of that other place.

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions affected at the branch are kept at that office and proper summarised returns made up to date at intervals of not more than three (3) months are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1).
- (3) The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the Registered Office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:

Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

Inspection by Members

238. (1) The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the Registered Office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:

Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

- (2) The books of account of the Company relating to a period of not less than eight (8) Financial Years immediately preceding a Financial Year, or where the Company had been in existence for a period less than eight (8) years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:

Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Act, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

Statements of Accounts to be furnished to general meeting

239. The Board of Directors shall in accordance with Sections 129, 133 and 134 of the Act, cause to be prepared and laid before each annual general meeting a Profit & Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Form and contents of Financial Statement and Profit and Loss Account.

240. (1) Every Financial Statement of the company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standards notified under Section 133 of the Act and shall be in the form set out in Schedule III to the Act.

Provided that the items contained in such financial statements shall be in accordance with the accounting standards.

- (2) Every Profit and Loss Account of the Company shall give a true and fair view of the profit or loss of the company for the financial year and shall comply with the requirements of Schedule III to the Act, so far as they are applicable thereto.
- (3) Every Financial Statement and every Profit and Loss Account of the company shall be signed on behalf of the Directors by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company.
- (4) The Financial Statement and the Profit and Loss Account shall be approved by the Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
- (5) The Profit and Loss Account shall be annexed to Balance Sheet and Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto.

**Consolidation of
Financial Statement
of Subsidiary of the
Company**

241. In case the Company has one or more subsidiaries, it shall, in addition to the financial statements provided under Article 240, prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the Annual General Meeting of the Company along with the laying of its financial statement under sub section (1) of Section 129 of the Act.:

Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed:

Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed. For the purposes of this sub-clause, the word “subsidiary” shall include associate company and joint venture.

Board’s Report

242. (1) Every Financial Statement laid before the Company in Annual General Meeting, shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amount, if any which it proposes to carry to any reserve in such Financial Statement, the amount if any, which it recommends to be paid by way of dividend, and material changes and commitment, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the Financial Statement relates and the date of the report.

(2) The report, shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the company's business in the Company's subsidiaries or in the nature of the business carried on by them, and generally in the classes of business in which the company has an interest.

**Copies to be sent to
members and others**

243. (1) A copy of the financial statement, including consolidated financial statements, if any, auditor’s report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debenture issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:

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

(a) holding, if the company has a share capital, majority in number entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or

(b) having, if the company has no share capital, not less than ninety five per cent. of the total voting power exercisable at the meeting:

(2) The Company shall be deemed to be complied with the provisions of Section 136 of the Act, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements:

Copies of Financial Statement etc. to be filed 244. The company shall comply with Section 137 of the Act as to filing copies of the Financial Statement and Profit and Loss Account, the statement containing the salient features of the Balance Sheet and Profit & Loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDIT

Accounts to be Audited annually 245. Subject to the provisions of the Act, once at least in every year the books of account of the company shall be audited by one or more auditor or auditors.

The appointment, powers, rights, remuneration and duties of the auditors shall be regulated by section 139 to 146 and section 148 of the act and rules made thereunder.

Appointment of Auditors 246. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Act and the rules made thereunder.

(2) Subject to the provisions of Section 139 of the Act, the Company shall at the first Annual General Meeting appoint an individual or a firm as an Auditor to hold office from the conclusion of that meeting until the conclusion of its sixth annual General Meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the Members of the Company at such meeting shall be such as may be prescribed.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor:

(3) Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Act:

Provided also that the Company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen (15) days of the meeting in which the auditor is appointed.

(4) "Appointment" includes reappointment.

Audit of the accounts of branch of the company. 247. Where the Company has a branch office the provisions of Section 143 of the Act shall apply.

Right of Auditors to attend general meeting. 248. (1) All notices of and other communication 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 Auditors of the Company and the Auditors shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.

(2) The Auditors Reports shall be read before the company in General Meeting and shall be open to inspection by the member of the company

Revision of financial statements or Board's report 249. (1) If it appears to the directors of a company that;

- (a) the financial statement of the company; or
- (b) the report of the Board, do not comply with the provisions of section 129 or section 134 they may prepare revised financial statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Tribunal on an application made by the company in such form and manner as may be prescribed and a copy of the order passed by the Tribunal shall be filed with the Registrar

- (c) Provided that the Tribunal shall give notice to the Central Government and the Income tax authorities and shall take into consideration the representations, if any, made by that Government or the authorities before passing any order under this section:
 - (d) Provided further that such revised financial statement or report shall not be prepared or filed more than once in a financial year:
 - (e) Provided also that the detailed reasons for revision of such financial statement or report shall also be disclosed in the Board's report in the relevant financial year in which such revision is being made.
- (2) Where copies of the previous financial statement or report have been sent out to member or delivered to the Registrar or laid before the company in general meeting, the revisions must be confined to;
- (a) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134; and
 - (b) the making of any necessary consequential alternation.

NOTICES AND SERVICE OF DOCUMENTS

Service of documents or notices on members by the company. 250. (1) A document or notice may be served by the Company on any Member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving Documents or notice on him or by means of such electronic or other mode as may be prescribed.

- (2) 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 has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (3) A document or notice may be served by the Company on the joint holders of a Share by serving it on the joint holder named first in the Register of Members in respect of the Share.
- (4) A document or notice may be served by the Company on the person entitled to a Share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (5) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

To whom documents must served 251. Documents or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) 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 under Article 106 a statement of material facts referred to in Section 102 of the Act 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** 252. Every person, who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every documents or notice in respect of such share, which prior to has 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.** 253. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed:
- Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.
- Service of documents by Company on the Registrar of Companies.** 254. Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any Member by sending it to him at his office by post or by registered post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed.
- Provided that a Member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.
- The term “courier” means a person or agency which delivers the document and provides proof of its delivery.
- Authentication of documents and proceedings.** 255. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the Common Seal of the Company

KEEPING OF REGISTERS AND INSPECTION

- Registers and Documents to be maintained by the Company** 256. The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :
- (1) Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Act, and shall keep it open for inspection by any Member or debenture holder of the Company without charge.
 - (2) Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Act and shall keep them open for inspection by any creditor or Member of the Company without fee and for inspection by any Person on payment of a fee of Rs.10/- (Rupees ten only) for each inspection.
 - (3) Register and Index of Members as required by Sections 88 of the Act, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any Member, debenture holder, other security holder or Beneficial Owner without payment of fee and by any other Person on payment of a fee of Rs.50/- (Rupees fifty only) for each inspection.
 - (4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Act, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any Member, debenture holder, other security holder or Beneficial Owner without payment of fee and by any other Person on payment of Rs.50/- (Rupees fifty only) for each inspection.

- (5) Foreign Register, if so thought fit, as required by Section 88 of the Act, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required in the manner, mutatis mutandis as is applicable to the principal register.
- (6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Act, and shall keep it open for inspection at the Registered Office of the Company during business hours by any Member of the Company. The Company shall provide extracts from such register to a Member of the Company on his request, within seven (7) days from the date on which such request is made upon the payment of fee of Rs.10/- (Rupees ten only) per page.
- (7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Act and shall keep it open for inspection during business hours and the Members of the Company shall have a right to take extracts therefrom and copies thereof, on a request by the Members, be provided to them free of cost within thirty (30) days. Such register shall also be kept open for inspection at every Annual General Meeting of the Company and shall be made accessible to any Person attending the meeting.
- (8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186(9) of the Act. The extracts from such register may be furnished to any Member of the Company on payment of fees of Rs.10/- (Rupees ten only) for each page.
- (9) Books recording minutes of all proceedings of General Meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Act.
- (10) Copies of Annual Returns prepared under Section 92 of the Act together with the copies of certificates and Documents required to be annexed thereto.

Provided that any Member, debenture holder, security holder or Beneficial Owner or any other Person may require a copy of any such register referred to subclause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of Rs.10/- (Rupees ten only) for each page. Such copy or entries or return shall be supplied within seven (7) days of deposit of such fee.

Inspection of Registers etc.

257. Where under any provision of the Act any person, whether a member of the Company or not, is entitled to inspect any register, return, certificate, deed, instrument or document required to be kept or maintained by the Company, the person entitled to inspection shall be permitted to inspect the same during the hours of 2 P.M. and 4 P.M. on such business days as the Act requires them to be open for inspection.

WINDING UP

- Distribution of Assets** 258. If the Company shall be wound up, and the assets available for distribution among the members as such shall be 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 the proportion to the capital paid up or which ought to have been paid up at commencement of the winding up, on the shares held by them respectively, and 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, or which ought to have been paid up on the share held 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.

Distribution in specie or kind. 259. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie 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 contributories or any of them, as Liquidator with such sanction, shall think fit.

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Act.

(3) In case any shares to be divided as aforesaid involved liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

Right of share-holders in case of sale. 260. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said Section.

INDEMNITY

Indemnity 261. Subject to provision of section 197 of the Act, every Director or Officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done concurred in or omitted to be done by him in any way in or about the execution or discharges of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act or neglect default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by the Court.

Director, Officer not responsible for acts of others. 262. Subject to the provisions of Section 197 of the Act, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for the conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of Directors for or on behalf of the Company or for insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error or judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

- Secrecy Clause** 263. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Directors before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.
- No member to enter the premises of the Company without permission.** 264. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, would be inexpedient in the interest of the Company to disclose.

¹AUTHORISATIONS

- Residual authority** 265. Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein).]

¹Inserted by the members of the Company at their 39th Annual General Meeting vide special resolution dated June 30, 2022.

We the several persons, whose names and addresses are subscribed and desirous of being formed into a 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 our respective names.

Name of Subscriber	Address Description and Occupation of the Subscriber	No. of Equity Shares Taken by each Subscriber	Signatures of Subscriber	Name and Signature of the Witness and his Address Description, Occupation
Mayur S. Panchal	292, Madan Gopal's Haveli, Astodia, Ahmedabad-1 S/o. Somabhai S. Panchal Service	1 (One)	Sd/- M.S. Panchal	I Remain Witness To All the Signatories Parshotam G. Makhija S/o. Garibdas H. Makhija Hawa-Mahal, A/ward Bungalows Saijpur Bogha, Ahmedabad-382345. Service. Sd/- P. G. Makhija
Lalit P. Vishnav	A-7, Rangmilan Flats Naranpura, Ahmedabad-13 S/o. Prabhakar D. Vaishnav Service	1 (One)	Sd/- L. P. Vaishnav	
Bhupesh R. Shah	10, Walkeshwar Society Polytechnic Ahmedabad-380015. S/o. Ratilal N. Shah Service	1 (One)	Sd/- B. R. Shah	
Jayendra G. Parikh	41, Mahavir Nagar Society Vastrapur Ahmedabad-15. S/o. Govindlal Parikh Service	1 (One)	Sd/-	
Fattechand B. Virani	6, Purvi Apartments Near L-Colony Ambavadi, Ahmedabad. S/o. Bhagwandas U. Virani Service	1 (One)	Sd/- F. B. Virani	
Devendra Kumar J. Patel	6, Avantika Co-op. Society Naranpura, Ahmedabad-13 S/o. Jivanlal N. Patel Service	1 (One)	Sd/-	
Yogeshwar Kumar Tyagi	12, Ratnagiri Appts. Mirambica School Marg Naranpura, Ahmedabad-13 S/o. Rameshwar Dayal Service	1 (One)	Sd/- Y. K. Tyagi	

Dated this Tenth day of October 1983

Board for Industrial and Financial Reconstruction**Bench - II****Re : Sree Meenakshi Mills Ltd. (SMML) (Case No. 55/96)****Order**

Whereas a rehabilitation scheme was sanctioned in the case M/s. Sree Meenakshi Mills Ltd. (SMML) (Case No. 55/96) vide Board's Order dated 23.11.2001. The scheme envisaged merger of SMML with M/s. Gujarat Heavy Chemicals Ltd. (GHCL) with effect from 1.4.2002.

Whereas the company SMML vide their letter dated 17.1.2002 had requested the Board to advance the effective date of merger to 1.4.2001 from 1.4.2002. IFCI (MA) vide their letter dated 3.5.2002 had also recommended the Board to advance the effective date of merger as it would enable GHCL for the speedy implementation of the rehabilitation scheme of SMML in a cost effective manner, keeping in view that (i) the net worth as per the proforma consolidated balance sheet of the merged entity as on 1.4.2001 would be positive as certified by the Statutory Auditors of SMML (ii) SMML had not asked for any further reliefs/concessions in the S.S. (iii) GHCL/SMML had discharged the liabilities to the secured creditors as per the S.S.

Now, therefore, the Board after careful consideration and as per the material on record, advance the effective date of merger of M/s. SMML with GHCL to 1.4.2001 from 1.4.2002. The Bench is also satisfied that all the clauses of the S.S. has been substantially implemented and the company ceased to be sick industrial company within the meaning of section 3 (1)(o) of the Act and therefore, the case of the company no longer requires to be dealt with by the Board. The company M/s. Sree Meenakshi Mills Ltd. is hereby discharged from the purview of BIFR.

Sd/-
(N.P. Bagchee)
Member

Sd/-
(G. Narayanan)
Member

Date : 29-05-02
New Delhi
Stamped
(BIFR)
Govt. of India
Date of Issue : 29-05-2002

CERTIFIED TO BE TRUE COPY
Sd/-
(Registrar)
Board for Industrial and
Financial Reconstruction

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION**CASE NO. 55/96 RE : THE SREE MEENAKSHI MILLS LTD.****BENCH - II****ORDER**

1. The Sree Meenakshi Mills Ltd. (SMML) made a reference to BIFR u/s 15 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter, referred to as 'The Act') and was declared a sick industrial company u/s 3(1)(o) of the Act at the first hearing held on 4.11.96. IFCI was appointed as the Operating Agency (OA) u/s 17(3) of the Act with directives to prepare a rehabilitation scheme for SMML. SMML submitted a revival proposal vide letter dated 28.10.96 to the OA. The OA advised SMML to revise the proposal. SMML vide letter dated 18.6.97 submitted a revised proposal. Subsequently, SMML informed IFCI that it was negotiating with Central Bank of India (CBI) for a one time settlement (OTS) of the bank's dues as well, and that a revised proposal based on OTS for the dues of FIs and bank would be submitted.
2. At the BIFR hearing held on 12.08.98, the Bench noted that the FIs had agreed to SMML's OTS proposal and SMML had submitted an OTS proposal to CBI which was under negotiation. The Bench directed SMML to submit its comprehensive proposal to IFCI covering OTS for FIs and CBI. SMML vide letter dated 11.9.98, submitted its revised proposal envisaging merger of SMML with an associate company. However, BIFR issued directives to SMML on 28.9.98 to submit its proposal on stand-alone basis. Pursuant to the above directives of the Hon'ble Bench, the viability of SMML on a stand alone basis was examined. SMML indicated that the promoters were not in a position to induct huge funds as envisaged in the scheme, on their own. SMML also requested BIFR that its revival proposal envisaging merger with Gujarat Heavy Chemical Ltd. (GHCL), a company in the joint sector with GIC wherein the promoters of SMML viz., Dalmia Group hold around 29% of shares, may be considered.
3. BIFR directed the OA to prepare a DRS based on merger of SMML with GHCL, convene a joint meeting of the concerned agencies and submit the DRS along with the minutes of the joint meeting. Accordingly, a joint meeting was held on 24.02.99. Subsequent to the above joint meeting, GHCL submitted a revised OTS of the institutional dues of SMML which was agreed to by the institutions and GHCL had also made the payments as envisaged. The scheme was taken up for consideration in the hearing held on 5.10.1999, when in view of the agreement of all the participants present in the hearing, the scheme was sanctioned in principle subject to certain modifications as directed. The OA was asked to update the DRS in view of the directions and hold another joint meeting, involving GIC, Tamil Nadu Electricity Board (TNEB) and Government of Tamil Nadu (GOTN) alongwith anyother important party having a stake in either the transferee or transferor company. GHCL was also directed to obtain the approval of its shareholders regarding the merger scheme in an EGM by 5/12/1999. However, in view of the changes in the textile industry and certain developments in Soda Ash industry (being the principal activities of SMML and GHCL respectively), the effective date of merger was requested to be shifted from 1/4/1999 to 1/4/2002 or to an earlier date, as may be decided by the Board of GHCL without in anyway changing the scheme of merger for rehabilitation of SMML.
4. The matter was taken up for further consideration in the hearing held on 10/10/2000. The Bench approved in-principle the merger of SMML with GHCL to be made effective from 1/4/2001. GHCL was directed to get back with an appropriate resolution passed in its EGM in this regard as required in terms of Section 18 (3)(b) of SICA latest by 15/12/2000. An Extraordinary General Meeting of the members of the GHCL was held on 8-12-2000 at Ahmedabad, to consider the scheme of amalgamation of SMML with GHCL. GHCL requested for change in the merger date from 1-4-2001 to 1-4-2002. The request of GHCL for the change in the merger date to 1-4-2002 was accepted at the joint meeting held on 11-02-2001. The matter was again considered at the hearing held on 23-3-2001 where at the Bench allowed the request of the company to shift the date from 1-4-2001 to 1-4-2002 subject to the condition that the approval of all the secured creditors for the terms and conditions of the draft rehabilitation scheme (DRS) under consideration should be sent by them to the OA. The OA was directed to consider the modifications suggested by the secured creditors in regard to the DRS and forward the same to the Board together with their views. The company should give an undertaking specifically which should be irrevocable that the merger would under all circumstances, take place positively on 1.4.2002 irrespective of the performance of both the companies. The OA vide its letter dated 9.7.2001 conveyed to the Board the acceptance of the proposal by all the secured creditors along with the modified draft rehabilitation scheme (DRS).
5. On a consideration of the submissions made before us and the material on record and also having regard to the fact that all the parties concerned having given their consent u/s 19(2) of the Act to the various provisions of the above merger scheme, in exercise of the powers conferred u/s 18(4) of the Act, read with Section 19(3) of the Act with modifications, the Bench hereby sanction the enclosed scheme hereinafter called the Sanctioned Scheme for rehabilitation of Sree Meenakshi Mills Ltd. The Sanctioned Scheme shall come into force with immediate effect.

Sd/-
(N.P. BAGCHEE)
MEMBER

Sd/-
(G. NARAYANAN)
MEMBER

Dated : 23-11-2001
Stamped
(BIFR)
Govt. of India
Date of Issue : 23-11-2001

Certified to be True Copy
Sd/-
(Bench Officer)
Board for Industrial and
Financial Reconstruction

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

CASE NO. 55/96 RE : THE SREE MEENAKSHI MILLS LTD.

BENCH - II

SANCTIONED SCHEME

1.0 INTRODUCTION AND BACKGROUND

- 1.1 The Sree Meenakshi Mills Ltd. (SMML) was originally promoted by late Karumuthu Thiagarajan Chettiar. SMML had a composite textile mill at Madurai and two spinning units at Paravai and Manaparai, all in Tamil Nadu, with an aggregate installed capacity of 88,752 spindles, 384 rotors and 260 looms. Due to unprofitable operations from 1980 onwards and internal dissensions amongst the promoters, the working of SMML received a serious set back. In October 1982, pursuant to the initiative taken by the promoter's group, represented by Dr. K.M. Thiagarajan, grandson of Late Karumuthu Thiagarajan Chettiar, the controlling interest of SMML was transferred in favour of Sanjay Dalmia Group (SDG).
- 1.2 Before the takeover of SMML by Dalmias, IFCI had sanctioned, in 1971, a rupee term loan (RTL) of Rs. 55 Lakhs for modernisation of spinning machinery at its Madurai unit. After the change of management, institutions had also sanctioned term loan of Rs. 750 Lakhs for a modernisation scheme of all the three units which was completed in 1985. Subsequently, in 1986, IFCI sanctioned a further term loan of Rs. 70 Lakhs (subsequently reduced to Rs. 66 lakhs) for installing 2 nos. Open End Spinning Machines (OESM) (384 rotors) in replacement of 1920 spindles which SMML implemented. The institutions had further sanctioned to SMML in July 1990, a rupee term loan (RTL) of Rs. 600 lakhs for implementing a modernisation-cum-rehabilitation scheme (MRS) involving replacement of certain machinery as also for rationalisation of labour force. The above MRS had been by and large, completed though with some delay on account of delay in supply of machinery.
- 1.3 The working of SMML was satisfactory till the 18 months ended 30.09.94 and SMML even paid dividend for that year. However, SMML's working deteriorated thereafter apparently due to liquidity constraints caused by the alleged diversion of working capital, inability to procure cotton at competitive rates, closure of weaving unit from May 1995 due to unprofitable operations etc. The working for the year ended 30.09.95 resulted in cash loss of Rs. 1021 lakhs and net loss of Rs. 1153 lakhs. As a result, SMML's networth was completely eroded and SMML came under the purview of BIFR.
- 1.4 In the meantime, Central Bank of India (CBI) suspended SMML's bank account w.e.f. 9.8.95. Further, CBI had issued a legal notice to SMML in November, 1995 recalling its entire outstanding amount. CBI had also filed recovery suit against SMML at the Madurai Court which had since been transferred to DRI, Chennai. The matter was still under DRT.
- 1.5 Consequent to the erosion of net worth in full, SMML made a reference to BIFR u/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as 'the Act') and BIFR declared SMML a sick industrial company u/s 3(1)(o) of the Act at the first hearing held on 4.11.96. IFCI was appointed as the Operating Agency (OA) u/s 17(3) of the Act with directives to prepare rehabilitation scheme for SMML.
- 1.6 SMML submitted a revival proposal vide letter dated 28.10.96. The proposal was examined by IFCI and found non-workable as the same envisaged fresh term loans from FIs and reliefs and concessions much beyond RBI-parameters. SMML was advised to revise its proposal and it sought time of 6-8 weeks in this regard. No proposal was received till the next BIFR hearing held on 21.5.97, when BIFR directed SMML to submit its revised proposal within a month's time. BIFR had also directed that CBI should provide OA with full details regarding the alleged diversion of funds to the group companies, who would look into the same by holding discussions with SMML and CBI.
- 1.7 SMML, vide letter dated 18.6.97, submitted a revised proposal envisaging restructuring of its liabilities by settlement of the dues of FIs and sale of surplus assets. Subsequently, SMML informed IFCI that it was negotiating with CBI for one time settlement (OTS) of the bank's dues as well, and that a revised proposal based on OTS for the dues of FIs and bank would be submitted. However, SMML's proposal was delayed as no agreement could be reached between SMML and CBI in respect of settlement of the bank's dues.
- 1.8 At the BIFR hearing held on 12.08.98, the Bench noted that the FIs had agreed to SMML's OTS proposal and SMML, had submitted an OTS proposal to CBI envisaging payment of Rs. 21.13 crores to the bank for settlement of its dues and the same was under negotiation. The Bench directed SMML to submit its comprehensive proposal to IFCI covering OTS for FIs as already agreed (Rs. 7.10 crores) and for CBI at Rs. 21.13 crores. It was also directed that the means of finance should be tied up to the satisfaction of the OA and sale of land or any other assets should not form part of means of finance for effecting the OTS. SMML had sought some more time from the bench and vide letter dated 11.9.98, SMML submitted its revised proposal envisaging merger of SMML, with an associate company. However, BIFR issued directives to SMML on 28.9.98 to submit its proposal on stand-alone basis.

- 1.9 Pursuant to the above directives of the Hon'ble Bench, the viability of SMML on a stand alone basis was examined. As per SMML's proposal, the cost of rehabilitation worked out to Rs. 5400 lakhs, comprising capital expenditure (Rs. 1800 lakhs), OTS for FIs/Bank - CBI (Rs. 2900 lakhs), margin money for working capital (Rs. 300 lakhs) and VRS for workers (Rs. 400 lakhs). Considering the above requirement of funds, the projected working results and taking into account the normal reliefs and concessions as per RBI norms, SMML would not be able to turn its net worth positive even upto the year 2005-06 and the average DSCR of SMML would work out to 0.75 with the requirement of funds to make the DSCR 1.33, working out to Rs. 1680.19 lakhs. SMML Indicated that the promoters were not in a position to induct funds of such a large order on their own.
- 1.10 SMML requested BIFR that its revival proposal envisaging merger with Gujarat Heavy Chemical Ltd. (GHCL), a company in the joint sector with GIIC, where the promoters of SMML viz., Dalmia Group holding around 29% of shares, may be considered. BIFR directed the OA to prepare a DRS based on merger of SMML with GHCL, convene a joint meeting of the concerned agencies and submit the DRS along with the minutes of the joint meeting. Accordingly, a joint meeting was held on 24.02.99.
- 1.11 Subsequent to the above joint meeting, GHCL submitted a revised OTS of the institutional dues of SMML envisaging payment of the amount crystallized as on 31.3.98 without any further interest, before 31.3.99, subject to the condition that in the unlikely event of the merger scheme not approved by BIFR, the entire payment made by GHCL would be refunded along with interest at 17% p.a. from the date of payment till the date of refund, within 15 days of merger proposal being found not acceptable by BIFR. The same was agreed to by the institutions and GHCL had also made the payments as envisaged.
- 1.12 The scheme was taken up for consideration in the hearing held on 5.10.1999, when in view of the agreement of all the participants present in the hearing, the scheme was sanctioned in principle subject to certain modifications as directed. The OA was asked to update the DRS in view of the directions and hold another joint meeting involving GIIC, Tamil Nadu Electricity Board (TNEB) and Government of Tamil Nadu (GOTN) alongwith anyother important party having a stake in either the transferee or transferor company. GHCL was also directed to obtain the approval of its shareholders regarding the merger scheme in an EGM by 5/12/1999 after which the OA was to convey upto date status of the case, minutes of the joint meeting and a draft of the sanctioned scheme to BIFR by 31/12/1999. However, prior to that only GHCL approached BIFR vide letter dated 1/12/1999 confirming that they had deposited the entire OTS amount for the banks and institutions with them to be appropriated on final approval of the scheme of amalgamation, paid VRS dues for all 650 employees, inducted the margin money required for SMML and initiated implementation of the modernisation/revamp programme. However, in view of the charges in the textile industry and certain developments in soda ash industry (being the principle activities of SMML and GHCL respectively), the effective date of merger was requested to be shifted from 1/4/1999 to 1/4/2002 or to an earlier date, as may be decided by the Board of GHCL without in anyway changing the scheme of merger for rehabilitation of SMML.
- 1.13 The matter was taken up for further consideration in the hearing held on 10/10/2000. The Bench approved in-principle the merger of SMML with GHCL to be made effective from 1/4/2001. GHCL was directed to get back with an appropriate resolution passed in its EGM in this regard as required in terms of Section 18(3)(b) of SICA latest by 15/12/2000. Meanwhile, company/GHCL were directed to sit with OA to rework the projections of the scheme based on the above assumptions and specifically quantifying the benefits accruing to the merged company under the relevant provisions of the Income Tax Act.
- 1.14 An Extraordinary General Meeting of the members of the GHCL was held on 8-12-2000 at Ahmedabad to consider the scheme of amalgamation of SMML with GHCL. At the said meeting it was inter alia resolved that the DRS of amalgamation as approved by BIFR be approved with transfer/effective date as 1-4-2001, and in the event of BIFR accepting the company's application of the transfer/effective date as 1-4-2002 for commercial reasons, then the transfer/effective date merger would be 1-4-2002. Accordingly, GHCL requested for change in the merger date from 1-4-2001 to 1-4-2002. It may be mentioned in this connection that the request of GHCL for the change in the merger date to 1-4-2002 was considered at the joint meeting held on 11-02-2000 and the participants had no objections for the change in the transfer date of merger to 1-4-2002.
- 1.15 The matter was again considered at the hearing held on 23-3-2001 whereat the Bench allowed the request of the company to shift the date from 1-4-2001 to 1-4-2002 subject to the condition that the approval of all the secured creditors for the terms and conditions of the draft rehabilitation scheme (DRS) under consideration should be sent by them to the OA. The OA would consider the modifications suggested by the secured creditors in regard to the DRS and forward the same to the Board together with their views. The company should give an undertaking specifically which should be irrevocable that the merger would under all circumstances, take place positively on 1-4-2002 irrespective of the performance of both the companies.
- 1.16 The OA vide its letter dated 9.7.2001 conveyed the acceptance of the proposal by all the secured creditors along with the modified draft rehabilitation scheme (DRS). The Board after considering the modified DRS approved the same on file, on 4.9.2001 to be circulated as the 'Sanctioned Scheme' to all concerned u/s 18(4) of the Act.

1.17

FINANCIAL POSITION**Rs. in Lakhs**

As at	30.09.95	31.03.97	31.03.98
Gross block	5179	5177	5117
Depreciation	1677	1982	2189
Net Block	3502	3195	3028
Capital work in progress	-	-	-
Net fixed assets	3502	3195	3028
Investments	2	2	-
Current Assets	2484	931	1364
Current Liabilities	3816	4634	5919
Net working Capital	(1332)	(2703)	(4555)
Net tangible assets	2172	494	(1527)
Less : Term Loans	561	726	797
Net worth	1611	(232)	(2324)
Represented by :			
Share Capital	613	613	613
Reserves and Surplus	2018	1871	1797
Total	2631	2484	2410
Less intangibles/loses	1020	2716	4734
	1611	(232)	(2324)

2.0**The Scheme**

2.1

The rehabilitation proposal was based on restructuring of the term liabilities by making an OTS of the dues of FIs and CBI. Besides, the turnaround strategy focuses at :

- Modernisation of the Madurai unit by replacing the existing obsolete machinery with new equipment in the pre-spinning, spinning and post-spinning sections.
- Revamping of the Paravai and Manaparai Units for improving the operation parameters and yarn quality. The revamping programme envisages change of spindles, rings, spindle tapes, card, clothing, rollers and other critical accessories on the existing machinery.
- Investment in R&D and testing equipment.
- Augmentation of working capital resources.
- Review of product-mix to increase the proportion of blended yarn to 20% of the total production as against 14% at present, in order to optimise contribution.
- Rationalisation of labour. The weaving activity in Madurai unit of SMML was lying suspended since May 1995 and SMML proposes to discontinue the same in view of the high labour wages, obsolete machinery and high cost of production. SMML had identified 650 workmen as surplus from all the three mills and proposes to rationalise them under a VRS scheme.
- Improving labour productivity through implementation of SITRA norms.

3.0**COST OF THE SCHEME AND MEANS OF FINANCE**

3.1	Cost of the Scheme		Rs. in Lakhs
	Capital expenditure for modernisation		1,800
	VRS for 650 workers		400
	OTS for FIs/bank - FIs	705	
	Bank	2,628	
		3,333
	Margin money for working capital		300
			5,833
3.2	Means of Finance		Rs. in Lakhs
	Deployment of tax benefits u/s72A of IT Act		1,964
	Internal Accruals of GHCL		3,669
	Sale of obsolete machinery		200
			5,833

- 3.3 The capital expenditure programme was aimed at modernising the Madurai unit, which was the oldest amongst SMML's three units and had complement of machinery which was largely obsolete. The Manaparai and Paravai units were proposed to be renovated by changing spindles, rings, spindles tapes, metal clothing rollers, nippers, unicom and other critical accessories. The major complement of machinery in the Madurai unit was proposed to be replaced. The total capital expenditure had been estimated at Rs. 1800 lakhs as per details given at Annexure - I.

3.4 **Quantification of Sacrifices**

	Institutions	Bank	Central Government	Total
On account of waiver of penal interest, liquidated damages and compound interest and reduction in rate of interest	92.39	392.00	----	484.39
Loss to the Exchequer on account of Section 72A benefits	----	---	1,964.00	1,964.00
	92.39	392.00	1,964.00	2448.39

3.5 **Promoters' Contribution**

The contribution of Rs. 3669 lakhs from the internal accruals of GHCL works out to 44.30% of the total cost of rehabilitation scheme at Rs. 8281.39 lakhs, including monetary value of sacrifices of Rs. 2448.39 lakhs.

4.0 **THE MERGER SCHEME**

Having realised that SMML would not be viable with reliefs/concessions within RBI parameters, promoters have proposed for merger of SMML with one of the profit making group concern viz. GHCL and had offered OTS of the dues of FIs and bank. The salient features of the merger scheme were as under :-

- a) The cut off date for the merger should be 1-4-2002.
- b) All the shareholders of SMML should be issued equity shares of GHCL as per the Share Exchange Ratio (SER) to be approved under the scheme.
- c) All the permanent employees of SMML (Excepting those opting for VRS) should be retained by GHCL without any break in service.
- d) GHCL should deploy funds at least equivalent to the estimated tax benefits towards revival of SMML's operations/repayment of term loans of FIs/bank.
- e) The merger of SMML with GHCL should be subject to the following approvals :-
 - i) Approval of the Board of Directors and shareholders of GHCL.
 - ii) Specific approval of shareholders of GHCL by a special resolution in terms of provisions of Section 81(1-A) of the Companies Act, 1956 in respect of issue and allotment of equity shares in the transferee company (GHCL) to the shareholders of the transferor company (SMML).
 - iii) Approval of BIFR in respect of :-
 1. Income Tax benefit u/s 72A of the Income Tax Act, 1961 as amended from time to time.
 2. Issue and allotment of shares of GHCL to the shareholders of SMML under the SEBI guidelines, in terms of the merger scheme.
 3. Vesting the main objects clause of SMML into the main objects clause in the Memorandum of Association of GHCL.
 4. Dissolution of SMML without winding up, pursuant to the proposed merger.
 5. Exemption to GHCL and/or its nominees under Section 108A and other provisions of MRTP Act, 1969 and other applicable provisions of Companies Act, 1956 for acquisition of shares in SMML.
 6. Exemption to GHCL from any penalties, proceedings and prosecutions it launched in future, for past defaults of SMML prior to the date of amalgamation, under any law statute except FERA, 1973, Urban Land Ceiling Act (ULCA) and the Income Tax Act, 1961.
 7. Exemption to GHCL from requirement of disclosure or approval(s), if any, required under any regulations of SEBI for acquisition of shares of SMML pursuant to the proposed merger.

f) The shareholding pattern of GHCL before and after merger was as under :-

Particulars	Rs. in Lakhs			
	Before Merger		After Merger	
	Amount	%	Amount	%
Dalmia Group	273.70	29.35	289.21	30.42
GIIC	127.50	13.67	127.50	13.41
FIs/Banks/Mfs.	258.53	27.72	258.83	27.22
Public and Others	272.77	29.26	275.34	28.95
	932.50	100.00	950.88	100.00

5.0 **BRIEF PROFILE OF GHCL**

5.1 GHCL, a joint sector company between Gujarat Industrial Investment Corporation Ltd. (GIIC) and the Dalmia Group, was engaged in the manufacture of Soda Ash at its plant located at Sutrapada, District Junagarh, Gujarat. The plant was set up in 1988 with an installed capacity of 4.20 lakhs tpa and the capacity was expanded to 4.73 lakhs, tpa in 1997-98. GHCL made losses in the first 2-3 years of its operations and had been making profits since 1991-92. It was the second largest player in Soda Ash Industry in India. GHCL was also engaged in the manufacture of 2 lakhs tpa of edible salt at its plant located at Thiruporur, District Kancheepuram, Tamil Nadu and at Palghar, District Thane, Maharashtra. GHCL was also planning to diversity into manufacture of Industrial salt.

6.0 **VIABILITY**

6.1 The statements showing the projections of profitability, cash flow and balance sheet of SMML (alone) and GHCL (alone) were enclosed as Annexure - IV and V respectively. The projections of profitability, cash flow, balance sheet and the assumptions underlying the combined projections were enclosed as Annexure - VI, wherefrom it would be observed that immediately on merger, the net worth of the combined entity would become positive. SMML had discharged its term liabilities.

7.0 **RELIEFS AND CONCESSIONS**

7.1 **Institutions**

To allow SMML to sell old equipment, plant and machinery which should be replaced by the new plant and machinery under the rehabilitation scheme.

7.2 **Central Bank of India (CBI)**

- (i) To immediately provide a 'No Due Certificate' and should return to SMML/GHCL all securities such as title deeds, shares, etc., that may have been provided to CBI and also execute a Release and Discharge. CBI and SMML would in such an event also withdraw all legal proceedings, suits or litigations including the suit before the DRT against SMML or any other party concerning the loans, advances and transactions as of date between SMML and CBI.
- (ii) To give consent to the proposed Rehabilitation Scheme for revival by merger of SMML with GHCL Accordingly, GHCL/SMML had requested CBI for No Due Certificate/release of securities/withdrawal of all legal proceedings/consent for proposed rehabilitation scheme.

7.3 **Central Govt. (Ministry of Textiles/Ministry of Commerce/CBDT/ROC/SEBI/MRTPB/CPFC)**

- i. To grant a higher quota allocation to SMML during the rehabilitation period in order to enable the company to export the quantity of yarn as envisaged in the scheme.
- ii. To grant benefits of Income Tax in accordance with the provisions of section 72A of the Income Tax Act, 1961, as amended from time to time, pursuant to merger.
- iii. To fund the employer's contribution to PF and the amount so funded to have moratorium of two years from the date of sanction of the scheme for payment thereof and interest thereon. The payment was to be made in 20 equal quarterly installments with interest at 12% p.a.
- iv. ROC/CBDT/SEBI/MRTPC to grant/furnish comments on the various approvals as envisaged under the 'Scheme of Merger' enclosed as APPENDIX and elsewhere in this DRS.

7.4 **Tamil Nadu State Government**

- i. To allow change in the use of surplus land from industrial to residential and exempt the said properties from provisions of the Tamilnadu Urban Land Ceiling Act (TULCA) and Land Development Act (LDA)
- ii. To waive minimum demand charges (MDC) for power for the rehabilitation period.
- iii. To exempt SMML from power cuts during the rehabilitation period.
- iv. To exempt payment of cess/service/sales tax on electricity for the rehabilitation period.

7.5 Promoters

- i. To agree to the merger of SMML with GHCL and issue the existing shareholders of SMML, three shares of GHCL for every ten shares of SMML.
- ii. To invest Rs. 3669 lakhs out of the operations of GHCL for the revival of SMML.
- iii. To arrange for working capital requirement of SMML estimated at Rs. 1250 lakhs for 1999-2000 on its own to the satisfaction of OA/BIFR.
- iv. To bring in interest free funds to meet the shortfalls in cash flows, if any, and liability arising out of the contingent or other liability, not known/provided for at the time of formulating the scheme.

7.6 Workers

- i. To enter into a long-term wage agreement towards implementation of the revival scheme, including rationalisation.
- ii. To accept new production norms after implementation of rationalisation.
- iii. To accept bonus in accordance with the 'Payment of Bonus Act' provisions only.
- iv. To accept ban on any additional recruitment.

8.0 Terms and Conditions**8.1 Special Terms and Conditions**

- a) GHCL should give an undertaking specifically which should be irrevocable that the merger would, under all circumstances, take place positively on 1-4-2002 irrespective of the performance of both SMML and GHCL.
- b) GHCL should guarantee the projections of cash flow and would also undertake to meet shortfall in resources for financing the requirements of funds and margin money for working capital, under the rehabilitation scheme in case the projections in respect of SMML do not materialise to the extent envisaged and should bring in funds in this behalf on an year to year basis on terms to the satisfaction of the institutions/CBI.
- c) Any contingent liability or any other liability of SMML, not known at the time of financing and sanctioning of the rehabilitation scheme should be met out of additional interest free funds to be brought in by the promoters as and when required.
- d) SMML/GHCL should take up with the Central Government and the Income Tax Department concerned for the benefits for which the company may be eligible as per provisions of Section 72 A of the Income Tax Act 1961 as amended from time to time.
- e) SMML/GHCL should arrange to obtain all necessary clearances including statutory approvals for effectuating the proposed merger.
- f) SMML/GHCL should arrange to obtain all necessary clearances including statutory approvals for effectuating the proposed merger.
- g) All the loans and security documents executed by SMML in favour of the Institutions/Banks, should remain in full force and effect, even after merger of SMML with GHCL excluding the right to appoint Nominee Director(s) on the Board of GHCL.
- h) All existing lease/tenancies/sub-tenancies and other arrangements of the properties including offices/godown should continue during the implementation of the scheme.
- i) The institutions/Banks should have the right to reverse, the waiver of interest, envisaged in the scheme, and restore the original liability and adjust the payments received, if any, towards the same, in case the entire dues of the institutions/banks alongwith interest thereon are not received in full within the stipulated time.

8.2 General Terms and Conditions

- a) ICICI is appointed as the Monitoring Agency (MA).
- b) The company/GHCL should constitute a Management Committee (MC) consisting of CEO of the Company and Special Director of BIFR and MA. MC would review on a monthly basis, the operations of the company in all aspects and closely monitor the implementation of the revival scheme.
- c) The MA should appoint a reputed Chartered Accountant's firm as Concurrent Auditors with direct reporting relationship to MA with copy to the BOD of the company on terms satisfactory to it within two months positively. The BOD must review the Concurrent Auditor's Report and take needful corrective steps immediately thereof.
- d) The Company/GHCL should satisfy MA that the physical progress and all aspects of cost of the scheme/means of finance of the scheme were complied with as per the original schedule. To this end, the company should furnish to MA such information and data as may be required by it at quarterly intervals. Any shortfall in funds including cash losses etc. arising out of the delayed implementation of the schedule or for any other reason should be met by the

company/promoters without delay and without any recourse to FI/Banks or seeking any further reliefs/concessions from them than what had already been provided for in the Scheme within a period not exceeding three months.

- e) The company/GHCL should not without prior permission of BIFR undertake any new project or expansion or make any investment or obtain any asset on lease/hire without the prior approval of BIFR during the currency of the Scheme, excepting to an amount equivalent to 5% or less of its paid up capital annually. However, such would be subject to approval by BOD and the same should be reported to OA/BIFR immediately thereof.
- f) The Bank which would be extending working capital facilities could retain the right to appoint their nominee(s) on the company's Board of Directors at any time during the currency of their loan if their documentation allowed so.
- g) The company/GHCL should continue to submit its audited annual accounts (AAA) at the end of each financial year within one month of the finalisation thereof to the Monitoring Agency (MA)/secured creditors and to BIFR. It should ensure finalisation of AAA within three months without fail and hold its Annual General Meeting within further two months and the CEO and BOD must ensure to avoid any delay.
- h) In addition to meticulous compliance with the schedules of payments covered under the scheme, the company should ensure timely payment of all dues accruing after the cut off date and/or date of sanction of the scheme to banks, financial institutions, Central and State Governments and Statutory Authorities in normal course, failing which, the concerned parties would be free to withdraw the reliefs and concessions granted by them subject to prior approval of BIFR.
- i) The Bank extending the working capital facilities/State Government should have the right of recompense for the losses/sacrifices undertaken by them excepting in the cases where OTS had been considered and enhance the rate of interest and/or accelerate the repayment schedule of the debts owed to them if, in their opinion, the profitability of the company, its cash flow etc., so warrant. This right, however, could be exercised only with the prior approval of BIFR.
- j) In the event of default in payment of interest or principal on due dates, such defaults would carry by way of liquidated damages, extra interest @ 2% p.a. over and above the prime lending rates of the banks as may be prevailing at the time of such default, for the period of such default.
- k) In case of default in meeting the commitment to institutions/banks, the company's obligations and liability under the loan agreement should revive to the full extent and the institutions/banks should be entitled to recover from the company all amounts of principal, interest and other charges under the respective agreements in full and should be entitled to enforce the security available to them for recovery of their respective claims in full with the prior approval of BIFR.
- l) The company/GHCL should submit progress reports (PR) regarding the implementation of the scheme to MA on quarterly basis within one month following during the first two years of the scheme. It would be on half-yearly basis thereafter till full implementation if the progress had been good in terms of projections during first two years, otherwise it would continue to be on quarterly basis. MA should monitor the implementation of the scheme in all its aspects and should submit a review of the implementation of the scheme to BIFR within a month of receipt of such PR with copies to BOD of the company and to all concerned. If the company defaults to submit the PR, OA must report to the Board also. The Board would review the progress from time to time.
- m) The company/GHCL should not change any of its accounting policies, financial year without the specific permission of the Board.
- n) Shareholding pattern would continue to be same except to the extent provided in the scheme. The promoters including the new promoter should not dispose, transfer, alienate, encumber etc. their shares without specific permission of the Board excepting to the extent provided in the scheme.
- o) The compliance of these conditions and time schedule must be monitored closely by BOD and the CEO/MD would be responsible for its implementation.
- p) No dividend would be declared by the company even if it makes profit during the period of rehabilitation.

Sd/-
(N.P. BAGCHEE)
MEMBER

Sd/-
(G. NARAYANAN)
MEMBER

Stamped
(BIFR)
Govt. of India
Date of Issue : 06-12-2001

Certified to be True Copy
Sd/-
(Bench Officer)
Board for Industrial and
Financial Reconstruction

OFFICE OF THE REGISTRAR OF COMPANIES GUJARAT

FORM -II
(See regulation 20)

Memorandum Acknowledging Receipt of Documents)

CO. NO. 04-6513

The Registrar of Companies acknowledges the Receipt of the undermentioned documents relating to **M/s. GUJARAT HEAVY CHEMICALS LIMITED**

DESCRIPTION OF DOCUMENTS; Two Form no. 21 dated 17/4/2003 along with copy of the Hon'ble High Court of Gujarat Order dated 17/03/2003 sanctioning the Scheme of Amalgamation U/s. 391/394 of the Companies Act, 1956 of **M/s.ICON DATA MANAGEMENT LIMITED** (Co. No.38731) (Transferor Company) with **M/s.GUJARAT HEAVY CHEMICALS LIMITED** (Co. No. 6513) (Transferee Company) has been filed with this office on 25/04/2003 and 30.4.2003 respectively and taken on record by this office on 05/05/2003.

Station : Ahmedabad
Date : 05.05.2003



Balbir
(U.S. PATOLE)
ASSTT. REGISTRAR OF COMPANIES,
GUJARAT.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDER PASSED BY THE HIGH COURT IN THE CASE OF

1. ICON Data Management Ltd.
GHCL House, Opp. Punjabi Hall,
Near Navrangpura Bus Stand,
Navrangpura, Ahmedabad-380009.

..... Petitioners

Versus

1. Gujarat Heavy Chemicals Ltd.
GHCL House, Opp. Punjabi Hall,
Near Navrangpura Bus Stand,
Navrangpura, Ahmedabad-380009

..... Respondents

Being Company Petition No. 42 of 2003
Appearance on Record

M/s. Trivedi & Gupta for Petitioner no. 1

Notice served by DS for Respondent no. 1
MS PJ Davawala for Respondent no. 1

Court's Order

(COPY OF THE ORDER ATTACHED HEREWITH)

Date of Decision : 17/03/2003
CORAM : MR. JUSTICE A. R. DAVE

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
COMPANY PETITION NO. 42 OF 2003
ICON DATA MANAGEMENT LTD.
VERSUS
GUJARAT HEAVY CHEMICALS LTD.

Appearance :

1. Company Petition No. 42 of 2003
M/s Trivedi & Gupta for Petitioner No. 1
Notice Served by DS for Respondent No. 1

CORAM : MR. JUSTICE A. R. DAVE

DATE OF ORDER : 17/03/2003

ORAL ORDER

1. The petitioner has been filed by the petitioner Company for the sanction of a scheme of amalgamation of ICON Data Management Ltd., (the "transferor company") under Section 391 read with Section 394 of the Companies Act, 1956.

2. The transferor company is a 100% wholly owned subsidiary of the Transferee Company viz. Gujarat Heavy Chemicals Ltd. The Transferor Company was promoted for Chemicals Ltd. The Transferor Company was promoted for carrying on the business in all areas of information technology including those related to software and software development, hardware, Internet and IT enabled services. The Transferee Company, on the other hand, is engaged in the manufacturing of (i) Soda Ash; (ii) Salt and (iii) Textile. Both these are limited companies engaged in different areas of business but the Transferee Company is the parent company of its 100% subsidiary Transferor Company. The amalgamation would provide the financial strength necessary overall operations of computer software and IT enabled services of the Transferor Company. The amalgamation would be cost effective as the duplication of administrative and operative efforts will be eliminated resulting in cost saving and a healthy bottom line for the Information Technology enabled services. The petition gives details of the advantages that would flow by virtue of the amalgamation of these companies.
3. The meeting of the shareholders and the creditors of the Transferor Company were dispensed with in view of the consent letters from all the concerned parties approving the scheme being put on record. As the Transferor Company is 100% wholly owned subsidiary of the Transferee Company, no new shares are being issued and no change in the capital structure of the Transferee Company has been envisaged. Both the companies have an excess of assets over liabilities. Hence the interest of the creditors is not affected. As the scheme of arrangement in the nature of amalgamation does not affect the rights of the members of the Transferee Company as well as its creditors. It was not necessary for the Transferee Company to file application and, therefore, meetings of the shareholders and creditors were not required to be held in case of the Transferee Company.
4. After the petition was admitted, the same was duly advertised in the newspapers and the publication in the Government Gazette was dispensed with as directed in an order dated 27/01/2003. No one has come forward with any objection to the said petition even after the publication.
5. Notice of the petition of the Transferor Company was served upon the Official Liquidator attached to this Court. The report dated 13.3.2003 filed by the Official Liquidator confirms that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.
6. Notice of the petition has been served upon the Central Government and Smt. P. J. Davawala, Additional Standing Counsel appearing for the Central Government. Smt. Davawala, has informed the Court and put on record a copy of the letter received by her from the Registrar of Companies of Gujarat dated 11.3.2003 indicating that the Central Government does not propose to object to the proposed scheme of amalgamation. In view of this, there is no reason to withhold the sanction to the scheme of amalgamation.
7. I have heard Shri Kamal Trivedi learned Senior advocate for the petitioner Company. Having gone through the petition, I am satisfied that the amalgamation would be in the interest of the companies and their members and creditors. Prayer in terms of para 15 (A) of the petition is hereby granted. In terms of prayer 15 (B) of the petition, and order under Section 394 of the Companies Act, 1956 in case of the petitioner Transferor Company and the Respondent Transferee Company and the Respondent Transferee Company accordingly be drawn.

The petition is disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned. I quantify the same at Rs. 3,500/- per company. The same may be paid to learned Advocate Smt. P. J. Davawala for the Transferor Company and also for the Transferee Company.

(A. R. Dave, J.)

Seal
Sd/-
Mr. Justice A. R. Dave

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY PETITION NO. 42 OF 2003
CONNECTED WITH
COMPANY APPLICATION NO. 23 OF 2003**

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
ICON DATA MANAGEMENT
LIMITED

AND

In the matter of Scheme of
Arrangement for the amalgamation
of ICON DATA MANAGEMENT
LIMITED with GUJARAT HEAVY
CHEMICALS LIMITED.

ICON DATA MANAGEMENT LIMITED

A Company registered under the
Companies Act, 1956 and having its
registered office at GHCL House,
Opposite Punjabi Bus Stand,
Navrangpura, Ahmedabad-380009
In the State of Gujarat

.... Petitioner

Versus

GUJARAT HEAVY CHEMICALS LIMITED

A Company registered under the
Companies Act, 1956 and having its
registered office at GHCL House,
Opposite Punjabi Hall,
Near Navrangpura Bus Stand,
Navrangpura, Ahmedabad-380009
In the State of Gujarat

.... Respondent

BEFORE HONOURABLE MR. JUSTICE A. R. DAVE

Date : 17th March 2003

ORDER ON PETITION

The above Petition coming on for hearing on 17/03/2003 upon reading the said Petition, the Order dated 27/01/2003 upon reading the said Petition, the Order dated 27/01/2003 whereby it was ordered to dispense with the meetings of the creditors and equity shareholders of the petitioner company, and upon hearing Shri Kamal Trivedi, Senior Advocate for the Petitioner Company, Shri K. M. Thaker for the Respondent Company and Smt. P. J. Dawawala, Additional Central Government Standing Counsel appearing for the Central Government and it appearing from the report that the proposed arrangement has been unanimously approved by all the equity shareholders and creditors of all classes and it further appearing from the report dated 13th March 2003 of the Official Liquidator, Gujarat High Court, that the affairs of the company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

This Court doth hereby sanction the arrangement set forth in para 7.4 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on all the shareholders, secured loan creditor, unsecured loan creditor and unsecured trade creditors of the Petitioner Transferor Company and also on the Petitioner Transfer Company as well as on the Respondent Transferee Company.

And this Court doth further order :-

That the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court of any directions that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of Companies a certified copy of this order within 30 days from the date of the receipt of the same,

This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Smt. P. J. Dawawala, Additional Central Government Standing Counsel appearing for the Central Government.

**SCHEME OF AMALGAMATION
OF
ICON DATA MANAGEMENT LIMITED
(THE TRANSFEROR COMPANY)
WITH
GUJARAT HEAVY CHEMICALS LIMITED
(THE TRANSFeree COMPANY)**

1. DEFINITIONS

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

- 1.1 “The Transferor Company” means ICON DATA MANAGEMENT LIMITED (IDML) a Company registered under the Companies act, 1956, whose Registered Office is situated at GHCL House, Opposite Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380009 in the state of Gujarat.
- 1.2 “The Transferee Company” means Gujarat Heavy Chemicals Limited (GHCL), a Company registered under the Company Act, 1956, whose Registered Office is situated at GHCL House, Opposite Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad-380009 in the state of Gujarat.
- 1.3 “The Act” means the Companies Act, 1956 including any statutory modifications, re-enactment of amendments thereof.
- 1.4 “The Appointed Date” means 1st day of February 2003 or such other date as the Hon'ble High Court of Gujarat at Ahmedabad may direct.
- 1.5 “The Effective Date” means the date on which certified copies of the Orders of Hon'ble High Court of Gujarat at Ahmedabad vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.
- 1.6 ‘Undertaking’ shall mean and include:
 - (i) All the assets of the Transferor Company as on the appointed date (hereinafter referred to 'the said Assets').
 - (ii) All debts, liabilities, duties and obligations of the Transferor Company as on the appointed date (hereinafter referred to 'the said Liabilities').
 - (iii) “Without prejudice to the generality of Sub-clause (i) & (ii) above the undertaking of the Transferor Company shall include all the Transferor Company's reserves, provisions, funds, business, moveable and immovable assets and properties, real, corporeal and incorporeal, in possession or reversion, present and contingent, all other assets including investments, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licences, permits, authorities, allotment, approvals, consents, registrations, contracts, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and other intangible rights, industrial and other licenses, permits, authorizations, quota, rights, trade marks, patents, brands secret formulae, drawings, research rights and all industrial and other properties, import entitlements, rights to use and avail of telephones, facsimile, telexes, email, internet or other utilities, communication facilities including leased line connections, rights to carry on 3-commerce activities on any platform in whatsoever manner, equipments including Computers, Hardware Software and other electronic equipments and instruments, Electric Connections, system of any kind whatsoever, rights and benefits of all agreements and other interest including all rights and benefits under Income Tax Laws/other Commercial Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and wheresoever situated, belonging to or in ownership, power or possession or control or entitlement of the Transferor Company.
- 1.7 “The Scheme” means this Scheme of Amalgamation in its present form submitted to the Hon'ble High Court of Gujarat at Ahmedabad for sanction with any modification(s) approved or imposed or directed by the said Hon'ble High Court of Gujarat.

2. TRANSFER OF UNDERTAKING

- 2.1 With effect from the opening of business as on the Appointed Date, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested the Transferee Company pursuant to the provisions of Section 394 and other provisions of the said Act.
- 2.2 With effect from the Appointed Date the said Liabilities and losses shall, without any further act or deed, be and stand transferred to the Transferee Company, pursuant to the applicable provisions of the said Act or any other applicable laws, so as to become the debts, liabilities, losses, duties and obligations of the Transferee Company, including, but no limited to, for the purposes of Section 72-A of the Income Tax Act, 1961.
- 2.3 The transfer / vesting as aforesaid shall be subject to charges / hypothecation / mortgage subsisting over or in respect of the said assets or any part thereof on the Appointed Date.

Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party and under which any assets of the Transferor Company 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 the Undertaking of the Transferor Company which is vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, or be applicable to any other assets of any other units, undertakings, divisions or to other properties of the Transferee Company, unless specifically agreed to by the Transferee Company and subject to the consents and approvals of the persons entitled to the charge on any assets or properties of the Transferee Company.

3. SHARE CAPITAL

- 3.1 The Share Capital of the Transferor Company as at 31st March 2002 is as under :

Authorized	(Rs.)
30,00,000 equity shares of Rs. 10/- each	3,00,00,000
Issued, subscribed and paid-up share capital	
30,00,000 equity shares of Rs. 10/- each fully paid-up.	3,00,00,000
The entire share capital of the Company represents shares held by Gujarat Heavy Chemicals Limited, and its nominees.	

- 3.2 The Share Capital of the Transferee Company as at 31st March 2002 is as under :

Authorized	(Rs.)
10,00,00,000 equity shares of Rs. 10/- each	1,00,00,00,000
2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 10/- each.	25,00,00,000
Issued, subscribed and paid-up share capital	
9,32,50,400 equity shares of Rs. 10/- each fully paid- up.	93,25,04,000
Share Capital pending allotment	1,83,80,110
95,08,84,100	
Notes: (1) Of the above 2,12,50,400 equity shares of Rs. 10/- each fully paid-up were issued to Financial Institution at par on conversion of Loan of Rs. 2,125.04 lacs.	
(2) Share Capital pending allotment comprises of 18,38,011 equity shares of Rs. 10/- each to be issued as fully paid-up to the shareholders of the Sree Meenakshi Mills Limited (SMML) pursuant to Scheme of Amalgamation.	
Since then shares have been allotted pursuant to the order of the Hon'ble BIFR dated 29th May 2002.	

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, debentures, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date shall be in full force and effect against or in favour of Transferee Company, as the case may be, and may be enforced as fully and as effectively as if, instead of the said Transferor company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writing or confirmations or enter into a tripartite arrangement, confirmation or novation to which the respective Transferor Company will, if necessary also be a party in order to give formal effects to this Clause if so required or become necessary.

5. LEGAL PROCEEDINGS

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

6. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE :

With effect from the Appointed Date, and till the Effective Date :

- 6.1 The Transferor Company is presently engaged in the business of manufacture of Computer Software and provides IT enabled services as a Software Technology Parks of India (STPI unit). The Transferor Company shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.
- 6.2 All the profits or income or benefits accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to and accrued as the profits and income or expenditure or losses of the Transferee Company as the case may be.
- 6.3 The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.
- 6.4 The Transferor Company shall not vary the terms and conditions and employment of its permanent employees except in ordinary course of business.
- 6.5 The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- 6.6 The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decision in respect of management of the Company and for the business of the Company and shall not change their present capital structure.

Provided that as far as the obligations referred as above are concerned, the restrictions there under shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor and Transferee Company even if the same is prior to the Appointed date.

7. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued, subscribed and paid-up equity capital of the Transferor Company is held by the Transferee Company and its nominees. Upon the Scheme becoming finally effective the said share capital of the Transferor Company will stand automatically cancelled and there will be no issue and allotment of shares of the Transferee Company as the Transferee Company and its nominees are themselves the only shareholders of the Transferor Company.

8. PROCEDURE TO DEAL WITH BALANCES AS BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

To the extent that there are inter-company loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reductions of any assets or liabilities as the case may be.

9. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY :

9.1 The Assets, Liabilities and Reserves of the Transferor Company shall be accounted for under "Pooling of Interests Method" as provided under Accounting Standard - 14 of the Institute of Chartered Accountants of India in the books of the Transferee Company.

9.2 Notwithstanding anything contained in 9.1, the Board of Directors of the Transferee Company, in consultation with its auditors, is authorised to account any of the balances in any manner whatsoever as may be deemed fit.

10. DIVIDEND, PROFIT, BONUS, RIGHT SHARES :

At any time up to the Effective Date :

10.1 Apart from dividend, if any, already paid in relation to the period commencing on or after the appointed date the Transferor Company shall not declare / or pay dividends which are interim or final to the respective members unless, agreed to by the Board of Directors of the Transferee Company.

10.2 The Transferor Company shall not issue or allot any right shares or Bonus Shares or any other security convertible into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferee Company.

11. TRANSFEROR COMPANY'S EMPLOYEES :

All the employees of the Transferor Company in service on the Effective Date, shall become the employees of the Transferee Company from that date and shall be governed by their terms of appointment, as if they were in continuous service without any break or interruption in service and on the terms and conditions, including remuneration not less favorable than these subsisting with the Transferor Company.

The existing provident fund, gratuity fund, superannuation fund or any other special funds / Scheme(s) / Trust(s) created or existing (if any), for the benefit of the employees of the Transferor Company shall at an appropriate time be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.

12. DISSOLUTION OF THE TRANSFEROR COMPANY :

The Transferor Company shall be dissolved without winding up on an order made by the Hon'ble High Court of Gujarat under Section 394 of the Companies Act.

13. APPLICATION

The Transferor Company with all reasonable dispatch make application / petition under Section 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Ahmedabad for sanctioning of this

Scheme and for dissolution of the Transferor Company without winding up under the provisions or the Act. The Transferee Company shall also with reasonable dispatch make applications / petitions, if so required, under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Ahmedabad for sanctioning of the Scheme under the provisions of the Act.

14. MODIFICATIONS, AMENDMENTS TO THE SCHEME :

The Transferor Company and Transferee Company may assent from time to time on behalf of persona concerned, to any modifications / amendments to this Scheme or any conditions or limitations which the Hon'ble High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters, and things necessary for putting the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Transferor and Transferee Company through its Directors or any other person authorised by them in this behalf, may give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

15. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS :

This Scheme is specifically conditional upon and subject to :

15.1 Approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and Transferee Company as may be necessary and directed by the Hon'ble High Court of Gujarat at Ahmedabad on the application/s made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for that purpose.

15.2 The sanctions of the High Court of Judicature at Ahmedabad being obtained under Sections 391 and 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

16. EFFECTIVE DATE OF THE SCHEME :

This Scheme, though effective from the Appointed Date shall be operative from the Effective Date i.e. the scheme will not come into operation until the last of the following dates viz.

16.1 The date of which the last of all the consents, approvals, permissions, resolutions, sanctions and / or orders as are here in above referred to have been obtained or passed ; and

16.2 The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the respective Registrar of Companies, Gujarat and such date shall be referred to as Effective Date for the purpose of the Scheme.

17. EFFECT OF NON-RECEIPT OF APPROVAL / SANCTION :

In the event of any of the said sanction and approval referred to in the preceding Clause No. 15 and 16 above not being obtained and / or the Scheme no being sanctioned by the Hon'ble High Court and / or the Order(s) not being passed as aforesaid before 30/08/2003 or within such further period(s) as may be agreed upon from time to time between the Transferor Company and the Transferee Company. These companies through its directors or any other persons authorised by them in this behalf are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates, this Scheme shall stand revoked, cancelled and become nonest, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 this Scheme and or otherwise arise as per Law.

18. EXPENSES CONNECTED WITH THE SCHEME :

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in-relation to or in connection with or incidental to this Scheme shall be borne by the Transferee Company.

SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the Court.

Dated this 17th day of March, 2003

Witness Daya Saran Sinha Esquire,
The Chief Justice at Ahmedabad
Aforesaid this 17th day of March, 2003

By the Order of the Court

Sd/-
Joint Registrar
this 7th day of April 2003

With drawn by :

Trivedi & Gupta, Advocates

"The Chambers", 1st Floor,
Opp. Gurudwara,
Nr. Goyal Palace,
Thaltej Cross Road,
Ahmedabad - 380 054.

Sd/-
Sealer
this 7th day of April 2003

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
 (ORIGINAL JURISDICTION)
 COMPANY PETITION NO. 217 OF 2009
 CONNECTED WITH
 COMPANY APPLICATION NO. 401 OF 2009

In the matter of Scheme of Arrangement
 under Sections 391 to 394 of the Companies
 Act, 1956

AND

In the matter of

Colwell & Salmon Communications (India)
 Limited.

A company registered under the Companies
 Act, 1956 and having its registered office at
 "GHCL House", opposite Punjabi Hall,
 Near Navrangpura Bus Stand, Navrangpura,
 Ahmedabad – 380 009 in the state of
 Gujarat.

AND

In the matter of Scheme of Arrangement
 between GHCL Limited and Colwell &
 Salmon Communications (India) Limited
 and their respective shareholders and
 creditors.

COLWELL & SALMON COMMUNICATIONS
 (INDIA) LIMITED.

A company registered under the Companies Act,
 1956 and having its registered office at "GHCL
 House", Opposite Punjabi Hall, Near
 Navrangpura Bus Stand, Navrangpura
 Ahmedabad, 380 009 in the state of Gujarat

..... Petitioner Company

BEFORE HONOURABLE Mr. JUSTICE S. R. BRAHMBHATT

Date: 30th November 2009

ORDER UNDER SECTION 394

The above petition coming on for hearing on 30th November 2009, upon reading the said petition, the order dated 29th October 2009 in the Company Application No. 401 of 2009 whereby meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the company were dispensed with in view of the consent letters placed on record for the purpose of considering, and if thought fit, approving, with or without modifications, the arrangement proposed to be made between the said Company and its members and creditors by the Scheme of Arrangement in the nature of Amalgamation of the Petitioner Company viz. Colwell & Salmon Communications (India) Limited, a wholly owned subsidiary of GHCL Limited with GHCL Limited and considering the affidavit dated 26th November 2009 filed by Mr. Rakesh Chandra, the Regional Director, Western Region, Ministry of Corporate Affairs, and considering the Additional Affidavit dated 30th November 2009 filed on behalf of the petitioner and upon hearing Shri Saurabh Soparkar, learned Senior Advocate appearing with Smt. Swati Soparkar, Advocate for the Petitioner Company, and upon hearing Shri M. Iqbal Shaikh, Counsel appearing for the Central Government, and it appearing from the report dated 26th November 2009 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest, and it appearing from the consent letters that the proposed scheme has been unanimously approved by all the Shareholders, Secured creditors and unsecured creditors of the petitioner company,

THIS COURT DOTH ORDER

- (1) That all the properties, rights and powers of the Transferor Company specified in the Schedule hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Sec. 394(2) of the Companies Act, 1956 be transferred to and vest in the transferee Company for all the estate and interest of the Transferee Company therein but subject nevertheless to all charges now affecting the same, and
- (2) That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company; and
- (3) That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee company; and
- (4) That the transferor Company do within 30 days after the date of obtaining the certified copy of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered the Transferor Company shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Company, and registered with him on the file kept by him relating to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly; and
- (5) That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

SCHEDULE

Parts I, II, III as annexed.

Dated this 30th day of November 2009

List of Assets of the assets of Colwell & Salmon Communications (India) Limited as on 30.10.2009 to be transferred to GHCL Limited, pursuant to the scheme sanctioned by the Hon'ble Gujarat High Court

Schedule

Part I

Particulars of Freehold Properties

- (i) Land Nil
(ii) Building Nil

Part II

Particulars of Leasehold Properties

- (i) Land Nil
(ii) Building A-17, Sector-58, Noida 201 301 Ist floor & IInd floor (4000 sq feet on each floor)

Part III

A Particulars of Investment in Shares & Securities

No. of shares and description Face value Current Market Value
..... Nil

B. Particulars of Bank Accounts :

Sr. No.	Bank & Branch	Type of Account	Account No.
1	AXIS Bank Limited B2-B3, Sector 16, Noida-201 301	Current Account	022010200006781
2	AXIS Bank Limited B2-B3, Sector 16, Noida-201 301	EEFC Account	022020200015428
3	Canara Bank C-3, Sector-1, Noida 201301	Current Account	1177201003687
4	IDBI Bank Limited Surya Kiran Building, 19 K.G. Marg, New Delhi-110001	Current Account	011103000001489

C. Registration with Various Authorities under respective laws, Bodies etc.

Name of Authority	Nature of registration	Registration Number
INCOME TAX DEPARTMENT	PAN	AACCC0322Q
	TAN	MRTC00177C
EXCISE & CUSTOMS	IEC CODE NO.	0802012388
	CUSTOM BONDING LICENCE NO.	04/CSCIL/STP/N-II/2003 (v(30)Cus/Licence/CSCIL/N-II/99/03/1263)
	CUSTOM BONDING LICENCE NO.	26/colwellandsalmon/STP/N-II/2006-07 (V(30) cus/STPI/Colwell/N-II/57/07/605)
REGISTRAR OF COMPANY'S CIN NO.		
PF REGISTRATION NO.		Up/32318
ESI REGISTRATION		67-00-035152-000-1001
SHOP & ESTABLISHMENT ACT		36/2420 dt 23.07.2203
DEPARTMENT OF TELECOM		No. 10-166/2006-OSP DT. 08.11.2006
		No. 10-TM/519929*/14/2009-9/2616

D. VEHICLE : (IF ANY)

..... NIL

For Colwell & Salmon Communications (India) Limited

Director

Dated this 30th day of November 2009

Witness Mohit Shantilal Shah Esquire,

The Acting Chief Justice at Ahmedabad

Aforesaid this Thirtieth Day of November Two Thousand Nine.

By the order of the Court

Sd/-

Registrar (Judicial)

This 14th day of December 2009

Sd/-

Sealer

This 14th day of December 2009

Order drawn by :

Sd/-

(Swati Saurabh Soparkar)

Advocate

301, Shivalik – 10, Opp. SBI Zonal Office,

Near Old Excise Chowky, S. M. Road

Ambavadi, Ahmedabad 380 015.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)
COMPANY PETITION NO. 217 OF 2009
CONNECTED WITH
COMPANY APPLICATION NO. 401 OF 2009

In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956

AND

In the matter of

Colwell & Salmon Communications (India) Limited.

A company registered under the Companies Act, 1956 and having its registered office at "GHCL House", opposite Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad – 380 009 in the state of Gujarat.

AND

In the matter of Scheme of Arrangement between GHCL Limited and Colwell & Salmon Communications (India) Limited and their respective shareholders and creditors.

COLWELL & SALMON COMMUNICATIONS
(INDIA) LIMITED.

A company registered under the Companies Act, 1956 and having its registered office at "GHCL House", Opposite Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura Ahmedabad, 380 009 in the state of Gujarat

..... Petitioner Company

BEFORE HONOURABLE Mr. JUSTICE S. R. BRAHMBHATT

Date: 30th November 2009

Order On Petition

The above petition coming on for hearing on 30th November 2009, upon reading the said petition, the order dated 29th October 2009 in the Company Application No. 401 of 2009 whereby meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the company were dispensed with in view of the consent letters placed on record for the purpose of considering, and if thought fit, approving, with or without modifications, the arrangement proposed to be made between the said Company and its members and creditors by the Scheme of Arrangement in the nature of Amalgamation of the Petitioner Company viz. Colwell & Salmon Communications (India) Limited, a wholly owned subsidiary of GHCL Limited with GHCL Limited and considering the affidavit dated 26th November 2009 filed by Mr. Rakesh Chandra, the Regional Director, Western Region, Ministry of Corporate Affairs, and considering the Additional Affidavit dated 30th November 2009 filed on behalf of the petitioner and upon hearing Shri Saurabh Soparkar, learned Senior Advocate appearing with Smt. Swati Soparkar, Advocate for the Petitioner Company, and upon hearing Shri M. Iqbal Shaikh, Counsel appearing for the Central Government, and it appearing from the report dated 26th November 2009 of the Official Liquidator, Gujarat High Court, that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest, and it appearing from the consent letters that the proposed scheme has been unanimously approved by all the Shareholders, Secured creditors and Unsecured creditors of the petitioner company,

This Court doth hereby sanction, the scheme of arrangement in the nature of amalgamation as set forth in para 14 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the shareholders and creditors of the abovenamed company and also on the abovenamed company.

And this Court doth further order that parties to the arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the arrangement or amalgamation, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of Rs. 4,000/- in aggregate as the cost of this petition awardable to Shri M. Iqbal Shaikh, Central Government Standing Counsel and Rs. 4,000/- to the Office of the Official Liquidator.

SCHEDULE

Scheme of Arrangement as sanctioned by the court.

Dated this 30th November 2009.

SCHEME OF ARRANGEMENT
BETWEEN
GHCL LIMITED
AND
COLWELL & SALMON COMMUNICATIONS (INDIA) LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

SCHEME OF ARRANGEMENT
BETWEEN
GHCL LIMITED
AND
COLWELL & SALMON COMMUNICATIONS (INDIA) LIMITED
AND ITS SHAREHOLDERS AND CREDITORS

This Scheme of Arrangement ("Scheme") is being presented for amalgamation of Colwell & Salmon Communications (India) Limited with GHCL Limited and for various other matters consequential, supplemental and/or otherwise integrally connected therewith pursuant to section 391 to 394 read with other relevant provisions of the Companies Act, 1956.

The Scheme is divided into following parts:

- I. Part A - dealing with Definitions and Share Capital;
- II. Part B - dealing with the amalgamation of Colwell & Salmon Communications (India) Limited with GHCL Limited; and
- III. Part C - dealing with General Terms and Conditions

Part A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

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

- 1.1. "Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 1.2. "Appointed Date" means April 1, 2008.
- 1.3. "Amalgamation" means amalgamation of Colwell & Salmon Communications (India) Limited with GHCL Limited as set out in Part B hereof.
- 1.4. "Board" means the Board of Directors of GHCL or any Committee thereof duly constituted or appointed by the Board for this purpose.
- 1.5. "C & S" or the "Transferor Company" means Colwell & Salmon Communications (India) Limited an existing company under the Act and having its registered office at "GHCL HOUSE", Opposite Punjabi Hall, Navrangpura, Ahmedabad -380 009, Gujarat.
- 1.6. "Effective Date" means the last of the dates on which all conditions, matters and filing referred to in Clause 17 below hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained.
References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.
- 1.7. "FCCB" means 1% Foreign Currency Convertible Bonds Due 2011 of face value of US\$ 10,000 each, aggregating to US\$ 80.5 million issued by GHCL.
- 1.8. "FCCB Issue Price" means a price equal to 100 per cent of the principal amount i.e. US\$ 10,000 each for the said FCCB.
- 1.9. "FCCB Purchase Price" means any price lower or equal to FCCB issue price (i.e. buy-back of FCCB at a discount to FCCB issue price) paid by GHCL for purchase of the FCCB on or after 1st April 2008 but before 31st December 2009 or such further period as may be permitted / extended by the Reserve Bank of India.
- 1.10. "High Court" means the High Court of Gujarat, at Ahmedabad or the National Company Law Tribunal, if applicable.
- 1.11. "GHCL" or "the Transferee Company" means GHCL Limited, an existing company under the Act and having its registered office at "GHCL HOUSE", Opposite Punjabi Hall, Navrangpura, Ahmedabad 380009, Gujarat.
- 1.12. "Scheme" means this Scheme of Arrangement in its present form filed with the High Court or with any modification(s) approved or imposed or directed by the High Court.
- 1.13. "Undertaking of C & S" means and includes:
 - a) all the businesses, properties, assets including investments in other Companies whether in India or abroad and liabilities of whatsoever kind and wherever situated of C & S as on Appointed Date;
 - b) without prejudice to the generality of the foregoing clause, the Undertaking of C & S shall include all rights, powers, authorities, privileges, liberties and all properties and assets whether movable or immovable, freehold,

leasehold, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wherever situated including office equipments, inventories, investment in shares, sundry debtors, cash and bank balances, loans and advances, telephones, facsimile, email, internet, leased lying connections and other communication facilities and equipment, rights and benefits of all agreements, all records, files, papers, computer programmes, manuals, data and all other interests and rights ill or arising out of such property together with all licenses, trade marks, patents, copyrights, entitlements and other quotas, if any, held, applied for or as may be obtained hereafter by C & S or to which C & S is entitled to and all debts, liabilities (contingent or otherwise), responsibilities, duties and obligations of C & S of whatsoever kind.

2. CAPITAL STRUCTURE

2.1 The share capital structure of Transferee Company as on 31st March 2008 was as follows:

Particulars	(Amount in Rs)
Authoriaed Capital	
175,000,000 Equity Shares ofRs.10/- each	17,50,000,000
TOTAL	17,50,000,000
Issued, Subscribed and Paid-up Capital	
100,019,286 Equity Shares ofRs.10/- each fully paid up	10,00,192,860
TOTAL	10,00,192 860

As on the date of this Scheme being approved by the Board, there is no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company.

2.2 The share capital structure of the Transferor Company as on 31st March 2008 was as follows:

Particulars	(Amount in Rs)
<u>Authorised Capital</u>	
10,00,000 Equity Shares of Rs.10/- each	100,00,000
TOTAL	100 00 000
Issued Subscribed and Paid-uD CaDital	
750,000 Equity Shares of Rs.10/- each fully paid up	75,00,000
TOTAL	75,00,000

The Transferor Company is a wholly owned subsidiary of the Transferee Company and so the entire equity share capital of the Transferor Company is held by the Transferee Company. As on the date of this Scheme being approved by the Board, there is no change ~ the authorized, issued, subscribed and paid up share capital of the Transferor Company.

3. DATE OF TAINGNG EFFECT AND OPERATIVE DATE

Though the Scheme shall become effective from the Appointed Date, the provisions of this Scheme shall be applicable and would come into operation from the Effective Date.

Part B

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. TRANSFER AND VESTING OF UNDERTAKING

4.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of C & S shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act without any further act, instrument or deed, be and stand transferred to and vested in and/ or be deemed to have been and stand transferred to and vested in the Transferee Company as. a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, subject however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

4.2 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will however not affect the other parts of the Scheme.

4.3 All assets, estate, rights, title, interest and authorities acquired by Transferor Company after the Appointed Date and prior to the Effective Date for operation of Transferor Company or pertaining to or relating to Transferor

Company shall also stand transferred to and vested in Transferee Company upon the coming into effect of this Scheme for Amalgamation, at their book values.

- 4.4 All the movable assets of the Transferor Company or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery or by endorsement and delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.
- 4.5 In respect of movable assets, other than those specified in sub-clause 4.3 above, the same shall, without further act, instrument or deed, be transferred and / or deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act
- 4.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals, or consents required to carry on business or operations whether in India or abroad, shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall appropriately mutate, to the extent necessary, by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 4.7 All the assets acquired by or belonging to the Transferor Company and all liabilities incurred by the Transferor Company after the Appointed date and before the Effective Date shall also stand transferred to and vested to the Transferee Company in the same manner as specified under clause 4.1 above upon the coming into effect of the Scheme.
- 4.8 It is hereby clarified that all assets and liabilities of the Transferor Company shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of C & S as of the close of business hours on the date immediately preceding the Appointed Date.
5. STAFF, WORKMEN & EMPLOYEES
- 5.1 Upon the Scheme being effective, the employees of Transferor Company, as on the Effective Date, shall become and be deemed to have become the employees of the Transferee Company on the terms and conditions not less favourable than those on which they are engaged by the Transferee Company, without any break in their services and on the basis of continuity of services.
- 5.2 In so far as the existing provident fund, gratuity fund, pension and/or superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the employees of the Transferor Company shall become the trusts/funds of the Transferee Company, respectively, for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts 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 the Transferor Company in relation to such funds or trusts shall become those of Transferee Company.
- 5.3 It is clarified that services of the employees of the Transferor Company will be treated as having been continuing for the purpose of said fund or funds.
6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS
- 6.1 Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, understandings whether written or oral and other instruments, if any, of whatsoever nature to which the Transferor Company is a party or to the benefit of which the. Transferor Company may be eligible and which are subsisting or having effect on the Effective Date, without any further act, instrument or deed, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 6.2 The Transferor Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
7. NO ISSUE OF SHARES
- As Transferor Company is a wholly-owned subsidiary of the Transferee Company, no shares shall be issued pursuant to the merger of Transferor Company into the Transferee Company and the investments in the Transferor Company by the Transferee Company would stand cancelled.
8. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY
- 8.1 On the Scheme becoming effective, the accounting for merger will be done in accordance with the pooling of interest method referred to in Accounting Standard 14 - Accounting for Amalgamation (AS-14) as the conditions

specified in Para 29 of AS-14 are fully complied with for this transfer. Accordingly, Transferee Company shall record all the assets and liabilities of the Transferor Company, transferred to and vested in the Transferee Company, at the respective book values as appearing in the books of Transferor Company.

- 8.2 The investment in the equity share capital of the Transferor Company as appearing in the books of the Transferee Company shall stand cancelled. The inter-corporate deposits / loans/ share application money and advances outstanding between the Transferee Company and the Transferor Company inter-se shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 8.3 With effect from the Appointed Date, the Profit and Loss Account Balance as appearing in the Balance sheet of the Transferee Company as on 31st March 2008 shall be in part or full, without any further act, instrument or deed, stand re-organised and be appropriated to the General Reserve, as may be considered appropriate by the management in both standalone and consolidated financials of the Transferee Company.
- 8.4 Upon the Scheme becoming effective, the difference between the FCCB Issue Price and the FCCB Purchase Price in respect of FCCBs purchased and cancelled upto 31st December 2009 by the Transferee Company (or any other date as may be allowed by Reserve Bank of India in this regard), shall stand credited to "Business Development Reserve Account".
- 8.5 Further, upon the Scheme becoming effective, Fixed Assets of the Transferee Company may be reinstated at their respective fair values as on 1 April 2008 as may be determined by the Board of the Company. Such a revaluation shall be carried out on the basis of the report of competent valuer appointed by the Company. Any such revaluation adjustment in full or part, as may be determined by the Board, shall also be credited to the "Business Development Reserve Account" and balance, if any would be credited to the General Reserve Account which would be free for distribution.
- 8.6 The amount so appropriated to General Reserve Account as mentioned in clause 8.3 above and credited to the Business Development Reserve Account as mentioned in para 8.4 and 8.5 above shall be utilised by the Transferee Company towards the "Expenses" as may be considered appropriate by the Board from time to time. Amount which is re-classified as General Reserve as mentioned in clause 8.3 above may be brought back to stand alone and/or consolidated Profit and Loss Account of the Transferee Company to adjust the Expenses either in full or in part as may be decided by the Board.
- 8.7 "Expenses" shall include goodwill arising on amalgamation or acquisition or consolidation of financials of subsidiaries and which requires amortisation or impairment, any unrealizable assets whether fixed or current or tangible or intangible of the Transferee Company, any diminution/write off in the value of the investments in its subsidiaries; whether in India or overseas, interest and other financial charges paid or payable on borrowings for subsidiaries by the Transferee Company or by its subsidiaries or borrowings guaranteed by the Transferee Company, mark to market adjustment on derivative instruments, currency swaps expenses, all the expenses / costs incurred in carrying out and implementing this Scheme, Integration expenses like plant shifting / shutting down, expenses arising on voluntary retirement offered to the employees of acquired companies, expenses for suit for bankruptcy including costs associated with existing projects / subsidiaries / divisions in part and / or whole by the Transferee Company and any additional depreciation on account of any upward revaluation of assets.
- 8.8 Business Development Reserve Account shall be available to the Company till the balance to its credit would last. In case Board decides that the same is not required, any unutilised balance lying to the credit of Business Development Reserve Account shall be credited to the General Reserve Account and I or Profit and Loss Account. For the purpose of the clause 8.7, if any issue / question arise with respect to identification and I or quantification of the nature and amount of the expenses, the decision / clarification of the Board shall be final.
- 8.9 The effect of the above stated treatment may be given in the stand alone and consolidated annual accounts (financials) of the Transferee Company as the Board may deem fit by giving suitable disclosures and after making appropriate deferred tax adjustments.
9. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE
With effect from the Appointed Date and up to the Effective Date:
- 9.1 The Transferor Company shall be deemed to have been carrying on all business and activities and shall be deemed to have held and stood possessed of all its assets, properties, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 9.2 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company or taxes paid by the Transferor Company shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) or taxes paid of the Transferee Company and
- 9.3 The Transferor Company hereby undertakes that it will from the Appointed Date up to and including the Effective Date preserve and carry on its business with diligence and utmost business prudence and agrees that it will not, without the prior written consent of Transferee Company, alienate, charge, mortgage or encumber or otherwise deal with or dispose off any of its properties except in the ordinary course of business.
10. SAVING OF CONCLUDED TRANSACTIONS
The transfer of Undertaking of C & S pursuant to this Scheme shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on: or after the

Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

11. LEGAL PROCEEDINGS

- 11.1 All legal proceedings of whatever nature by or against the Transferor Company pending and/or arising at or after the Appointed Date as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 11.2 The Transferee Company undertakes to have all legal and other proceedings initiated by or against the Transferor Company referred to in Clause 0 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

13. TREATMENT FOR TAXES

- 13.1 Any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, State sales tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties /levies (herein referred to as 'Tax Laws') allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties / levies account including advance income tax and TDS as on the appointed date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 13.2 Further any tax holiday/deduction/exemption enjoyed by the Transferor Company under Income-tax Act, 1961 would be transferred to the Transferee Company.
- 13.3 Any refund "under Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 13.4 All taxes (including income tax, sales tax, excise duty, service tax, VAT etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date shall be on account of the Transferor Company and in so far as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operations of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme being effective, the Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

Part C

GENERAL TERMS AND CONDITIONS

15. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 15.1 The Transferee Company shall by its Board may assent to any modifications / amendments to the Scheme or agree to any terms and / or conditions that the High Court or any other authorities may deem fit to direct, or impose or which may otherwise be considered necessary, desirable or appropriate by them.
- 15.2 The Transferor Company shall by its Board may give such directions as they may consider necessary to settle any question or difficulty arising under" the Scheme or in regard to any of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith.
- 15.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board or any committees thereof, affect the adoption or validity or interpretation, of the other parts and/or provisions of this Scheme.
- 15.4 In the event of any of the conditions that may be imposed by the High Court or other authorities which the Transferor or the Transferee Company may find unacceptable for any reason, then the Transferor and the Transferee Company is at liberty to withdraw the Scheme.

16. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary application/petition to the High Court under Section 391 and 394 of the Act and other applicable provisions of the Act for seeking sanction to this Scheme.

17. CONDITIONAULTY OF THE SCHEME

This Scheme is conditional upon and subject to :

- 17.1 the approval by requisite majority of the shareholders of the Transferee Company as required under the Act and the requisite orders of the High Court referred to in clause 16 above hereof being obtained.
- 17.2 the certified copy of the High Court order sanctioning the Scheme being filed with the Registrar of Companies of Gujarat at Ahmedabad and
- 17.3 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- 18 BINDING EFFECT
Upon the Scheme becoming effective, the same shall be binding on the Company and all concerned parties without any further act, deed, matter or thing,
- 19 COSTS
All costs, charges and expenses, in relation to or in connection with this Scheme and matters incidental thereto shall be paid and borne by the Transferee Company.

Dated this 30th day of November 2009

Witness Mohit Shantilal Shah Esquire,
The Acting Chief Justice at Ahmedabad
Aforesaid this Thirtieth Day of November Two Thousand Nine.

By the order of the Court

Sd/-
Registrar (Judicial)
This 14th day of December 2009

Sd/-
Sealer
This 14th day of December 2009

Order drawn by :

Sd/-
(Swati Saurabh Soparkar)
Advocate

301, Shivalik – 10, Opp. SBI Zonal Office,
Near Old Excise Chowky, S. M. Road
Ambavadi, Ahmedabad 380 015.

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