
MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
INDOCO REMEDIES LTD.

Certificate of Incorporation



No. 5913 of 1947-1948

I HEREBY CERTIFY that "INDOCO
REMEDIES LIMITED" is this day incorporated
under the Indian Companies Act VII of 1913,
and that the Company is Limited.

Given under my hand at Bombay this
Twenty-third day of August One thousand
Nine hundred and Forty-seven.



Sd./- **Behramji M. Modi,**
Registrar of Companies,
BOMBAY

Certificate for Commencement of Business



(Pursuant to section 103 (2) of the Indian Companies Act, 1913.)

I hereby certify that the INDOCO REMEDIES LIMITED which was incorporated under the Indian Companies Act, 1913, on the Twenty third day of August 1947 and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 103 (i) (a) to (d) of the said Act have been complied with, is entitled to commence business.

Given under my hand at Bombay this Eight day of October One thousand Nine hundred and Forty seven.



Sd./- **Behramji M. Modi,**
Registrar of Companies,
BOMBAY.

**MEMORANDUM OF ASSOCIATION
OF
INDOCO REMEDIES LIMITED**



- I. The name of the Company is "INDOCO REMEDIES LIMITED"
 - II. The Registered Office of the company will be situated in the Province of Bombay.
 - III. The objects for which the Company is established are :-
 - (1) To purchase or otherwise acquire and take over as a going concern now carried on by Messrs GR Kare, RS Kamat, VG Gaitonde and NM Kamat at 457, Sandhurst Road, Bombay in the name and style of Indo-Continental Trading Company, and their Laboratory situated at Ram Maruti Road, Thana, District Thana together with all or any of the assets or liabilities of the proprietors of that business in connection therewith and with the view thereto to enter into and carry into effect all such (if any) modifications or alterations as may be agreed upon (whether before or after execution) the agreements referred to hereinafter and in Clause 3 of the Articles of Association of the Company and to become parties to and enter into and carry into effect all such other agreements, deeds, instruments and assurances as may be necessary or as may be deemed advisable or proper.
 - (2) To enter into, subject to such modification and/or alterations as may hereafter be agreed upon, the following agreements :-
 - (a) An agreement with Messrs GR Kare, RS Kamat, VG Gaitonde, and NM Kamat on the terms and conditions set forth in the draft of such agreement and which agreement will provide for the acquisition by the Company of the said Indo-Continental Trading Company situated in Bombay and Laboratory in Thana.
 - (b) An agreement with Messrs Kare & Co. on the terms and conditions set forth in the draft of such agreement and which agreement will provide for Messrs Kare & Co. and their successors and assigns being appointed as the Managing Agents of the Company for a period of twenty years.
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- (c) An agreement with Mr GR Kare on the terms and conditions set forth in the draft of such agreement and which agreement will provide for the purchase and acquisition by the Company of the property of Mr Kare situated in Thana.

The drafts of the agreements hereinabove specified are prepared and initialled for verification by three of the subscribers to be Memorandum of Association.

- (3) To carry on the business of manufacturers of and dealers in pharmaceutical products, patent medicines of every description and kind, ampoules of all medication, tinctures, liquid extracts, solid extracts, tablets, pills, cosmetics, cologne water, sera, vaccines and biological products of all kinds.
 - (4) To Manufacture, prepare, import, export, buy, sell, supply, distribute, store, stock, maintain or otherwise handle, deal in and carry on business in all kinds and varieties of patent medicines, drugs, powders, pills, tablets, mixtures pharmaceutical, biological, medical and medicinal products, surgical dressings, soaps, perfumery and disinfectants, etc., laboratory glass-ware, rubber-ware, china-ware, porcelain-ware, enamel-ware, surgical instruments, dental instruments, veterinary instruments, hospital furniture, implements, tools, spirits, oils, essences, toilet requisites, sanitary ware, hygienic articles, papers, linen, cotton and all or any other articles required or convenient for or in connection with the business of the Company.
 - (5) To establish a well equipped laboratory and carry on analytical, experimental, and other work and to establish and maintain research and biological laboratories, farms, stables, etc., for the purpose of generally promoting the interest of the Company.
 - (6) To erect all necessary or convenient refineries, works, machineries, laboratories, workshops, dwelling houses for workmen and others and to aid in or subscribe to any such objects.
 - (7) To manufacture, prepare and sell Ayurvedic preparations like Arishtas, Asavas, Bhasmas, Churnas, etc.
 - (8) To buy, sell, manufacture, refine, manipulate, import, export and deal in all substances, apparatus and things capable of being used in any such business as aforesaid or required by any customers of or persons having dealings with the Company either wholesale or retail.
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- (9) To manufacture from crude drugs and raw materials, Drugs and Chemicals, Chemical goods, Pharmaceutical preparations, aerated and mineral waters and similar other preparations.
 - (10) To do and carry on with business of chemists, druggist, dealers in chemicals, oils, pharmaceuticals, industrial, medical, chemical and other articles and products, compounds, cements, paints, oils, varnishes, pigments, dyeware and makers of and dealers in such articles of all kinds.
 - (11) To deal in photographic instruments, chemicals, films, papers, accessories, cameras, lens-cleansers, developers, reducing agents, salts and washing substances, crucibles, thermometers, bags, thermoses, etc.
 - (12) To sell patent drugs and compound according to prescriptions given by physicians or surgeons and to deal in wines and tonics for sick persons and invalids and to provide miscellaneous hospital requisites and toilet requisites, soaps, sticks, blades, razors, brushes, combs, etc.
 - (13) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibitions of works of art or interest, by publication of books, periodicals and by granting prizes, rewards and donations.
 - (14) To transact and carry on all kinds of agency business and to act as Managing Agents of any Company or concern.
 - (15) To purchase or by any other means acquire and protect, prolong and renew whether in India or elsewhere, any patents, patent rights, brevets d'inventions, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patent inventions or rights which the Company may acquire or propose and acquire.
 - (16) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them and to obtain from any such government or authority, any rights, privileges and concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions.
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- (17) To acquire by purchase, amalgamation, grant concession, lease, licence, barter or otherwise, either absolutely or conditionally and either solely or jointly with others, any houses, lands, farms, rights and privileges, way-leaves and other works, privileges, rights and hereditaments together with such rights as may be agreed upon and granted by Government or the rulers or the owners and to expend such sums of money as may be deemed requisite and advisable in the exploration, survey and development thereof; and generally to acquire in India or elsewhere by purchase, lease or otherwise for the purpose of the Company any real or personal, immovable or movable property, right or privileges, including any land, buildings, rights of way, easements, licences, concessions and privileges, patents, patent rights, trade-marks, machinery, rolling stock, plant, utensils, accessories and stock-in-trade.
- (18) To be interested in, promote and undertake the formation and establishment of such institutions, businesses, or companies (industrial, agricultural, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the Company; and to carry on any other business (industrial, agricultural, trading, manufacturing or other) which may seem to the Company capable of being conveniently carried on in connection with any of these objects or otherwise calculated, directly or indirectly to render any of the Company's properties or rights for the time being profitable; and also to acquire, promote, aid, foster; subsidise or acquire interests in any industry or undertaking in any country or countries whatsoever.
- (19) To appoint agents or open depots for all or any of the Company's products, manufactured or otherwise in India or abroad.
- (20) To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engaged in any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.
- (21) To amalgamate with any Company or companies having objects altogether or in part similar to those of this Company.
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- (22) To pay for any properties, rights or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.
 - (23) To acquire or undertake the whole or any part of the business property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of this Company.
 - (24) To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures, of redeemable preference shares or for any other purpose whatsoever conducive to the interest of the Company.
 - (25) To pay all the costs, charges and expenses of any incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any under-writing or other commission, brokers' fees and charges in connection therewith, and to remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid up shares, preference or otherwise and upon such terms and conditions as to payment of dividend and voting rights as the Company may think fit or by a call or option on shares, debentures, debenture stock or securities of this or any other company or in any other manner, whether out of the Company's capital or profits or otherwise) any person or firm or Company for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.
 - (26) To draw, make, accept, endorse, discount, execute, issue, negotiate, assign and otherwise deal in cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
 - (27) To borrow or raise money or to receive on deposit as interest, or otherwise, in such manner as the Company may think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise including debentures or debenture stock convertible into shares of this Company, or
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perpetual annuities; and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital, by special assignment or otherwise, or to transfer or convey the same absolutely or in trust to give the lenders power of sale and other powers as may seem expedient; and to purchase, redeem or pay off any such securities.

(28) To accumulate funds and to lend, invest or otherwise employ moneys belonging to or entrusted to the Company, upon any shares, securities or investments upon such terms as may be thought proper and from time to time vary such transactions in such manner as the Company may think it fit.

(29) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time seem expedient and be determined.

(30) To sell and in any other manner deal with or dispose of undertaking or property of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other Company having objects altogether or in part of similar to those of the Company.

\$(31) To sell, improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with all or any part of the property, rights and concessions of the Company.

(32) To provide for the welfare of employees, or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pension, 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 instruction and recreation, hospitals and dispensaries, medical and other attendance, and other assistance as the Company shall think fit.

(33) To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national and other institutions and objects which shall have any moral or other claim to support or aid by the Company either by

\$ Object covered by clause III (31) has been transferred to "Main Objects" vide special resolution passed u/s 149 (2A) at the EGM held on 30th April, 1994

reason of locality of operation or of public and general utility or otherwise.

(34) To undertake and execute any trusts the undertaking whereof may seem desirable and either gratuitously or otherwise.

\$(35) To let out on hire all or any of the property of the Company, whether real or personal, immovable or movable including all and every description of apparatus or appliances.

(36) To lend money to such persons and on such terms as may seem expedient and in particular to members of the staff, customers and others having dealing with the Company and to guarantee the performance of contracts or engagements by any such persons.

(37) To place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company, and any moneys received in respect of dividends accrued on forfeited shares, and moneys arising from the sale by the Company of forfeited shares, or from unclaimed dividends.

(38) To apply or join in applying to any Parliament, Government, Local Improvement Trust or other authority or body, Municipal, Local or otherwise in British India, Native States, Colonies or Foreign countries, for and to obtain or in any way to assist in obtaining any Act of Parliament Laws, decrees, concessions, orders, rights or privileges or advantages that may seem conducive to the objects of this or any other Company or for enabling this or any other Company's constitution to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of this or any other Company, to prove this or any other Company to be legalised, registered or incorporated if necessary in accordance with the laws of any country, State or place in which it may propose to carry on operations, to establish and maintain any agencies of the Company and to open and keep a colonial or a Foreign register or registers of this or any other Company in any British or foreign country, Native States. Colony or dependency and to allocate any such number of these or any other shares in this or any other Company to such register or registers.

\$ Object covered by clause III (35) has been transferred to "Main Objects" vide special resolution passed u/s 149 (2A) at the EGM held on 30th April, 1994.

- (39) To make donations to such persons or institutions and in such cases and 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 in particular to remunerate any person or corporation introducing business to this Company and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences for the benefits of the employees or ex-employees or the persons having dealings with the Company or dependents relatives or connections of such persons and particular friends or other benefit societies and to grant pensions, allowances, gratuities and houses either by way of annual payment or lump sum, and to make payments towards insurance, and to form and contribute to provident and benefit funds, to or for such persons.
 - (40) To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
 - (41) To open account or accounts with any individual firm or Company or with any Bank or Banks or Bankers or Shroffs and to pay into and to withdraw money from such account or accounts.
 - (42) To carry on any other trade or business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with any other business of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
 - (43) To aid peculiarly or otherwise, any association, body or movement having for any object the solution settlement, or surmounting of industrial or labour problems, disputes, or troubles or the promotion of industry, science, art or trade.
 - (44) To promote any Company for the purpose of acquiring all or any of the property and liabilities of the Company or for any other purpose that may seem directly or indirectly calculated to benefit this Company.
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- (45) To guarantee the payment of money, unsecured, or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stocks, contracts, mortgages, charges, obligations, instruments and securities of any Company or of any person whomsoever, whether incorporated, and generally to guarantee and become sureties for the performance of any contracts or obligations.
- *(46) To build, construct, alter, enlarge, remove, pull down, replace, maintain, improve, develop, work, control and manage any buildings, offices, office premises, trade centers, business and convention centers, IT parks, restaurants, shopping and commercial complexes, shopping malls, stores, shops, apartments, godowns, hotels and to contribute or otherwise assist or take part in the construction, maintenance, development, working, control and management thereof and to join with any other person or company doing any of these activities or otherwise deal in real estate sector.
- (47) To distribute any of the property of the Company amongst the members in specie or kind, but so that no distribution amounting to a reduction of Capital be made except with the sanction (if any) for the time being required by law.
- (48) To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them, in any part of the world, and as principals, agents, contractors, trustees, or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others. The word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated, and whether domiciled in India or elsewhere; and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no way limited or restricted by reference to or inference from the terms of any other paragraphs of this clause or the name of the Company.

IV. The liability of the Members is limited.

- \$ V. (a) The Authorised Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 12,50,00,000 (Twelve Crores Fifty Lakhs) Equity Shares of Rs.2/- (Rupees Two only) each with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

\$ The Authorised Share Capital was increased to Rs. 18.00 crores by passing Ordinary Resolution at the EGM held on 3rd March, 2000. It was further increased to Rs. 25.00 crores by passing Ordinary Resolution through Postal Ballot on 8th May 2012.

** As amended vide Special Resolution passed through Postal Ballot on 7th January 2009*

(b) The minimum paid up share capital of the Company shall be Rs.5,00,000/-(Rupees Five Lakhs)

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

Names of Subscribers.	Addresses and Description of Subscribers.	Number of shares taken by each Subscriber.	Witness
SS Ugrankar	Anandashram Proctor Road, Bombay-7 (Consulting Physician)	One	BD Donde BA, LLB Advocate High Court Bombay
BK Naik	Margao, Goa (at Present Bombay) (Merchant)	One Hundred	
AS Kamat	Tara Temple Lane Lamington Road Bombay-4 (Rly. Service)	Five	
KS Nayak	Ramchandra Building B2/3, Girgaum, Bombay (Merchant)	One	
VG Gaitonde	Tara Temple Lane Lamington Road Bombay-4 (Merchant)	One	
NM Kamat	30 D, Kotachi Wadi Bombay-4 (Student)	One	
RS Kamat	Lamington Road Bombay-4 (Merchant)	One	
GR Kare	Gowalia Tank, Bombay (Merchant)	One	

Bombay, dated this 4th day of August, 1947.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 170 OF 2003
CONNECTED WITH
COMPANY APPLICATION NO. 46 OF 2003

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

And

In the matter of INDOCO
REMEDIES LIMITED

And

In the matter of Scheme of
Amalgamation between
WARREN PHARMACEUTICALS
LTD. and INDOCO REMEDIES
LTD.

INDOCO REMEDIES LTD.,)
a Company incorporated)
under the Indian Companies)
Act, 1913 and having its)
registered office at Indoco House,)
166 CST Road, Kalina,)
Santa Cruz (E), Mumbai - 400 098)
Maharashtra) ... Petitioner

Coram: D. G. KARNIK, J

Date: June 13, 2003.

UPON the Petition of INDOCO REMEDIES LIMITED, the Petitioner Company abovenamed, presented to this Honourable Court on 5th February 2003 for sanction of the Scheme of Amalgamation of Warren Pharmaceuticals Limited (hereinafter referred to as “the Transferor Company”) with INDOCO REMEDIES LIMITED (hereinafter referred to as “the Petitioner Company” or “the Transferee Company”) AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Deepak Borkar, the Company Secretary of the Petitioner Company solemnly affirmed on 5th February 2003 verifying the said Petition AND UPON READING the affidavit of Mr. Mahendra Gore, clerk in the office of Mr. Hemant Sahai, Advocate for the Petitioner Company dated 17th day of March 2003 proving service of Notice under Section 394A of the Companies Act, 1956 upon the Regional Director, Company Law Board, Mumbai AND UPON READING the affidavit of Deepak Gajanan Borkar, Company Secretary of the Petitioner Company regarding service of notice of hearing of Petition on Equity Shareholders and unsecured creditors and publication of the notice of the date of hearing of the Petition in the issue of “Free Press Journal” dated 28th February 2003 and “Navshakti” dated 28th February 2003 AND UPON READING the Order dated 24th January 2003 made by this Hon’ble Court in Company Application No. 46 of 2003 whereby convening and holding of the meeting of the Equity Shareholders of the Petitioner Company for the purpose of approving the Scheme of Amalgamation of the Transferor Company with the Petitioner Company was dispensed with in view of the consent given by 51% of Equity Shareholders in number representing 91.45% in value of Equity Shareholders which are annexed as Exhibit “D-1” to “D-126” to the affidavit in support of Company Application No. 46 of 2003 and the undertaking given by the Petitioner Company to give notice of hearing of the Petition to the remaining Equity Shareholders of the Petitioner Company AND meeting of the Secured Creditors of the Petitioner Company for the purpose of approving the Scheme of Amalgamation of Warren Pharmaceuticals Limited, the Transferor Company with Indoco Remedies Limited, the Petitioner Company was dispensed with in view of the consent in writing given by three secured creditors of the Petitioner Company which are annexed as Exhibits “F-1” to “F-3” to the Affidavit in support of the Company Application No. 46 of 2003 and the undertaking given by the Petitioner Company to obtain consent of the remaining one secured creditor before the admission of the Petition And the meeting of the unsecured creditors of the

Petitioner Company for the purpose of approving the Scheme of Amalgamation of the Warren Pharmaceuticals Limited, the Transferor Company with the Indoco Remedies Limited, the Petitioner Company is dispensed with in view of the consent in writing given by 94.60% unsecured creditors in value of the Petitioner Company which are annexed as Exhibits “E-1” to “E-49” to the Affidavit in support of the Company Application No. 46 of 2003 and the undertaking given by the Petitioner Company to give notice of hearing of the Petition to the remaining unsecured creditors of the Petitioner Company AND UPON READING the consent of the remaining secured creditor of the Petitioner Company is annexed as Exhibit “H” to the Petition AND UPON READING the Affidavit dated 23rd April 2003 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, stating that the Scheme is not prejudicial to the interest of creditors or the shareholders of the Petitioner Company AND UPON HEARING Mr. Burgess Colabawalla instructed by Hemant Sahai, Advocate for the Petitioner Company and Mr. R. C. Master, Penal Counsel instructed by Mr. H. D. Rathod for Regional Director, Department of Company Affairs, Maharashtra, Mumbai who appears in pursuance of the notice herein dated 21st February 2003 under section 394 (A) of the Companies Act, 1956 who submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of the Petition or to show cause against the same AND THIS COURT BOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Amalgamation of Warren Pharmaceuticals Limited, the Transferor Company with Indoco Remedies Limited, the Petitioner Company as set forth in Exhibit “C” to the said petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Amalgamation be binding on the Petitioner Company and the Transferor Company and also their respective members/ shareholders AND THIS COURT DOTH ORDER THAT with effect from the opening of the business as on the 1st day of July, 2002 (hereinafter referred to as the “Appointed Date”), the entire business and whole of the undertaking of the Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, quotas, approvals, lease tenancy rights, permissions, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or power of every kind nature and descriptions whatsoever shall under the provisions of Section 391 to 394 of the Companies Act, 1956 and without any further act, instrument or deed, stand transferred to and vested in the

Petitioner Company subject to the charges, if any, affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company shall under the provisions of Section 394 of the Companies Act, 1956 and without any further act or deed stand transferred to the Petitioner Company so as to become the debt, liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that if any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Arrangement or anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Petitioner Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that all contracts, deeds, bonds, agreements, contracts for tenancies, arrangements and other instruments of whatsoever nature to which the Transferor Company is a part, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Petitioner Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Petitioner Company has been a party or beneficiary thereto and the Petitioner Company shall enter into and /or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary AND THIS COURT DOTH FURTHER ORDER that since the entire Issued, Subscribed and Paid up share capital of the Transferor Company is held by the Petitioner Company and its nominees and upon the Scheme becoming effective, no share of the Petitioner Company shall be allotted in respect of its holding in the Transferor Company and the share capital of the Transferor Company shall stand cancelled AND THIS COURT FURTHER ORDER that on the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Petitioner Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable

than those subsisting with reference to the Transferor Company as on the said date AND THIS COURT FURTHER ORDER that the Petitioner Company do file within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Amalgamation to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai shall transfer all files, documents of the Transferor Company and registered with him on the files, documents kept by him in relation to the Petitioner Company and shall consolidate the files of the Transferor Company and the Petitioner Company accordingly AND THIS COURT FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary for the purpose of implementing the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs 2500/- (Rupees two thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER, the Chief Justice at Bombay aforesaid this 13th day of June 2003.

BY THE COURT,

(Sd/-)

FOR PROTHONOTARY & SENIOR MASTER

(Sd/-)

Sealer

Dated this 25th day of June 2003

ORDER sanctioning the Scheme of Amalgamation)
under Section 391 to 394 of the Companies Act,)
1956 drawn on the Application by Hemant Sahai,)
Advocate for the Petitioner, having his office)
at C/o. J. Sagar Associates, Vakils House,)
18 Sprott Road, Ballard Estate, Bombay - 400 001.)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 562 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO. 559 OF 2007

In the matter of scheme of Composite
Scheme of Amalgamation and Demerger
between La Nova Chem (India) Private
Ltd and SPA Pharmaceuticals Private Ltd
and Indoco Remedies Limited and their
respective share holders.

La Nova Chem (India) Pvt. Ltd.

..... Petitioner
(Transferor Co.)

WITH

**COMPANY PETITION NO. 563 OF 2007
CONNECTED WITH COMPANY
APPLICATION NO. 560 OF 2007**

SPA Pharmaceuticals Private Ltd...

..... Petitioner
(Demerged Company)

WITH

**COMPANY PETITION NO. 564 OF 2007
CONNECTED WITH COMPANY
APPLICATION NO. 561 OF 2007**

Indoco Remedies Limited

..... Petitioner
(Transferee Company)

Mr. Ashish Parwani i/b Rajani Associates for the petitioner.
Ms K. V. Gautam Dy Official Liquidator only in CP562/07
Ms Bharti Mahant with C.C. Mishra for Regional Director in all matters.

Coram: D. D. BHOSALE, J.
DATED: 20.09.2007

P.C. :

1. The sanction of the court is sought to a composite scheme of Amalgamation and Demerger between La Nova Chem (India) Private Limited and SPA Pharmaceuticals Private Limited and Indoco Remedies Limited and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956.

2. Learned counsel appearing on behalf of the petitioners in all the three petitions submits that upon the composite scheme being duly sanctioned, the transferor company shall stand dissolved without winding up and shall merge upto the transferee company with all its assets and liabilities. He further submits that the transferor company is wholly owned subsidiary of the transferee company. Insofar as demerged company is concerned, it proposes to demerge the pharmaceutical division and vest the same unto the transferee company. The demerged company shall continue the business of investment after the scheme becoming effective. Pursuant to the scheme coming into effect, the name of the demerged company shall be changed to "Spa Holdings Private Limited". He further submits that upon the scheme becoming effective, the pharmaceutical division of the demerged company shall vest unto the transferee company (Indoco Remedies Ltd).

3. Learned counsel further submits that the transferor company has an excellent US FDA approvable manufacturing facility for the manufacture of APIs. He submits that the transferee company, on the other hand, has an excellent marketing set up in the domestic as well as international market. With a strong presence in the international market, the transferee company would be able to leverage its position to bring business from the sale of APIs, particularly from the export market. He then submitted that the demerged company presently uses its manufacturing facilities for manufacturing pharmaceuticals products on job work basis for the transferee company. The demerged company does not have any marketing set up for marketing pharmaceutical goods. As against this, the transferee company has an excellent marketing set up of export pharmaceuticals business. The Transferee company currently has a strong presence in pharmaceutical formulations business with plans to enter into the API business, where

it envisages great business potential. The shareholders, employees and other stakeholders of the companies, as submitted by the learned counsel for the petitioner, would have a larger asset base and increased capacities with sufficient scope for future expansion.

4. Mr Parwani, learned counsel for the transferor company, has stated before the court that insofar as the Transferor is concerned : (i) all the equity shareholders have granted their consents to the composite scheme; (ii) the sole secured creditor of the transferor company has granted its consent; and (iii) individual notice were despatched to the unsecured creditors in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

5. Insofar as the demerged company is concerned, the court has been informed by the learned counsel that : (i) all the equity shareholders of the demerged company have given their consents to the composite scheme; (ii) there are no secured creditors; and (iii) individual notices were despatched to all the unsecured creditors in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

6. Learned counsel for the petitioner submitted that the meeting of the equity shareholders of the transferee company was convened on 10.6.07 in which 100% in number of the equity shareholders, holding 99.99907% in value of the shareholding of the members, voted in favour of the composite scheme. Only one equity shareholder holding 0.00013% in value of the shareholding of the members voted against the resolution. The transferee company has seven secured creditors and all have granted their consents. Insofar as unsecured creditors are concerned, he informed that individual notices were despatched to them all in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

7. Learned counsel on behalf of the demerged company undertakes to comply with the filing of necessary forms as contemplated under section 21 of the Companies act. The undertaking is accepted.

8. Upon perusal of the entire material placed on record, the scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned has come forward to oppose the scheme. Moreover, both the Regional Director and the Official Liquidator have stated that the scheme as proposed is not contrary to the public interest or prejudicial to the interest of the shareholders or creditors.

9. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled, all the Company Petitions are made absolute in terms of prayer clauses (a) to (i).

10. The transferee company to lodge a copy of the order and the scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamps duty payable on the same, if any, within 30 days of obtaining a certified and/or an authenticated copy of the order.

11. The Petitioners in all the petitions to pay costs of Rs. 2500/- each to the Regional Director and to the Official Liquidator in Company Petition No. 562 of 2007. Costs to be paid within four weeks from today.

12. Filing and issuance of drawn up order is dispensed with.

All authorities concerned to act on a copy of this order duly authenticated by the Registry.

(D. D. Bhosale, J.)

**COMPOSITE SCHEME OF AMALGAMATION
AND DEMERGER
BETWEEN
LA NOVA CHEM (INDIA) PRIVATE LIMITED
(*“La Nova”* or *“Transferor Company”*)
AND
SPA PHARMACEUTICALS PRIVATE LIMITED
(*“SPA”* or *“Demerged Company”*)
AND
INDOCO REMEDIES LIMITED
(*“Indoco”* or *“Transferee Company”* or *“Resulting Company”*)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**
(Under Sections 391 to 394 of the Companies Act, 1956)

- 1.1 The Scheme is divided into the following parts:
- 1.1.1 Part I which deals with the Introduction and Rationale;
 - 1.1.2 Part II which deals with the Definitions and Share Capital;
 - 1.1.3 Part III which deals with Amalgamation of La Nova with Indoco;
 - 1.1.4 Part IV which deals with the Demerger of the Pharmaceutical Division of SPA;
 - 1.1.5 Part V which deals with the Accounting Treatment;
 - 1.1.6 Part VI which deals with the General Clauses;
 - 1.1.7 Part VII which deals with the General Terms and Conditions.

**PART I
INTRODUCTION AND RATIONALE**

1. INTRODUCTION

- 1.1 Indoco Remedies Limited (*“Indoco”*) was incorporated on August 23, 1947. Indoco is engaged in the business of manufacturing, marketing and distributing pharmaceutical products in the domestic as well international markets. The equity shares of Indoco are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
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- 1.2 La Nova Chem (India) Private Limited (“***La Nova***”) was incorporated on November 14, 2003. La Nova is engaged in the business of manufacturing pharmaceutical products. In July 2006, Indoco acquired 100% shares of La Nova thereby making La Nova a wholly owned subsidiary of Indoco.
 - 1.3 SPA Pharmaceuticals Private Limited (“***SPA***”) was incorporated on November 16, 1987. SPA is engaged in the business of manufacturing pharmaceuticals products. SPA, presently has two manufacturing facilities; an API (“***Active Pharma Ingredient***”) manufacturing facility at Rabale, Navi Mumbai and a formulation manufacturing facility at Waluj, Aurangabad (collectively known as the “***Pharmaceutical Division***”). SPA also has a separate business division engaged in the activities relating to investments and finance operations (the “***Investment Division***”).

2. RATIONALE FOR AMALGAMATION OF LA NOVA WITH INDOCO

- 2.1 La Nova has an excellent US FDA approvable manufacturing facility for the manufacture of APIs.
 - 2.2 Indoco, on the other hand has an excellent marketing set up in the domestic as well as international market. With a strong presence in the international market, Indoco would be able to leverage its position to bring business from the sale of APIs, particularly from the export market.
 - 2.3 The present independent set-up of the companies results in duplication of administrative efforts in terms of separate personnel, record keeping relating to accounts, income tax, sales tax, invoicing between the two entities, ROC records, etc. This current set up also leads to inflexibility in terms of rotation of employees across the respective company-locations at Patalganga and Mumbai.
 - 2.4 By merging the two companies there would be a synergy in terms of administration costs, as well as simplification and flexibility of operations. Further, the structure of Indoco would be streamlined and simplified.
 - 2.5 The shareholders, employees and other stakeholders of the companies would benefit as Indoco would now have a larger asset base and increased capacities with sufficient scope for future expansion.
 - 2.6 Upon amalgamation, the secured and unsecured creditors of La Nova and Indoco would be better placed and have
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larger asset cover available in the form of the merged entity.

- 2.7 There is no likelihood that any creditor of either La Nova or Indoco would be prejudiced as a result of the Scheme.

3. RATIONALE FOR DEMERGER OF PHARMACEUTICAL DIVISION OF SPA

- 3.1 SPA presently uses its manufacturing facilities for manufacturing pharmaceuticals products on job work basis for Indoco. SPA does not have any marketing set-up for the marketing of the pharmaceutical goods
- 3.2 SPA's future plans include specialising and strengthening the business activities relating to investments and finance and SPA has therefore decided to demerge its Pharmaceutical Division.
- 3.3 Indoco has an excellent marketing set up, catering to nearly Rs. 280 crores of domestic pharmaceuticals business and nearly Rs. 60 crores of export pharmaceuticals business. Indoco currently has a strong presence in pharmaceutical formulations business with plans to enter into the API business, where it envisages great business potential.
- 3.4 The demerger of the Pharmaceutical Division of SPA unto Indoco would lead to synergy, better and specialised management of the Pharmaceutical Division and an impetus to the growth of the pharmaceutical export business of Indoco by a single entity.
- 3.5 This would enhance the equity value of SPA's shareholders directly and reduce its liabilities due to the transfer of the entire liabilities and obligations pertaining to Pharmaceutical Division from SPA thereby resulting in lower debt servicing and support from the Remaining Undertaking.
- 3.6 There is no likelihood that any creditor of either SPA or Indoco would be prejudiced as a result of the Scheme.

4. This Composite Scheme of Amalgamation and Demerger provides for:

- 4.1 Amalgamation of La Nova with Indoco;
- 4.2 Demerger of the Pharmaceutical Division of SPA;
- 4.3 Various other matters consequential or otherwise integrally connected herewith.
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PART II
DEFINITIONS AND SHARE CAPITAL

5. DEFINITIONS

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

5.1.1 “**Act**” means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof for the time being in force.

5.1.2 “**Appointed Date**” means:

5.1.2.1 For the purpose of Part III of this Scheme, the 5th day of July, 2006 or such other date as the High Court of Judicature at Bombay may direct or fix;

5.1.2.2 For the purpose of Part IV of this Scheme, the 1st day of April, 2007 or such other date as the High Court of Judicature at Bombay may direct or fix;

5.1.3 “**Court**” or “**High Court**” means the High Court of Judicature at Bombay, and shall include the National Company Law Tribunal, if applicable.

5.1.4 “**Demerged Undertaking**” means the Pharmaceutical Business of the Demerged Company as a going concern basis consisting *inter alia* of:

5.1.4.1 All the assets forming part of the Pharmaceutical Division as on the commencement of the Appointed Date as more particularly described under **Schedule ‘A’** annexed hereto;

5.1.4.2 All debts, liabilities, duties and obligations forming part of the Pharmaceutical Division as on the commencement of the Appointed Date as more particularly described under **Schedule ‘B’** annexed hereto;

5.1.4.3 Without prejudice to the generality of sub-clause 5.1.4.1 above the Pharmaceutical Division of SPA shall mean and include all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or

incorporeal, tangible or intangible, present or contingent assets including stock, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, trade marks, copyrights, patents and intellectual properties, including reserves, provisions, funds, import quotas, import licenses, industrial designs, labels, label designs, equipment and installations and utilities, electricity, water and other service connections, records, files, formulations, employees, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Pharmaceutical Division, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by SPA in relation to the Pharmaceutical Division as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws and particularly Sales Tax benefits, Cenvat benefits, import and export benefits and custom duty benefits of SPA in relation to the Pharmaceutical Division;

5.1.4.4 in each case, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.

5.1.5 “**Effective Date**” means the last of the dates on which the sanctions, approvals or orders as

specified in Clause 25 of this Scheme have been obtained and the later of the dates on which the certified copies of the Order(s) of the High Court of Judicature at Bombay are filed with the Registrar of Companies, Maharashtra at Mumbai. All references in this Scheme to the date of “coming into effect of the/this Scheme” shall mean the Effective Date.

- 5.1.6 **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 5.1.7 **“Indoco” or “Resulting Company” or “Transferee Company”** means Indoco Remedies Limited, a company incorporated under the Indian Companies Act, 1913 and having its Registered Office at Indoco House, 166 C.S.T Road, Kalina, Santacruz (East), Mumbai 400098 in the State of Maharashtra.
- 5.1.8 **“La Nova” or “Transferor Company”** means La Nova Chem (India) Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 166 C.S.T. Road, Santacruz (East), Mumbai 400 098 in the State of Maharashtra.
- 5.1.9 **“Record Date”** means the date to be fixed by the Board of Directors of SPA in consultation with Indoco for the purpose of reckoning name of the equity shareholders of the SPA who shall be entitled to receive shares of Indoco upon the Scheme coming into effect as specified in Clause 11.1 of this Scheme.
- 5.1.10 **“Remaining Undertaking”** means all the undertakings, business activities and operations of SPA, other than those comprised in the Demerged Undertaking, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.
- 5.1.11 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Amalgamation and Demerger in its present form submitted to the
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High Court of Judicature at Bombay with modification(s), approved or imposed or directed by the said High Court.

5.1.12 **“SPA” or “Demerged Company”** means SPA Pharmaceuticals Private Limited, a company registered under the Companies Act, 1956 and having its Registered Office at 166, C.S.T Road, Kalina, Santacruz (East), Mumbai 400098 in the State of Maharashtra.

5.1.13 **“Transferor Undertaking”** means and includes:

5.1.13.1 All the assets of La Nova as on the commencement of the Appointed Date as more particularly described under **Schedule ‘C’** annexed hereto;

5.1.13.2 All debts, liabilities, duties and obligations of La Nova as on the commencement of the Appointed Date as more particularly described under **Schedule ‘D’** annexed hereto;

5.1.13.3 Without prejudice to the generality of sub-clause 5.1.13.1 above the Transferor Undertaking shall mean and include all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, trade marks, copyrights, patents and intellectual properties, including reserves, provisions, funds, import quotas, import licenses, industrial designs, labels, label designs, equipment and installations and utilities, electricity, water and other service connections, records, files, formulations, employees, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory

authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by La Nova, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by La Nova as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws and particularly Sales Tax benefits, Cenvat benefits, import and export benefits and custom duty benefits of La Nova;

5.1.13.4 in each case, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.

6. SHARE CAPITAL

6.1 The Share Capital of the Indoco for the quarter ended September 30, 2006 is as under:

<i>Particulars</i>	<i>Amount (in Rs)</i>
Authorised Capital:	
1,80,00,000 equity shares of Rs.10 each	18,00,00,000
Issued, Subscribed and Paid-up Capital:	
1,18,21,714 equity shares of Rs.10 each fully paid up	11,82,17,140

6.2 The Share Capital of La Nova as on the latest audited Balance Sheet dated March 31, 2006 is as under:

<i>Particulars</i>	<i>Amount (in Rs)</i>
Authorised Capital:	
25,00,000 equity shares of Rs.10 each	2,50,00,000

	Issued, Subscribed and Paid-up Capital: 10,000 equity shares of Rs.10 each fully paid up	1,00,000
6.3	The Share Capital of SPA as on the latest audited Balance Sheet dated March 31, 2006 is as under:	
	Particulars	Amount (in Rs)
	Authorised Capital: 10,00,000 equity shares of Rs.10 each	1,00,00,000
	Issued, Subscribed and Paid-up Capital: 6,20,000 equity shares of Rs.10 each fully paid up	62,00,000

PART III
AMALGAMATION OF LA NOVA WITH INDOCO

- 7. TRANSFER AND VESTING OF THE TRANSFEROR UNDERTAKING**
- 7.1 With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the entire business and undertaking of La Nova 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 in Indoco, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.
- 7.2 The assets of La Nova, which are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by La Nova and shall become the property of Indoco without any act or deed on the part of La Nova and Indoco.
- 7.3 The assets of La Nova shall upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in Indoco pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act on the Appointed Date and the vesting of all such assets shall take place on the date of the Order sanctioning the Scheme.
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- 7.4 The assets of La Nova, acquired by La Nova on and from the Appointed Date upto the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to Indoco upon the Scheme coming into effect.
- 7.5 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of La Nova in any leasehold properties, including all the leases, of La Nova shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Indoco.
- 7.6 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Undertaking shall stand transferred to Indoco as if the same were originally given by, issued to or executed in favour of Indoco, and Indoco shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Indoco. Indoco shall make applications to any Governmental Authority as may be necessary in this behalf.
- 7.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Transferor Undertaking occurs by virtue of this Scheme itself, Indoco may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which La Nova is a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. Indoco shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of La Nova and to carry out or perform all such formalities, compliances referred to above on the part of Indoco to be carried out or performed in relation to the Transferor Undertaking being transferred by La Nova.
- 7.8 To the extent there are debentures and inter-corporate loans, debts and claims, (including, amounts receivable, if any, by La Nova from Indoco or vice versa), the
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obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of Indoco. If required reduction/cancellation of such loans, debts and claims (including, receivables) shall be reflected in the books of accounts and records of Indoco. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such debentures and inter-corporate loans or debts (including, receivables) balances between Indoco on the one hand and La Nova on the other hand.

- 7.9 With effect from the Appointed Date, and subject to the provisions of this Scheme, the Liabilities of the Transferor Undertaking shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to Indoco, so as to become as and from the Appointed Date, the Liabilities of Indoco without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such Liabilities have arisen, in order to give effect to the provisions of this Clause.
- 7.10 With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities, if any, of La Nova shall also, without any further act or deed, be transferred to or be deemed to be transferred to Indoco so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of Indoco and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.
- 7.11 The transfer and vesting of the Transferor Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of La Nova, *provided however*, any reference in any security documents or arrangements, to which La Nova is a party, wherein the assets of La Nova have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Transferor Undertaking as are vested in Indoco by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed
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to extend, to any of the other assets of La Nova or any of the assets of Indoco, *provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Indoco shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of the assets of La Nova vested in Indoco, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by La Nova which shall vest in Indoco by virtue of the amalgamation of La Nova with Indoco and Indoco shall not be obliged to create any further or additional security therefor after the amalgamation has become operative.

- 7.12 All the loans, advances and other facilities sanctioned to La Nova by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to Indoco and the said loans and advances shall be drawn and utilised either partly or fully by La Nova from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by La Nova (within the over all limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Indoco and all the obligations of La Nova under any loan agreement shall be construed and shall become the obligation of Indoco without any further act or deed on the part of Indoco.

8. DISSOLUTION OF LA NOVA

- 8.1 On the coming into effect of the Scheme, La Nova shall, without any further act or deed, stand dissolved without winding up.

9. NO ISSUE OF NEW SHARES

- 9.1 La Nova is a wholly owned subsidiary of Indoco and has a total of seven (7) equity shareholders. Indoco, legally and beneficially, holds 99.94 % equity shares of La Nova and the remaining six (6) shareholders hold the balance 0.06% equity shares of La Nova, but do not hold the beneficial interest in the shares held by them. Each of the remaining six (6) shareholders have filed declarations, pursuant to
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the provisions of Section 187C of the Companies Act, 1956, declaring that Indoco holds the beneficial interest in the shares held by them. Indoco has also filed corresponding declaration declaring that Indoco is the beneficial owner of the shares held by the remaining six (6) shareholders. Accordingly, Indoco beneficially holds the entire paid-up share capital of La Nova.

- 9.2 As part of the Scheme, upon the Scheme coming into effect, all the shares of La Nova held by Indoco, on the Effective Date, shall be cancelled and accordingly, the share certificates representing the shares in La Nova shall be cancelled and shall be deemed to be cancelled without any further act or deed.

**PART IV
DEMERGER OF THE
PHARMACEUTICAL DIVISION OF SPA**

10. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 10.1 With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Demerged Undertaking of SPA 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 in Indoco, as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.
- 10.2 The assets of the Demerged Undertaking, which are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by SPA and shall become the property of Indoco without any act or deed on the part of SPA and Indoco.
- 10.3 The assets of the Demerged Undertaking shall upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in Indoco pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act on the Appointed Date and the vesting of all such assets shall take place on the date of the Order sanctioning the Scheme.
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- 10.4 The assets of the Demerged Undertaking, acquired by SPA on and from the Appointed Date upto the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to Indoco upon the Scheme coming into effect.
- 10.5 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of SPA in any leasehold properties, including all the leases, of the SPA in relation to the Demerged Undertaking shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Indoco.
- 10.6 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of SPA in relation to the Demerged Undertaking shall stand transferred to Indoco as if the same were originally given by, issued to or executed in favour of Indoco, and Indoco shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Indoco. Indoco shall make applications to any Governmental Authority as may be necessary in this behalf.
- 10.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, Indoco may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which SPA is a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. Indoco shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of SPA and to carry out or perform all such formalities, compliances referred to above on the part of Indoco to be carried out or performed in relation to the Demerged Undertaking being transferred by SPA.
- 10.8 To the extent there are debentures and inter-corporate loans, debts and claims, (including, amounts receivable, if any, by SPA from Indoco or vice versa) in relation to the
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Demerged Undertaking, the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of Indoco and SPA. If required reduction/cancellation of such loans, debts and claims (including, receivables) shall be reflected in the books of accounts and records of Indoco and SPA. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such debentures and inter-
corporate loans or debts (including, receivables) balances between Indoco on the one hand and the SPA in relation to the Demerged Undertaking on the other hand.

- 10.9 With effect from the Appointed Date, and subject to the provisions of this Scheme, the Liabilities of the Demerged Undertaking shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to Indoco, so as to become as and from the Appointed Date, the Liabilities of Indoco without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such Liabilities have arisen, in order to give effect to the provisions of this Clause.
- 10.10 With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities, if any, of SPA in relation to the Demerged Undertaking shall also be transferred to or be deemed to be transferred to Indoco so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of Indoco and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.
- 10.11 The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Demerged Undertaking, *provided however*, any reference in any security documents or arrangements, to which SPA is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the
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assets pertaining to the Demerged Undertaking as are vested in Indoco by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of SPA or any of the assets of Indoco, *provided further* that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Indoco shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in Indoco, *provided always* that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by SPA in relation to the Demerged Undertaking which shall vest in Indoco by virtue of the vesting of the Demerged Undertaking with Indoco and Indoco shall not be obliged to create any further or additional security therefor after the demerger has become operative.

- 10.12 All the loans, advances and other facilities sanctioned to SPA in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to Indoco and the said loans and advances shall be drawn and utilised either partly or fully by SPA from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by SPA in relation to the Demerged Undertaking (within the over all limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Indoco and all the obligations of SPA in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of Indoco without any further act or deed on the part of Indoco.

11. ISSUE OF NEW SHARES

- 11.1 Upon the Scheme coming into effect, without any further act or deed on the part of Indoco, Indoco will issue and allot 4,65,000 (four lakhs sixty five thousand) equity shares of Rs.10 each fully paid up (the “**New Equity Shares**”). The New Equity Shares will be issued to registered equity shareholders whose name is recorded in the register of
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members of SPA on the Record Date and to other nominees of SPA in the ratio of 3:4, i.e. (3 (three) equity share of Indoco for every 4 (four) equity shares of SPA) (the “**Share Entitlement Ratio**”).

- 11.2 Indoco shall not issue any fractional shares in respect of the fractional entitlement, if any, to which the Shareholders of SPA may become entitled. Such fractional entitlements will be dealt with in accordance with the provisions of Clause 11.3 below.
 - 11.3 Under and pursuant to the Scheme, the Directors of Indoco shall be bound in trust to handle fractional entitlements resulting from issue of New Equity Shares and such fractional entitlements shall be consolidated by issue and allotment of New Equity Shares in lieu thereof to a director or officer of Indoco. The director or officer of Indoco, to whom such New Equity Shares are allotted shall, within three (3) months, sell the same in the market at the best available price and pay to Indoco the net sale proceeds (after deduction of the expenses incurred) thereof, whereupon Indoco shall distribute such net sale proceeds to such Shareholders otherwise entitled to fractional entitlements in proportion to their fractional entitlements.
 - 11.4 The issue and allotment of the New Equity Shares in Indoco to the registered shareholders of SPA as provided in the Scheme shall be carried without following the procedure laid down under section 81(1A) and any other applicable provisions of the Act.
 - 11.5 The New Equity Shares to be issued and allotted by Indoco in terms of Clause 11.1 shall rank *pari passu* in all respects with the existing shares of Indoco.
 - 11.6 The New Equity Shares to be issued by Indoco pursuant to Clause 11.1 in respect of any equity shares of SPA which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Indoco.
 - 11.7 Indoco, shall, to the extent required, increase its authorised share capital in order to issue the equity shares under this Scheme.
 - 11.8 Each member of SPA shall be issued New Equity Shares in Indoco in dematerialised form.
 - 11.9 For the purpose of issue of equity shares to the shareholders of SPA, Indoco shall, if and to the extent
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required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by Indoco of such equity shares.

- 11.10 Subsequent to the sanction of the Scheme, Indoco will make an application for listing of the shares on the BSE and the NSE.

12. CHANGE OF NAME

- 12.1 Pursuant to the Scheme coming into effect, the name of SPA shall be changed to “SPA Holdings Private Limited”. This change of name shall be effected as an integral part of this Scheme without any further act or deed on the part of SPA and SPA shall not nor shall be obliged to call for a separate meeting of its shareholders as required under Section 21 of the Act.

13. REMAINING UNDERTAKING

- 13.1 The Remaining Undertaking shall continue with SPA.
- 13.2 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to, be vested in and be managed by SPA.
- 13.3 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against SPA under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of Remaining Undertaking) in respect of the Remaining Undertaking, shall be continued and enforced by or against SPA after the Effective Date.
- 13.4 With effect from the Appointed Date and up to and including the Effective Date:
- 13.4.1 SPA shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;
- 13.4.2 all profits accruing to SPA thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of SPA.
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PART V
ACCOUNTING TREATMENT

14. ACCOUNTING TREATMENT IN BOOKS OF INDOCO

14.1 Upon the Scheme coming into effect-

14.1.1 Indoco shall record all the assets and liabilities pertaining to the Transferor Undertaking transferred to and vested in Indoco pursuant to this Scheme, at the same value as appearing in the books of La Nova on the close of business on July 4, 2006 i.e. the close of business on the day preceding the Appointed Date.

14.1.2 Indoco shall record all the assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in Indoco pursuant to this Scheme, at the same value as appearing in the books of SPA on the close of business on March 31, 2007.

14.1.3 With effect from the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of Indoco, be required and except to the extent otherwise by law required, the reserves of La Nova will be merged with the corresponding reserves of Indoco in the same form as they appeared in the financial statements of La Nova.

14.1.4 The balance of amount appearing against the account head "Investment in subsidiary companies-La Nova" as at the close of business on July 4, 2006, will be made NIL, in the books of Indoco.

14.1.5 Indoco shall credit its Share Capital Account in its books of account with the aggregate face value of the New Equity Shares issued to the shareholders of the SPA pursuant to Clause 11.1 of this Scheme.

14.1.6 To the extent that there are any deferred tax liabilities of La Nova, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of Indoco for set-off or reduction of its deferred tax assets, if any.

14.1.7 The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by Indoco to its General Reserve Account or debited to Goodwill, as the case may be. In case of any

differences in accounting policy between the companies, the impact of the same till the Amalgamation will be quantified and adjusted in the General Reserve to ensure that the financial statements of Indoco reflect the financial position on the basis of consistent accounting policy.

- 14.1.8 Notwithstanding the above, Indoco, in consultation with the auditors, is authorised to account any of these balances in any manner whatsoever, if considered more appropriate.

15. ACCOUNTING TREATMENT IN BOOKS OF SPA

15.1 Upon the Scheme coming into effect -

- 15.1.1 The assets and the liabilities of the Demerged Undertaking of SPA being transferred to Indoco shall be at values appearing in the books of accounts of SPA at the close of the business as on March 31, 2007.

- 15.1.2 Upon the Scheme becoming operative, SPA's books of accounts shall reflect the assets and liabilities of the Remaining Undertaking, after vesting of the Demerged Undertaking at book values unto Indoco.

- 15.1.3 The difference between the value of assets and liabilities transferred in terms of Clause 15.1.1 pursuant to the Scheme shall be appropriated against the General Reserve Account of SPA.

- 15.1.4 Notwithstanding the above, SPA, in consultation with the auditors, is authorised to account any of these balances in any manner whatsoever, if considered more appropriate.

PART VI GENERAL CLAUSES

16. STAFF, WORKMEN AND EMPLOYEES

- 16.1 On the Scheme coming into effect, all the staff, workmen and employees of the Transferor Undertaking and the Demerged Undertaking in service on such date shall be deemed to have become staff, workmen and employees of Indoco with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with the Indoco shall not be less favourable than those applicable to them with reference to the Transferor
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Undertaking and the Demerged Undertaking on the Effective Date. The position, rank and designation of the employees would however be decided by Indoco.

- 16.2 In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Undertaking and the Demerged Undertaking are concerned, upon the Scheme coming into effect, Indoco shall, stand substituted for La Nova and SPA for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of La Nova and SPA in relation to such Fund or Funds shall become those of Indoco and all the rights, duties and benefits of the staff, workmen and employees employed in the Transferor Undertaking and the Demerged Undertaking under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Undertaking and the Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

17. CONTRACTS, DEEDS AND STATUTORY CONSENTS

- 17.1 Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature relating to the Transferor Undertaking and the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of Indoco and may be enforced as fully and effectively as if, instead of La Nova and SPA, Indoco had been a party or beneficiary thereto. Indoco shall, if necessary, to give formal effect to this Clause, enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which La Nova or SPA is a party.
- 17.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, certificates, clearances and authorities given by, issued to or executed in favour of the Transferor Undertaking and the Demerged Undertaking shall stand
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transferred to Indoco as if the same were originally given by, issued to or executed in favour of Indoco, and, Indoco shall be bound by the terms thereof, the obligations and duties there under and the rights and the benefits under the same shall be available to Indoco. Indoco shall make necessary applications to Governmental Authorities as may be necessary in this behalf.

- 17.3 Indoco shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which Indoco may require to own and operate the Transferor Undertaking and the Demerged Undertaking.

18. LEGAL PROCEEDINGS

- 18.1 If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) (the “**Proceedings**”) by or against La Nova or SPA in relation to the Demerged Undertaking is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Transferor Undertaking and the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Indoco in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against La Nova and SPA as if the Scheme had not been made. On and from the Effective Date, Indoco shall and may initiate any legal proceedings for and on behalf of the Transferor Undertaking and the Demerged Undertaking.
- 18.2 Pending the sanction of the Scheme, La Nova and SPA in relation to the Demerged Undertaking shall, in consultation with Indoco, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.

19. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 19.1 With effect from the Appointed Date and up to the Effective Date:
- 19.1.1 La Nova and SPA shall carry on their business and activities in the normal course of business till the vesting of the Transferor Undertaking and the
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Demerged Undertaking on the sanction of the Scheme by the High Court of Judicature at Bombay and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of the Transferor Undertaking and the Demerged Undertaking for and an account of and in trust for Indoco;

19.1.2 All the profits or income accruing or arising to the Transferor Undertaking and the Demerged Undertaking or the expenditure or losses arising or incurred by the Transferor Undertaking and the Demerged Undertaking shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of Indoco;

19.1.3 All the taxes of La Nova and SPA in relation to the Demerged Undertaking paid or payable by La Nova and SPA shall be deemed to be taxes paid or payable (as the case may be) by Indoco;

19.1.4 La Nova and SPA shall not, without prior written consent of Indoco, take any major policy decisions in respect of its assets and liabilities of those pertaining to the Transferor Undertaking and the Demerged Undertaking and their present capital structures.

20. RATIFICATION

20.1 Except as provided in the Clauses above, Indoco shall accept all acts, deeds and things relating to the Transferor Undertaking and the Demerged Undertaking done and executed by and/or on behalf of La Nova and SPA on and after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of Indoco.

21. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

21.1 At any time upto the Effective Date:

21.1.1 La Nova and SPA shall not declare or pay dividends which are interim or final to their respective members relating to any period commencing on or after the Appointed Date, unless agreed to by the Board of Directors of Indoco;

21.1.2 La Nova and SPA shall not issue or allot any right shares or bonus shares or any other security converting into equity shares or other share capital

or obtain any other financial assistance converting into equity shares or other share capital, unless agreed to by the Board of Directors of Indoco.

PART VI GENERAL TERMS AND CONDITIONS

22. APPLICATION TO HIGH COURT

22.1 Indoco, La Nova and SPA shall, with all reasonable despatch, make applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme.

23. MODIFICATIONS, AMENDMENTS TO THE SCHEME

23.1 Indoco, La Nova and SPA (by their respective Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme or any conditions or limitations which the High Court of Judicature at Bombay 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.

23.2 For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of Indoco, La Nova and SPA may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

24. CONDITIONALITY OF THE SCHEME

24.1 This Scheme is specifically conditional upon and subject to the sanction of the High Court of Judicature at Bombay being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of Indoco, La Nova and SPA.

25. EFFECTIVE DATE OF THE SCHEME

25.1 This Scheme although to come into operation from Appointed Date shall not come into effect until the last date of-

25.1.1 the date on 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

25.1.2 the date on which the last of the necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies of Maharashtra at Bombay and such date shall be referred to as Effective Date for the purpose of the Scheme.

26. DATE OF TAKING EFFECT

26.1 The Scheme shall come into legal operation from the Appointed Date and shall become effective from the Effective Date.

27. EFFECT OF NON-RECEIPT OF APPROVALS

27.1 In the event of any of the said sanction and approval referred to in the preceding Clauses 24 and 25 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before December 31, 2007 or within such further period(s) as may be agreed upon from time to time between Indoco, La Nova and SPA (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any 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. For the purpose of giving full effect to this Scheme, the respective Board of Directors of Indoco, La Nova and SPA are hereby empowered and authorised 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.

28. COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

28.1 All costs, charges, taxes including duties, levies and all other expenses of Indoco, La Nova and SPA, respectively, in relation to or in connection with or incidental to this Scheme shall be borne by Indoco.

SCHEDULE ‘A’

List of significant Assets relating to the Demerged Undertaking
(Pharmaceutical Division)

(as on the Appointed Date)*

Land & Building	Rs.	7,60,00,000
Plant, Machinery & Equipment	Rs.	5,30,00,000
Net Current Assets	Rs.	70,00,000

* The above mentioned figures are as on December 31, 2006, on the assumption that there will be no material deviation in the accounts and the business will be carried on in the ordinary course of business.

SCHEDULE 'B'

List of significant Liabilities, Debt and Claims relating to the
Demerged Undertaking (Pharmaceutical Division)

(as on the Appointed Date)*

Deferred Tax Liabilities	Rs.	37,00,000
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* The above mentioned figures are as on December 31, 2006, on the assumption that there will be no material deviation in the accounts and the business will be carried on in the ordinary course of business.

SCHEDULE 'C'

List of significant Assets of the Transferor Undertaking
(as on the Appointed Date)

Land	Rs.	21,00,000
Office Equipment	Rs.	10,00,000
Expenses during construction	Rs.	88,00,000

Capital Work in progress

Factory Building	Rs.	3,19,00,000
Plant & Machinery	Rs.	2,14,00,000
Other Fixed Assets	Rs.	2,92,00,000
Net Current Assets	Rs.	5,00,000

SCHEDULE 'D'

List of significant Liabilities, Debt and Claims of the
Transferor Undertaking

(as on the Appointed Date)

Secured Loans	Rs.	7,00,00,000
Unsecured Loans	Rs.	2,32,00,000

**IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL
JURISDICTION
COMPANY PETITION NO. 563 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO. 560 OF 2007**

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

In the matter of SPA
Pharmaceuticals Private Limited;
And

In the matter of Composite Scheme
of Amalgamation and Demerger
between La Nova Chem (India)
Private Limited and SPA
Pharmaceuticals Private Limited
and Indoco Remedies Limited and
their respective shareholders and
creditors.

Indoco Remedies Limited

..... Petitioner / Transferee Company

Authenticated Copy of the Minutes of the Order
dated September 28, 2007 alongwith the Scheme
of Amalgamation

Rajani Associates
Advocates for the Petitioner
F-4, Panchsheel
53, C Road, Churchgate
Mumbai 400 020

**Copy of Judgement passed on 10-10-2007 by the
Hon'ble Mr. Justice Dev Darshan Sud, Judge
in Comp. Def. No. 10 of 2007**

In the matter of Companies
Act, 1956

And

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

And

In the matter of Scheme of
Amalgamation of
INDOCO HEALTHCARE LIMITED
with **INDOCO REMEDIES LTD.**

And

In the matter of the Scheme of
Arrangement / Amalgamation of

INDOCO HEALTHCARE LTD.,)
a Company incorporated)
under the Companies)
Act, 1956 and having its)
Registered office at Village Katha,)
Near Coca Cola Factory, PO Baddi,)
Tehsil : Nalagarh, Dist - Solan)

... Petitioner/Transferor Company

AND

INDOCO REMEDIES LTD.,)
a Company incorporated)
under the Indian Companies)
Act, 1913 and having its)
Registered office at Indoco House,)
166 CST Road, Kalina,)
Santacruz (East), Mumbai - 400 098)

... Transferee Company

IN THE HIGH COURT OF HIMACHAL PRADESH SHIMLA

Company Petition No. 10 of 2007

Date of decision : 10.10.2007

In the matter of Scheme of amalgamation
of Indoco Healthcare Ltd. Transferor Company

Versus

Indoco Remedies Ltd. Transferee Company

Coram

The Hon'ble Justice Dev Darshan Sud, J.

Whether approved for reporting ?¹ No.

For the Petitioner : Mr. Suneet Goel, Advocate

For the Official Liquidator : Mr. Sanjeev Kuthiala, Advocate.

For the Union of India : Mr. Sandeep Sharma, Assistant
Solicitor General of India

Dev Darshan Sud, J.

This petition has been filed by the Indoco Healthcare Limited under Sections 391, 392, 393 and 394 of the Companies Act, 1956, (hereinafter referred to as the "Act"), with a prayer for amalgamation of the transferor-Company with that of Indoco Remedies Limited.

The Petitioner transferor-Company Indoco Healthcare Limited is incorporated under the Companies Act, 1956 has its Registered Office at Village Katha, Near Coca Cola Factory, PO Baddi, Tehsil Nalagarh, District Solan, HP. The transferee-Company has its Registered Office at Indoco House, 166, CST Road, Santacruz (East), Mumbai - 400 098.

Prior to the filing of the present petition, in Company Petition No. 9 of 2006, vide order dated 31.8.2007 the meeting of the equity share-holders had been dispensed with as their consent to the scheme of amalgamation has been placed on record. Similarly, the secured creditors had also given their unqualified assent to the arrangement. The unsecured creditor had also consented to the arrangement. The following order was passed by the Court.

"I am satisfied from the material on record that the prayer of the Transferee-Company requires to be granted. It is accordingly directed that :-

- (a) The meeting of the equity shareholders of the petitioner Transferor-Company to consider and approve the Scheme of Amalgamation is dispensed with

¹ Whether the reports of Local Papers may be allowed to see the judgement ? Yes

- (b) The meeting of the unsecured creditors is also dispensed with considering that there is consent of the merger on behalf of majority of the unsecured creditors to the scheme. It is directed that a separate fund be created for those of the unsecured creditors who have not given their consent on the record or in the alternative all of them be paid before actual permission of the Court is granted for merger. The course of action to be followed by the Company in this behalf will be reflected in subsequent applications which will be filed.
 - (c) As a consequence of the two directions being issued, it is also directed that there will be no need to issue publication of notices in the newspapers etc.
 - (d) Permission is accorded to the Transferee-Company to move for sanctioning of the Scheme of amalgamation of Indoco Healthcare Limited with Indoco Remedies Limited within statutory period.
- This petition is disposed of accordingly."

Notices under Section 394(A) of the Act were ordered to be served on the Official Liquidator and the Regional Director and notices in terms of Rule 80 of the Company (Court) Rules, 1959 were ordered to be published in "Hindustan Times, Dainik Bhaskar, Chandigarh Edition and the Official Gazette" which have since been published.

In the reply, which has been filed by the Regional Director, the amalgamation has not been opposed. A prayer has made in the following term.

- 4.1 It is submitted that the petitioner Company may be asked to furnish an undertaking that they shall comply with the accounting treatment as prescribed under Accounting Standard 14 i.e. 'Accounting for Amalgamation' issue by the Institute of Chartered Accountants of India".

The Official Liquidator, has also not opposed the amalgamation and submitted that the affairs of the company are not being conducted in a manner which is prejudicial to the creditors, shareholders etc. nor will the scheme affect the shareholders and creditors adversely.

This Court has already dispensed with the meeting of the shareholders who approved amalgamation of the Company and in view of the affidavits which have been filed by the Official Liquidator as also the Director, and having regard to the averments made in the petition duly supported by the affidavit of the authorized signatory and the material placed on the record as also the fact that no one has objected to the scheme of amalgamation being sanctioned, I am satisfied that the scheme does not cause any prejudice to any of the shareholders, employees or the General Public. No legal impediment has been brought

to my notice which would be prejudicial to the shareholders, creditors or the General Public or that the amalgamation is against the financial interests of the Transferor and the Transferee Company.

Accordingly, the Scheme of amalgamation, Annexure-G to the petition, is hereby sanctioned in its entirety under Sections 391 to 394 of the Act, 1956 as far as the transferor Company is concerned. This order will be subject to any order which would be passed by the Company Court dealing with the application filed by the transferee Company. In case such amalgamation is allowed, Scheme will be deemed to have come into force from their appointed date, the transferor Company having amalgamated to the transferee Company shall stand dissolved without the process of winding up.

A further direction is issued that the petitioner-company shall comply with the requirement of maintaining accounts as asked for by the Regional Director and furnish the undertaking as asked for. The condition of creating a separate fund for those of the unsecured creditors who have not given their consent to the amalgamation and where such fund was ordered on 31.8.2007 shall be duly complied with.

With these directions the petition is disposed of.

It is directed that the fee of Rs. 10,000/- shall be paid as counsel fee appearing for the Official Liquidator.

October 10, 2007
(aks)

Attested
Sd/-
Superintendent (Judicial)
High Court of Himachal Pradesh

Sd/-
Dev Darshan Sud, Judge
6/12/2007



**Copy of Judgement passed on 11-12-2007 by the
Hon'ble Mr. Justice Dev Darshan Sud, Judge
in Comp. Pet. No. 10 of 2007**

In the matter of Companies
Act, 1956

And

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

And

In the matter of Scheme of
Amalgamation of
INDOCO HEALTHCARE LIMITED
with INDOCO REMEDIES LTD.

And

In the matter of the Scheme of
Arrangement / Amalgamation of

INDOCO HEALTHCARE LTD.,)
a Company incorporated)
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Act, 1956 and having its)
registered office at Village Katha,)
Near Coca Cola Factory, P.O. Baddi,)
Tehsil : Nalagarh, Dist - Solan)

... Petitioner/Transferor Company

and

INDOCO REMEDIES LTD.,)
a Company incorporated)
under the Indian Companies)
Act, 1913 and having its)
registered office at Indoco House,)
166 CST Road, Kalina,)
Santacruz (East), Mumbai - 400 098)

... Transferee Company

Present : Mr. Suneet Goel, counsel for the petitioner.
Mr. Sanjeev Kuthiala, counsel for the Official Liquidator
Mr. Sandeep Sharma, Assistant Solicitor General of India,
for the Regional Director

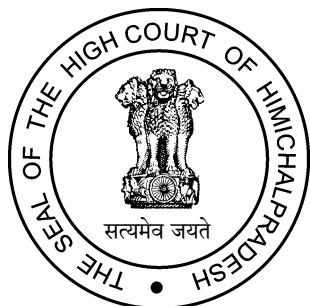
Comp. Application 31/2007

Learned counsel for the petitioner submits that order needs modification because a direction has been issued to the Company to create a fund for payment of unsecured creditors. He submits that there are no creditors who require to be paid. All the unsecured creditors have been paid. If, that be so, direction need not be complied with. This application is accordingly disposed of.

11th December, 2007
(cm)

Attested
Sd/-
Superintendent (Judicial)
High Court of Himachal Pradesh

Sd/-
Dev Darshan Sud, Judge
13/12/2007



**SCHEME OF AMALGAMATION
BETWEEN
INDOCO HEALTHCARE LIMITED
AND
INDOCO REMEDIES LIMITED AND**

(THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS)

Under Section 391 read with Section 394 of the Companies Act, 1956 in respect of the amalgamation of Indoco Healthcare Limited with Indoco Remedies Limited.

PART 1

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, including any statutory modifications or re-enactments and rules made thereunder and amendments thereof;
 - 1.2 **"Appointed Date"** means the 1st day of July, 2005 or such other date as may be approved by the Court.
 - 1.3 **"Effective Date"** means the or **"coming into effect of this Scheme"** means the last of the dates on which all the consents and approvals referred to in clause 13 of this Scheme are obtained or waived;
 - 1.6 **"Scheme"** or "the Scheme" means this Scheme of Amalgamation in its present form including any modification or amendment hereto:
 - 1.2 **"Transferor Company"** means Indoco Healthcare Limited, a company incorporated under the Companies Act, 1956, having its registered office at Village Katha, Near Coca Cola Factory, P.O. Baddi, Tehsil: Nalagarh, Dist. Solan-173205 in the State of Himachal Pradesh;
 - 1.5 **"Transferee Company"** means Indoco Remedies Limited, a company incorporated under the Companies Act, 1913, having its registered office at Indoco House, 166, C.S.T. Road, Santacruz (E), Mumbai - 400098, in the State of Maharashtra.
 - 1.6 **"Undertaking"** shall include all assets held by the Transferor Company or to which the Transferor Company is entitled to of whatsoever nature and wheresoever situated whether movable or immovable, tangible or intangible, including current assets, investments, rights
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and privileges, powers and authorities, and all properties, in possession or reversion, present or contingent, contracts, rights, title, interest, benefits and advantages of whatsoever nature and all other interests belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Company ("the Assets") and all debts, liabilities, obligations and duties, of whatsoever kind, of the Transferor Company ("the Liabilities")

PART II

2. SHARE CAPITAL OF THE TRANSFEROR AND TRANSFeree COMPANY :

2.1 The Share Capital of the Transferor Company as on Appointed Date is as under:

(Rupees)	
<u>Authorised</u> 50,00,000 Equity Shares of Rs 10 each	5,00,00,000
<u>Issued Subscribed and Paid up :</u> 49,00,000 equity shares of Rs. 10/- each	4,90,00,000

2.2 The Share Capital of the Transferee Company as on the Appointed Date is as under :

(Rupees)	
<u>Authorised</u> 1,80,00,000 Equity Shares of Rs 10 each	18,00,00,000
<u>Issued Subscribed and Paid up :</u> 1,18,21,714 equity shares of Rs. 10/- each	11,82,17,140

PART III

3. TRANSFER OF UNDERTAKING

- 3.1 With effect from opening of the business as on the Appointed Date, all the Assets and Liabilities forming part of the Undertaking shall pursuant to Section 394(2) of the Act without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been 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 Assets and Liabilities of the Transferee Company.
- 3.2 (i) It is expressly provided that in respect of such of the Assets that arc tangible and movable including investments, cash on hand, etc., shall be transferred

by physical delivery (together with duly executed transfer forms or other documents as may be required) and/or endorsement and delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company upon such delivery.

- (ii) In respect of movable assets, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits the following procedure shall be followed:

The Transferor Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be. that pursuant to the Scheme, the said debt, loan, advances, etc. to the extent to which the property is to pass to the Transferee Company, be paid or made good or held on account of the Transferee Company as the persons entitled thereto. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.

4. LEGAL PROCEEDINGS

On and from the Effective Date, all suits, actions, appeals or other proceedings of whatever nature pending by or against the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suits, appeals or other legal proceedings may, be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been given effect to.

5. AGREEMENTS, CONTRACTS, DEEDS AND OTHER INSTRUMENTS

On and from the Effective Date, subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party, subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of the Transferee

Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto.

6. STAFF AND EMPLOYEES

As on the Effective Date, the services of all the employees of the Transferor Company shall stand transferred to the Transferee Company on the terms and conditions as to remuneration and service not less beneficial to such employees than those subsisting with reference to the Transferor Company and without entailing any break in the continuity of service to the intent and effect that such employees had always been the employees of the Transferee Company. The position, rank, and designation of the employees would be decided by the Board of the Transferee Company.

In so far as the provident fund and gratuity fund or any other special scheme created or existing for the benefit of the employees transferred from the Transferor Company are concerned, on and from the Effective Date, the same shall be transferred to the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the -said schemes / funds as per the terms provided in the respective trust deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes/ funds shall become those of the Transferee Company. It is clarified that the services of the transferred employees will be treated as having been continuous for the purpose of the aforesaid schemes/ funds.

7. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE.

With effect from the Appointed Date upto and inclusive of the Effective Date:

- (a) all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the Appointed Date upto and inclusive of the Effective Date shall for all purposes and intent be treated and be deemed to be and accrue as the profits or income or expenditure or losses of the Transferee Company, as the case may be.
 - (b) all debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the business day immediately preceding the Appointed Date
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whether or not provided in the books of the Transferor Company and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of (he Transferee Company.

- (c) the Transferor, Company shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company on or after the Appointed Date. The Transferor Company hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with the Undertaking or any part thereof except in the ordinary course of it business. The Transferor Company also undertakes not to undertake any new business .without the prior written consent of the Transferee Company.
- (d) The Transferor Company shall not alter its capital structure, either by fresh issue of shares or convertible securities on a rights basis or by way of bonus shares or otherwise or by any decrease reduction, reclassification, subdivision, consolidation, re-organization.
- (e) The Transferor Company shall not declare any dividend for the financial year commencing from and after 1st July, 2005, without the prior written consent of the Transferee Company.

8. DISSOLUTION OF THE TRANSFEROR COMPANY

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date. On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without being wound up.

9. CONSIDERATION

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, on amalgamation no separate consideration shall be paid by the Transferee Company to the shareholders, of the Transferor Company or to any other person and no shares shall be issued by the Transferee Company to any person whomsoever, in consideration of or consequent upon the amalgamation. The entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company either in its own name or in the name/s of its nominee/s. Upon the Scheme becoming effective, no shares

of the Transferee Company shall be allotted in respect of the holding of the Transferee Company in the Transferor Company and the entire paid up share capital of the Transferor Company shall stand, cancelled.

10. ACCOUNTING TREATMENT

Upon the coming into effect of this Scheme:

- (a) the Transferee Company shall record all the Assets and Liabilities recorded in the books of account of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this Scheme, at the respective book values thereof as appearing in the books of accounts of the Transferor Company at the close of business of the day immediately preceding the Appointed Date
 - (b) Subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the Reserves and Surplus of the Transferor Company will be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
 - (c) "The excess, if any, of the value of the Assets over the value of the Liabilities of the Transferor Company transferred to the Transferee Company pursuant to the Scheme as reduced by the book value as on the Effective Date at which the investment in the shares of the Transferor Company is recorded by the Transferee Company, would be credited to the General/Capital Reserve account and in the event of there being a shortfall, the same shall be debited to Goodwill account in the books of the Transferee Company.
 - (d) To the extent that there are inter-corporate loans or balances between the Transferor and the Transferee Company the obligation in respect thereof shall come to an end and corresponding effort shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be..
 - (e) The Transferor Company and the Transferee Company are expressly permitted to revise their Income Tax, Service Tax and other returns including, but without limitation, accounting for the related TDS certificates and right to claim refund, Advance tax credit etc.. upon the Scheme becoming effective.
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- (f) Advance payment of Income Tax and / or Tax deducted at source made on after Appointed Date and / or in respect of the Transferor Company shall be transferred / vested and / or treated as Income Tax paid on behalf of and / or on account of the Transferee Company who shall be entitled to claim for such Income Tax payments in their own Tax Assessments.

11. APPLICATION TO THE HIGH COURT

The Transferor Company (and the Transferee Company, if required,) shall with all reasonable dispatch make applications under Sections 391 and 394 and other applicable provisions of the Act to High Court having jurisdiction for seeking sanction of the Scheme and apply for all necessary approvals as may be required under law..

12. MODIFICATIONS/AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective directors may consent, on behalf of all persons concerned to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court having jurisdiction or any other authority may deem Fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Board of Directors of the Transferor Company and Transferee Company shall be at liberty to withdraw this Scheme in case any conditions or alterations to the Scheme imposed by any 'authority is unacceptable to them. After dissolution of the Transferor Company, the Transferee Company (by its Board of Directors) shall be authorized to give such directions or take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any Order of the High Court or of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected herewith.

PART IV

13. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

The Scheme is conditional on and subject to:

- (a) approval of and agreement to the Scheme by the requisite majority of the shareholders of the Transferor Company and such directions as may be made by the Court and approval by the Transferee Company of the Scheme and the requisite orders of the High Court ,having jurisdiction
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referred to in clause 11 being obtained, such order being binding on both the Transferor and Transferee Company.

- (b) Certified copy of the Order of the High Court having jurisdiction sanctioning this Scheme being filed with the Registrar of Companies, Jalandar, by the Transferor Company and the Registrar of Companies, Mumbai by the Transferee Company.
- (d) The requisite consent, approval or permission or no objection of any governmental or regulatory authority which by law be necessary or to be granted/obtained under any material contract for the implementation of this Scheme.

14. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event the Scheme is not sanctioned by the Court, or in the event any of the approvals or conditions enumerated in paragraph 13 above not being obtained or complied, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

15. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses of the Transferor Company and the Transferee Company in connection with the implementation of the Scheme shall be borne by the Transferee Company.

This court examined the petition; the order dt. 4/4/2008 and modified orders dated 23/4/2008 and 12/5/2008 passed in CA(M) No. 62/2008, whereby the requirement of convening and holding the meetings of the equity shareholders and unsecured creditors of the Transferor Company for the purpose of considering and if thought fit approving with or without modification, the Scheme of Amalgamation annexed to the affidavit of Sh. Jagdish Babu Salian, Company Secretary of the petitioner company filed on 4th day of April, 2008 was dispensed with, there being no secured creditors of the Transferor Company; and the publication in the newspapers namely (1) Statesman (English) and (2) Jansatta (Hindi) dt. 7/8/2008 containing the notice.

The Court also examined the affidavit dated 26/8/2008 of Sh. Dhan Raj, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida on behalf of Central Government objecting to Clause 6 of part-III of the Scheme which provides that the Transferee Company being the holding company, is not required to make an application to the High Court of appropriate jurisdiction for sanctioning the Scheme. The petitioner has filed an undertaking of Mr. Jagdish B. Salian, authorized representative of the Transferor Company dealing with this observation of the Regional Director. The court found from the record that Transferor Company is a wholly owned subsidiary of the Transferee Company and has been incorporated with a view to carry out independent business of manufacturing of pharmaceutical and medicinal products and the Transferee Company is also in the business of manufacturing of pharmaceutical and other products. However, for various commercial considerations, the activity by Transferor Company has not been commenced so far and as a result no business activity has been carried out in the Transferor Company since its incorporation. In these circumstances, the Board of directors of both Transferor and Transferee Companies considered that in order to simplify the legal structure and minimize the cost of administration of the two entities it was in the best interest of shareholders and stakeholders to amalgamate into one combined entity namely the Transferee Company. There would be no adverse impact on the amalgamation on the affairs of the Transferee Company, which is also the sole unsecured creditor of the Transferor Company. In this background, in order to effectuate the Scheme of Amalgamation there would be no legal necessity for the Transferee Company to apply for sanction of the scheme under Section 391 to 394 of the Companies Act, 1956 separately at Mumbai.

Upon hearing Sh. Rishi Agarwala, Mr. Niraj Kumar, Mr. B.S. Shukla & Ms. Poonam Lahoty, Advocates for the petitioner, Ms. Manisha Tyagi, Advocate for the Official Liquidator and Mr. Raisuddin, Asstt. Registrar of Companies in person; and in view of the fact that the legal necessity for the Transferee Company to apply for sanction of the Scheme under Section 391 to 394 of the Companies Act, 1956 separately at Mumbai was dispensed with; and the affidavit of Sh. A. K. Chaturvedi, Official Liquidator filed on 27/8/2008 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its shareholders or creditors or to public interest and that Transferor Company could be dissolved without undergoing the process of winding up and there being no surviving objection of the Regional Director, Northern Region and no investigation proceedings pending in relation to the petitioner company under Section 235 to 251 of the Companies Act, 1956,

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION setforth in Schedule-I annexed hereto and declare the same to be binding on all the shareholders and creditors

of the Transferor and Transferee Companies and all concerned and doth approve the said scheme of Amalgamation with effect from the appointed date i.e. 1.7.2007;

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Transferor Company specified in the First, Second and Third parts of the Schedule-II 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 Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor 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 the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
 4. That the entire equity share capital of the Transferor Company is being held by the Transferee Company. Accordingly, there would be no issue of equity shares of Transferee Company to the shareholders of the Transferor Company. Pursuant to the vesting of the undertaking in Transferee Company, the investment in the shares of Transferor Company, appearing in the books of account of Transferee Company will stand cancelled; and
 5. That the Transferor Company do within five weeks after the date of this order cause 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 stand dissolved without undergoing the process of winding up and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and
 6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary; and
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ANNEXURE - A

**SCHEME OF AMALGAMATION
OF
SHREE HERBAL TECHNOLOGIES LIMITED
WITH
INDOCO REMEDIES LIMITED AND
THE SHAREHOLDERS OF SHREE HERBAL
TECHNOLOGIES LIMITED**

This Scheme of Amalgamation is presented for amalgamation of Shree Herbal Technologies Limited with Indoco Remedies Limited pursuant to Section 391 and 394 and other applicable provisions of the Companies Act, 1956.

PART 1

PREAMBLE

Shree Herbal Technologies Limited, a Company incorporated under the Companies Act, 1956 having its Registered Office at 1932, B-19, Govindpuri Extension, Kalakaji, New Delhi- 110019 is *inter-alia* engaged in the business of all types and kinds of pharmaceuticals, biotechnological, medicines, drugs including allopathic, unani, ayurvedic, herbal and non-herbal drugs, veterinary drugs, medicated oils, health tonics, laboratory, prosthetic aids, cosmetics, beauty aids, perfumes, fragrances, toilet products and preparations, hospital requisites, chemicals micronutrients, biological plant extract, vermin culture, bio-stimulants, plant hormone & chemicals and to carry on all types of business related or allied thereto and to license/authorize others to engage in the foregoing and to engage in general research and development, consultancy services in areas related to or involving the foregoing and to undertake toxicological, biological and physiological analysis.

Indoco Remedies Limited, a 'Company incorporated under the Companies Act VII, of 1913 having its Registered Office at Indoco House, 166 CST Road, Kalina, Santacruz (East), Mumbai 400098 is *inter-alia* engaged in the business of pharmaceutical products, patent medicines of every description and kind, ampoules of all medication, tinctures, liquid extracts, solids extracts, tablets, pills, cosmetics, cologne water, sera, vaccines and biological products of all kinds.

RATIONALE FOR THE AMALGAMATION

The Transferor is a wholly owned subsidiary of the Transferee. The Transferor Company has been incorporated with a view to carry

out independent business of manufacturing of Pharmaceutical and Medicinal products. The Transferee Company is in the business of manufacturing of pharmaceutical and other products. However for various commercial considerations the activity by Transferor Company has not been commenced so far and as a result no business activity has been carried out in the Transferor Company since its incorporation. In these circumstances, the Board of Directors of both, Transferor and Transferee Companies considered that in order to simplify the legal structure and minimize the cost of administration of the two entities, it was in the best interest of shareholders and stakeholders to amalgamate into one combined entity namely the Transferee Company.

To achieve the same, an arrangement has been arrived at by the Board of Directors of the two companies mentioned above and it has been decided to make the requisite application before the Hon'ble High Court of Delhi at New Delhi under sections 391/394 of the Companies Act, 1956, for the sanction of the following Scheme of Amalgamation of Shree Herbal Technologies Limited with Indoco Remedies Limited.

PART-II

1. DEFINITIONS

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

- 1.1 **"The Act"** means **the Companies Act, 1956, or any** statutory modification, or re-enactment thereof for the time being in force.
 - 1.2 **"The Appointed Date"** means 1st July, 2007 or such other date as may be directed or imposed by the High Court of Delhi at New Delhi or such other competent authority as may be applicable from which date the undertaking of the TRANSFEROR COMPANY shall stand vested to or vested in or deemed to be transferred to or vested in the TRANSFEE COMPANY without any further act, deed or thing.
 - 1.3 **"The Effective Date"** means the date on which the certified copies of the orders sanctioning this Scheme passed by of the High Court of Delhi at New Delhi or such other competent authority as may be applicable are filed with the Registrar of Companies, NCT of Delhi and Haryana.
 - 1.4 **"SHTL" or "The TRANSFEROR COMPANY"** means and refers to Shree Herbal Technologies Limited, a Company incorporated under the Companies Act, 1956 having its registered office 1932, B-19, Govindpuri Extension, Kalakaji, New Delhi- 110019.
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- 1.5 **"IRL" or "the TRANSFEREE COMPANY"** means and refers to Indoco Remedies Limited a Company incorporated under the Companies Act VII, of 1913 having its Registered Office at Indoco House, 166 CST Road, Kalina, Santacruz (East) , Mumbai 400098.
- 1.6 **"The Scheme" or "this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this scheme as approved or directed by the High Court of Delhi at New Delhi or such other competent authority as may be applicable.

PART-III

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 14 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date and the undertaking of the TRANSFEROR COMPANY shall without any act or deed be and stand transferred to and vested in the TRANSFEREE COMPANY, pursuant to Sections 391 and 394 of the Companies Act, 1956 subject to all charges, liens, mortgages, etc if any, then effecting the same or any part thereof.

3. SHARE CAPITAL

- 3.1 Based on the last audited balance sheet as on June 30th , 2007, the Share Capital of the TRANSFEROR COMPANY is as under:

<u>Authorised Capital</u>	Amount Rs.
1,00,000 Equity Shares of Rs 10 each	10,00,000/-
TOTAL	10,00,000/-
<u>Issued, Subscribed & Paid-up Capital</u>	Amount Rs.
50,000 Equity Shares of Rs 10 each fully paid up	5,00,0000/-
Share Application Money Pending allotment	79,00,000/-
TOTAL	84,00,000/-

The capital structure of the TRANSFEROR COMPANY has changed since June 30th, 2007. That vide shareholders resolution dated 29th November 2007, the Authorized capital of the TRANSFEROR COMPANY stands increased

from Rs 10 Lacs to Rs 85 Lacs. The TRANSFEROR COMPANY allotted shares against the application money of Rs.79 Lacs on 14th December, 2007. Pursuant to the said allotment, the Paid-up capital too stands increased from Rs 5 Lacs to 84 Lacs.

3.2 Based on the last audited balance sheet as on June 30th, 2007, the Share Capital of the TRANSFEREE COMPANY is as under:

<u>Authorised Capital</u>	Amount Rs.
1,80,00,000 Equity Shares of Rs 10 each	18,00,00,000/-
TOTAL	18,00,00,000/-
<u>Issued, Subscribed & Paid-up Capital</u>	Amount Rs.
Equity Shares of Rs 10 each fully paid up	11,82,17,140/-
TOTAL	11,82,17,140/-

That the capital structure of the TRANSFEREE COMPANY has changed since 30th June 2007. The Paid-up capital has been increased from Rs 11,82,17,140/- to Rs 12,28,67,140/-. The company on 18th October, 2007 allotted 4, 65, 000 equity shares of Rs.10/- each to the members of Spa Pharmaceuticals Pvt. Ltd. pursuant to a scheme of amalgamation approved by the competent court.

4. **TRANSFER OF UNDERTAKING**

4.1 With effect from the Appointed Date or such other date as may be fixed or approved by the High Court of Delhi at New Delhi, on the Scheme becoming effective, the TRANSFEROR COMPANY shall, without any further act, instrument or deed, stand merged with the TRANSFEREE COMPANY, along with its assets and liabilities, and:

- 4.2 Without prejudice to the generality of the foregoing :
- (a) the assets of the TRANSFEROR COMPANY shall include, all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature including but not limited to licenses, privileges and exemptions, registrations, approvals, lease rights, tenancy rights, permissions, copy rights, trademarks and other intellectual property rights, incentives, if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever as on the Appointed Date and thereafter;
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- b) the liabilities shall include all debts, liabilities, contingent liabilities, charges, liens, mortgages, taxes, duties and obligations of the TRANSFEROR COMPANY as on the Appointed Date and thereafter whether or not provided in the books of the TRANSFEROR COMPANY which shall be deemed to be the debt, liabilities, charges, liens, mortgages, taxes, duties and obligations of the TRANSFEREE COMPANY and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
 - (c) In respect of movable assets of the TRANSFEROR COMPANY ,including plants and machinery, furniture and fixtures, investments, cash on hand, debtors, etc. shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to the TRANSFEREE COMPANY along with transfer forms and such other documents as may be necessary to the end and intent that the property therein passes to the TRANSFEREE COMPANY on such delivery by virtue of the Order of the High Court.
 - (d) In respect of intangible movable assets, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, SHTL shall give notice in such form as it may deem fit and proper to each party, debtors or depositor of SHTL as the case may be, that pursuant to the Order of the Court sanctioning the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of IRL as the person entitled thereto, to the end and intent that the right of SHTL, to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in IRL. SHTL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Order of the Court sanctioning the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to the account of IRL and that the right of IRL to recover or realise the same is in substitution of the right of SHTL.
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5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

5.1 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments writings and benefits of whatever nature to which the TRANSFEROR COMPANY is a party, subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of the TRANSFEREE COMPANY and may be enforced as fully and effectively as if instead of the TRANSFEROR COMPANY, the TRANSFEREE COMPANY had been the party thereto. All such agreements from the Appointed Date shall be deemed to have been executed between the TRANSFEREE COMPANY which shall be entitled to exercise all such rights as were vested with the TRANSFEROR COMPANY under such agreements.

5.2 The transfer and vesting of undertakings under Clause 4 above and the continuance of proceedings by or against TRANSFEROR COMPANY shall not affect any transaction or proceedings already concluded by the TRANSFEROR COMPANY on or before the Appointed Date till the Effective Date, to the end and intent that the TRANSFEREE COMPANY accepts and adopts all acts, deeds and things done and executed by the TRANSFEROR COMPANY in respect thereto as done and executed on behalf of itself .

6. TREATMENT OF EMPLOYEES

There are no employees in the Transferor Company.

7. LEGAL PROCEEDINGS

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

8. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

8.1 With effect from the Appointed Date and up to and including the Effective Date all the profits or income accruing or arising to the TRANSFEROR COMPANY or expenditure or losses arising to or incurred by the

TRANSFEROR COMPANY, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the TRANSFEREE COMPANY, as the case may be.

8.2 The TRANSFEROR COMPANY shall not without the prior written consent of the TRANSFEREE COMPANY utilize the profits, if any, for the period from and after the Appointed Date, for declaring or paying any dividend.

8.3 Further, the TRANSFEROR COMPANY shall not after the Appointed Date,' issue or allot any further securities either rights or bonus or otherwise without the prior written consent of the TRANSFEREE COMPANY.

9. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

As and from the date of acceptance of this Scheme by the Board of Directors of IRL and the Board of Directors of SHTL and till the Effective Date, SHTL shall carry on its business and activities with reasonable diligence, business prudence and shall not, without the prior written consent of IRL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the undertaking or any part thereof except in the ordinary course of business nor shall it undertake any new business or a substantial expansion of its existing business.

10. CONSIDERATION

10.1 The entire equity share capital of SHTL is being held by IRL. Accordingly, there would be no issue of equity shares of IRL to the shareholders of SHTL. Pursuant to the vesting, of the undertaking in IRL, the investment in the shares of SHTL, appearing in the books of account of IRL will stand cancelled.

10.2 Upon the Scheme being effective the authorized share capital of the TRANSFEROR COMPANY shall become the authorized share capital of the TRANSFEREE COMPANY and the authorized share capital of the TRANSFEREE COMPANY shall stand increased to that extent.

11. ACCOUNTING TREATMENT

Upon the Scheme becoming effective and with effect from the Appointed Date, the merger of SHTL with IRL shall be accounted as per the Accounting Standard 14 issued by the Institute of Chartered Accountants of India such that:

- (a) Investments of IRL in the equity share capital of SHTL as appearing in its books of accounts shall stand cancelled.
-

- (b) IRL shall, record all the assets and liabilities, including reserves and profit and loss of SHTL vested in it pursuant to this Scheme, at their respective book values as on the Appointed date.
- (c) The loans and advances inter-se between IRL and SHTL appearing in the books of accounts of either IRL or SHTL, if any, shall stand cancelled.
- (d) The difference in the value of the net assets and reserves of SHTL to be vested in IRL adjusted for cancellation of the equity share capital as mentioned in Clause 11 (a) above would be credited to the General Reserve of IRL.
- (e) In case of any difference in accounting policy between SHTL and IRL, the impact of the same till the Appointed Date will be quantified and adjusted in the general reserves of IRL to ensure that the financial statements of IRL reflect the financial position on the basis of consistent accounting policy.

12. WINDING UP OF THE TRANSFEROR COMPANY

12.1 On the Scheme becoming effective the TRANSFEROR COMPANY shall be dissolved without being wound up.

13. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY

13.1 The TRANSFEROR COMPANY shall with all reasonable dispatch, make applications to the High Court of Delhi at New Delhi or such other competent authority for sanctioning this Scheme of amalgamation under Sections 391 to 394 of the Act and for dissolution of the TRANSFEROR COMPANY without winding up.

13.2 The TRANSFEREE COMPANY being the holding company is not required to make an application to the High Court of appropriate jurisdiction for sanctioning of this Scheme.

14. MODIFICATION/AMENDMENT TO THE SCHEME

14.1 The TRANSFEROR COMPANY and the TRANSFEREE COMPANY by their respective Board of Directors or any duly authorised committee may make or consent to, on behalf of all persons concerned, any modifications or amendments of the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or it (i.e. the Board of Directors or Committee) and solve all difficulties that may arise for carrying out the Scheme and do all acts,

deeds and things necessary for putting the Scheme into effect.

14.2 For the purpose of giving effect to this Scheme of Amalgamation or to any modification thereof the Board of Directors of the TRANSFEREE COMPANY or any other duly authorised committee thereof may give and are authorised severally to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares.

PART-IV

15. CONDITIONS

15.1 The Scheme is conditional upon and subject to the following:

- (a) The Scheme being approved by the respective requisite majorities as required by Section 391 of the Act and of the members and creditors of the TRANSFEROR COMPANY and the members of the TRANSFEREE COMPANY except to the extent as may be waived by the Hon'ble High Court of Delhi at New Delhi and it being sanctioned by the Hon'ble High Court of Delhi at New Delhi and/or any other competent authority as may be applicable.
- (b) Certified copies of the orders of the Hon'ble High Court of Delhi at New Delhi or such other competent authority sanctioning this Scheme being filed with the Registrar of Company, NCT of Delhi and Haryana.
- (c) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

16. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

16.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the High Court of Delhi at New Delhi or such other competent authority as may be applicable and / or the Order or Orders not being passed as aforesaid before 31st day of December, 2008 or within such further period or periods as may be agreed upon between the TRANSFEROR COMPANY, and the TRANSFEREE COMPANY by their Boards of Directors (and which the Boards of Directors of the Company are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this

Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme, or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

17. COSTS

All costs, charges, taxes including duties, levies and all other expenses, if any (Save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall also be borne by the TRANSFEREE COMPANY.

Shree Herbal Technologies Limited
SCHEDULE OF PROPERTY

PART I

(Description of Freehold Property)

Land admeasuring 28 Bhigas and 5 Biswas situate at Dharampur,
Nalagand Division, Solan Dist, Himachal Pradesh

'PART II

(Description of the Leasehold Property)

NIL

PART III

(Description of all Stocks, Shares, Debentures and other charges in
action)

1. Fixed Assets	
a. Land	82,97,837/-
2. Cash and Bank Balances	
a. Cash in hand	60/-
b. Bank Accounts	43,245/-
3. Sundry Debtors	NIL
4. Loans and Advances	
a. Unsecured Loans	2,00,000/-
b. -Tax Deducted at Source	NIL
5. Deferred Tax Asset	NIL

Dated this the 5th day of September, 2008
(By order of the Court)

Deputy Registrar (Co.)

ARTICLES OF ASSOCIATION
OF
INDOCO REMEDIES LIMITED



1. No regulation contained in Table A, in the First Schedule to the Companies Act, 1956, or in the Schedule to any previous companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Table A, not to apply our Company to be governed by these Article

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context :-

Interpretation clause

"The Company" or "this Company" means INDOCO REMEDIES LIMITED.

The Company or this Company

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

The Act

"Auditors" means and includes those persons appointed as such for the time being by the Company.

Auditors

*"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section(1) of Section 2 of the Depositories Act, 1996.

Beneficial Owner

"Board" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board.

Board

*"Bye-laws" mean bye-laws made by a depository under section 26 of the Depositories Act, 1996.

Bye-laws

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

Capital

"Debenture" includes Debenture Stock.

Debenture

*"Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996."

Depository

* As Inserted by passing Special Resolution at the AGM held on 22/9/2000.

Depositories Act 1996	*"Depositories Act 1996," shall include any statutory modification or re-enactment thereof for the time being in force.
Directors	"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.
Dividend	"Dividend" includes bonus.
Genders	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.
Members	**"Members" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
General Meeting	"General Meeting" means a meeting of Members.
Annual General Meeting	"Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 166 of the Act.
Extraordinary General Meeting	"Extraordinary General Meeting" means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.
Month	"Month" means a calendar month.
Office	"Office" means the Registered Office for the time being of the Company.
Paid up	"Paid-up" includes credited as paid up.
Person	"Person" includes a corporation and a firm as well as an individual.
Record	*"Record" includes the records maintained in the form of books or stored in a computer or such other forms as may be determined by the regulations made by SEBI.
Register of Members	"Register of Members" means the Register of Members to be kept pursuant to the Act.
The Registrar	"The Registrar" means the Registrar of Companies.
SEBI	*"SEBI" means the Securities and Exchange Board of India" established under section 3 of the Securities and Exchange Board of India Act, 1992."

** As Inserted by passing Special Resolution at the AGM held on 22/9/2000.*

*** As Amended by passing Special Resolution at the AGM held on 22/9/2000.*

"Secretary" includes a temporary or assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary.	Secretary
*"Security" means any security as may be specified by SEBI from time to time.	Security
"Seal" means the Common Seal for the time being of the Company.	Seal
"Shares" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.	Share
Words importing the singular number include, where the context admits or requires, the plural number and vice versa.	Singular Number
"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.	Special Resolution
"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.	Year and Financial Year
The marginal notes used in these Articles shall not affect the construction thereof.	
Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles as in the Act.	

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

***3. Deleted	Amount of capital
4. The Company in General Meeting, may from time to time, by an Ordinary Resolution increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such 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 Meetings of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.	Increase of capital by the Committee and how carried into effect
5. Whenever it is decided to consolidate and divide the Share Capital into shares of larger amount than existing shares or to convert any shares into stock or sub-divide the shares or any of them or redeem any redeemable preference shares otherwise than in connection with	

* As Inserted by passing Special Resolution at the AGM held on 22/9/2000.
*** Deleted by passing Special Resolution at the AGM held on 6/11/99.

a reduction of share capital under section 100 to 104, a notice shall be given to the Registrar of Companies concerned within 30 days from the date of such decision specifying the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stock reconverted.

New capital
same as
existing
capital

6. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered 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
Pref. shares

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

Provisions to
apply to issue
of Redeemable
Pref. Shares

8. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof the following provisions shall take effect:-
- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - (b) no such shares shall be redeemed unless they are fully paid.
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed.
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue or out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provision of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section of 80 of the Act, apply as if the capital Redemption Reserve Account were paid-up share capital of the Company.

Issue on
redemption

9. When in pursuance of the foregoing Article, the company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if these shares had never been issued.

10. The Capital Redemption Reserve Fund may, notwithstanding anything hereinabove mentioned, be applied by the Company, in paying up unissued shares of the company to be issued to the members of the company as fully paid bonus shares.	Application of Capital redemption fund
11. Without prejudice to the generality of the powers and authorities of the Board, the Board shall be entitled to determine the number of shares to be redeemed by the casting of lots or in such other manner as it may deem fit in that behalf as also the period or periods within which any such shares may be redeemed.	Determination of redemption
12. After the expiration of the date stated in any notice for Redemption of any preference shares, the preference shares, in respect of which such notice shall have been given, shall not thenceforth carry any dividend and the holders thereof shall be bound to surrender their shares on payment of the amount paid thereon together with dividend, whether declared or not, upto the date specified in such notice of Redemption.	Dividend on preference shares to be redeemed
13. When the company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount of value of the premiums on those shares shall be transferred to an account to be called share premium account, and the provisions of the Act relating to the reduction of the share capital of the company shall, except as provided in this article, apply as if the share premium account were paid up share capital of the company. The share premium account may, notwithstanding anything in this article contained, be applied by the company in General Meeting in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares and/or in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company and/or in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.	Application of premium received on issue of shares
14. The Company may (subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.	Reduction of capital
15. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide, or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as	Sub-division and consoldtn. of shares

aforesaid, the Company in General Meeting may also cancel shares which 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 share so cancelled.

Modification
of rights

16. 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 Sections 106 and 107 of the Act be modified, commuted, affected, or abrogated, or dealt with by the agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourth in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separate General Meeting of the holders of shares of that class.

SHARES AND CERTIFICATES

Register and
Index of
Members

**17. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions and the rules made thereunder from time to time and the Depositories Act, 1996 with the details of shares held in material and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members for the purpose of this Act.

Shares to be
numbered
progressively
and no share
to be
Subdivided

**18. The shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future, or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Demateriali-
sation/
Remateriali-
sation
of Shares

*18A (a) The Company shall be entitled to dematerialise / rematerialise its existing shares held in the Depositories and / or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

Option for
investors

*(b) Every person subscribing to securities offered by the Company shall have the option to receive security certificate 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 the law, in respect of any such security in the manner provided by the

** As Amended by passing Special Resolution at the AGM held on 22/9/2000.

* As Inserted by passing Special Resolution at the AGM held on 22/9/2000.

Depositories Act 1996 and the Company shall, in the manner and within the time prescribed issue to the Beneficial Owner the required certificates of securities.

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

- | | |
|---|--|
| <p>*(c) All Securities held by a Depository shall be dematerialised and be in a fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.</p> | <p>Securities in Depositories to be in fungible from</p> |
| <p>*(d) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner and save as provided hereinbefore 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. Every person holding the 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.</p> | <p>Right of Depositories and Beneficial Owners</p> |
| <p>*(e) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the Beneficial Owner may be served by such Depository on the Company by means of electronic mode by delivery of floppies or discs.</p> | <p>Service of documents</p> |
| <p>*(f) Nothing contained in sections 83 and 108 of the Companies Act, 1956 or these Articles shall apply to a Transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.</p> | <p>Section 83 and 108 of the Act not to apply</p> |
| <p>*(g) 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.</p> | <p>Allotment of Securities</p> |
| <p>*(h) No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.</p> | <p>Stamp duty on Securities held in dematerialised form.</p> |

* As Inserted by passing Special Resolution at the AGM held on 22/9/2000.

Applicability of the Depositories Act.	<p>*(i) In case of transfer or transmission of shares, securities where the Company has not issued any certificate and where such shares or securities are being held in an electronic and fungible form in Depository, the provisions of the Depositories Act 1996, shall apply."</p>
Restrictions on allotment	<p>19. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of capital	<p>**20. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from allotment of shares made for the first time after formation whichever is earlier, it is proposed to increase the subscribed Capital of the Company, by allotment of further shares whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid upon these shares at that date. The offer as aforesaid shall be deemed to include a right exercisable by the person, to whom such offer is made, to renounce the shares offered to him/her/them in favour of any other person. Such offer shall be made by a notice specifying the number of shares offered and limiting the time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them off in such a manner as they think most beneficial to the Company. Nothing herein contained shall be deemed to extend the time within which the offer should be accepted.</p> <p>(b) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.</p>
Share under control of Directors	<p>21. Subject to the provisions of the these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such times as the Directors think fit either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount provided that the option or right to call shares shall not be given to any person except with the sanction of the Company in General Meeting.</p>

** As Inserted by passing Special Resolution at the AGM held on 22/9/2000.*

*** As Amended by passing Special Resolution at the EGM held on 3/3/2000 and further Amended by passing Special Resolution at the AGM held on 22/9/2000.*

22. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 20 and 21, the Company in General Meeting may subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

Powers also to Company in General Meetings to issue shares

23. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purpose of these Articles, be a Member.

Acceptances of Shares

24. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

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

25. Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts at such time, or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix the payment thereof.

Liability of Members

26. (a) Every Member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in case of issue of bonus shares, every such certificate shall be issued under the seal of the Company and signed in accordance with Article 188. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
- (b) any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate

Share Certificate

the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee one. The Company shall comply with the provisions of Section 113 of the Act.

- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment, or other mechanical equipment or other mechanical means, such as, engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
 - (d) The Share Certificates shall be issued in marketable lots and where share certificates are issued in either more or less than the marketable lots, sub-division or consolidation of the share certificates into marketable lots be done by the Company free of charge.
 - *(e) The Company shall issue certificates within one month of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgment for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary.
27. (a) No certificate of any share or shares 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 duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. The Company shall be entitled to charge such fee, not exceeding Rupees two per certificate, issued on splitting or consolidation of share certificates or any replacement of share certificates that are defaced or torn as the Board thinks fit. 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.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of share certificate No. Sub-divided/ placed/on consolidation of shares".
 - ** (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on payment of such fee, not exceeding Rupees two as the Board may from time to time fix and on such terms, if any, as to evidence and indemnity as to

* As Amended by passing Special Resolution at the EGM held on 20/7/2004.

** As Amended by passing Special Resolution at the EGM held on 20/7/2004.

payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. New Certificates are to be issued within 6 weeks of notification of loss and upon receipt of proper indemnity.

- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "a duplicate issued in lieu of share certificate No. " The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) When a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "Remarks column."
- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-clause (f).
- (h) All books referred to in sub-clause (g) shall be preserved in good order permanently.
- *(i) The Company will issue, when so required, receipts for all the securities deposited with it whether for registration, sub-division, consolidation, renewal, exchange or for other purposes."

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

The first name
of joint-holders
deemed sole
holder

Nomination
Facility

*28A Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the company, may at any time, nominate, in the prescribed manner, a person to whom the shares or debentures shall vest in the event of the holder's death, and the provisions of Section 109A and 109B of the Act shall apply in respect of such nomination.

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

**29. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the beneficial owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share or except only as is by these Articles, on the part of any other person whether or not it has express or implied notice 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 or the survivor or survivors of them.

Funds of
Company may
be applied for
purchase of
Company's
Shares

30. The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares, whether or not they are redeemable and it may make payment out of capital in respect of such purchase subject to provisions of the Act and all other applicable provisions of law for the time being in force. Such acquisition or purchase of fully paid equity shares of the Company shall not be construed as reduction of capital.

UNDERWRITING AND BROKERAGE

Commission
may be paid

31. Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring; or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued, and no Commission shall be paid to any person on Shares or Debentures which are not offered to the public for subscription.

Brokerage

32. The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

Interest may
be paid out of
capital

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

** As Inserted by passing Special Resolution at the EGM held on 3/3/2000.*

*** As Amended by passing Special Resolution at the AGM held on 22/9/2000.*

CALLS

<p>*34. The Board may, from time to time, subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board provided that the Company shall give any person the call on any shares only with the sanction of the shareholders at the general meeting. A call may be made payable by instalments.</p>	<p>Directors may make calls</p>
<p>35. Thirty day's notice 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.</p>	<p>Notice of calls</p>
<p>36. 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.</p>	<p>Calls to date from resolution</p>
<p>37. No call shall exceed one fourth of the nominal amount of a share or be made payable within two months after the last preceding call was payable. All calls be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.</p>	<p>Restrictions on powers to make calls</p>
<p>38. The Board may, from time to time at its discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members, the Board may deem fairly entitled to such extension, but no Member shall be entitled to such extension save as a matter of grace and favour.</p>	<p>Directors may extend time</p>
<p>39. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall time to time be fixed by the Board not exceeding 10 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Members.</p>	<p>Calls to carry interest</p>
<p>40. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same become payable and in the case non-payment, all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	<p>Sum deemed to be calls</p>

** As Amended by passing Special Resolution at the EGM held on 20/7/2004.*

Proof on trial
of suit for
money due
on shares

41. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member, in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the said shares, that the resolution making the call is duly recorded in the minute book, and that the notice of such call was duly given to the Member or his representative sued in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

Partial
payment not to
preclude
forfeiture

42. 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 shares, 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

43. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts unpaid on his shares beyond the sum actually called up, and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate (not exceeding without the sanction of the Company in General Meeting 6 per cent) as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing. Money paid in advance of calls shall not, in respect thereof, confer the right to dividend or to participate in the profits of the Company.

(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.

LIEN

44. The Company shall have a first and permanent lien upon all the shares other than fully paid up shares registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 29 hereof is to have full effect, and such lien shall extend to all dividends, from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board of Directors of the Company may at any time declare any shares to be exempt, wholly or partially from the provision of this Article.

Company's
lien on shares

45. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members or some other person to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the liability in respect of which such lien exists is liable to be presently fulfilled or discharged, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

As to
enforcing
lien by sale

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

Application
of proceeds
of sale

FORFEITURE OF SHARES

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

If money
payable on
share not
paid,
notice to be
given to
Member

Terms of
Notice

48. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call instalment and such interest thereon at such rate not exceeding 10 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. 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.

If default of
payment of
shares to be
forfeited

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

Notice of
forfeiture to
a member

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

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

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

52. 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 9 per cent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effect of
forfeiture

53. 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.

54. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the 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.

Evidence of forfeiture

55. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Validity of sale under Arts. 44 & 50

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate or certificates originally issued in respect of the relative shares 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 person or persons entitled thereto.

Cancellation of share certificate in respect of forfeited shares

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

Power to annul forfeiture

TRANSFER AND TRANSMISSION OF SHARES

**58. The Company shall keep a "Register of Transfers" and therein shall distinctly enter particulars of every transfer or transmission of the share held in material form.

Register of transfers

TRANSFER AND TRANSMISSION OF SHARES
AND DEBENTURES

59. Subject to the provisions herein contained the shares in and debentures of, the Company shall be transferred by an instrument in writing in the usual common form or in such forms as shall from time to time have been prescribed under Section 108 of the Companies Act 1956. Every such instrument of transfer shall, before it is signed by or on behalf of the transferor and before any entry is made therein, be presented to the prescribed authority and shall be delivered to the company within the period prescribed by Section 108 of the Act.

Share and debentures to be transferred by instrument in writing

*** As Amended by passing Special Resolution at the AGM held on 22/9/2000.*

Transfer not to be registered except on production of instrument of transfer

60. The Board shall not register a transfer of shares in, or debentures of the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the Transferor and by or on behalf of the Transferee and specifying the name, address and occupation of the Transferee, has been delivered to the company along with the Share Certificate relating to the shares or Debentures, or if no such certificate is in existence, along with the Letter of allotment of the share or debentures provided that where, on an application in writing made to the company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the Transferor and/or Transferee has been lost, the transfer may be registered on such terms as to indemnify as the Board may think fit and provided further that nothing herein contained shall prejudice any power of the Board to register as shareholder or debentureholder any person to whom the right to any shares in, or debentures of, the company has been transmitted by operation of law.

Transferor to remain holder of shares until transferred

61. The transferor or transferrers, as the case may be shall be deemed to remain the holder or holders of such shares until the name or names of the transferee or transferees is or are entered in the Register of Members in respect thereof.

Transfer by legal representative

62. A transfer of the share or other interest in the Company of a deceased member thereof made by the legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

All legal representatives to sign

63. Several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall sign the instrument of transfer in respect of the share as if they were the joint holders of the shares.

Transfer of shares

64. An application for the registration of the transfer of shares in the company may be made either by the transferor or the transferee provided that if such application is made by the transferor no registration shall in the case of partly paid up shares be effected unless the company shall have given notice of the application to the transferee and subject to the provisions of section 111 of the Act the Company shall unless objection is made by the transferee within two weeks from the date of the receipt of such notice, enter in its Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

Transfer to minor, etc

65. No transfer simpliciter shall be made to a minor or person of unsound mind. The Board may, however, in its absolute discretion allow and register any transfer to any guardian or committee of such minor or person of unsound mind.

66. All instruments of transfer that shall be registered shall be retained by the company but any instrument of transfer which the board may decline to register shall, on demand, be returned to the person depositing the same. If the transfer relates to the only share or all the shares comprised in the certificate such a certificate or a new certificate in lieu thereof shall, after the registration of the transfer be delivered to the transferee, and if the transfer relates only to a part of the shares comprised in the certificate the same shall on registration of the transfer be retained by the company and cancelled and new certificates issued to the transferor and the transferee in respect of the shares respectively held by them on payment of such charge not exceeding Rs. 2 as the Board may prescribe for each such certificate.

Registered transfer to be retained company

*67. The Board shall have power of giving not less than seven days previous notice by advertisement in a newspaper circulating in the city in which the Registered Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year or as it may deem expedient. The minimum gap between two book closures shall be atleast 30 days. The company shall close the transfer books at least once a year at the time of the Annual General Meeting if they have not been otherwise closed at any time during the year.

Transfer Book when closed

68. Subject to the provisions of section 111 of the Act, the Board may, as its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, (notwithstanding that the proposed transferee be already a Member but in such case it shall within one month from the date on which the instrument or transfer was lodged with the Company, send to the transferee notice of the refusal to register such transfer). Provided that registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever and registration of the transfer shall be subject to the Provisions of section 22A of the Securities Contract.(Regulation) Act.

Directors may refuse to register transfers

69. Where in the case of partly paid shares an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.

Notice of application when to be given

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

Death of one or more joint-holders of shares

** As Amended by passing Special Resolution at the EGM held on 20/7/2004.*

Title to shares of deceased member

71. The executors of administrators or holders of a succession Certificate or the legal representatives 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 name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession Certificate or the 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 in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 65 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

*71A. On production of the necessary documents by shareholders, the company will make on transfer document(s) an endorsement to the effect that the Power of Attorney or Probate or Letters of Administration or Death Certificate or Certificate of the Controller of Estate Duty or similar other document has been duly submitted to and registered by the company.

Registration of persons entitled to shares otherwise than by transfers

72. Subject to the provisions of Articles 69 and 70, any persons becoming entitled to shares 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 Articles may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided nevertheless, that if such persons shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Person entitled may receive dividends without being registered as Members

73. A person entitled to a share by transmission, shall subject to the right of the Directors to retain such dividends or moneys 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

74. Every instrument of transfer shall be presented to Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares, and every registered instrument shall remain in the custody of the Company until destroyed by order of the Board.

Conditions of registration of transfer

75. Before the registration of a transfer the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.

76. No fee shall be charged by the Company for transfer and transmission of shares and for registration of any power of attorney, probate, letter of administration or other similar documents.

No fee for transfer or transmission

77. 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 a person or persons having or claiming any equitable rights, 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 shall so think fit.

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

COPIES OF MEMORANDUM AND ARTICLES
TO BE SENT TO MEMBER

78. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

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

79. Subject to the provisions of Sections 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion by a resolution passed at 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 Company. Provided however, that 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) shall not without the previous sanction of any Ordinary Resolution of the Company exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose.)

Borrowing Powers

80. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms & conditions in all respects as the Board may think fit, and in particular by 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

The payment or repayment of moneys borrowed

upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debentures, debenture-stock and other securities may be made assignable free from and equities between the Company and the person to whom the same may be issued.

Terms of
issue of
debentures

81. 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 and attending (but not voting at) General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Register of
Mortgages,
etc. to
be kept

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

Register and
index of
Debenture-
holders

83. The Company shall, if at any time it issues debentures keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act.

SHARE WARRANTS

Power to
issue Share
Warrants

84. The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Act, and which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to identity of the persons signing the application and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Deposit of
share

85. (1) The Bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
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86. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.

Privileges and Disabilities of the holders of share warrants
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a Member of the Company.
87. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share, warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Issue of New Share Warrant or Coupon

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

88. The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest there in, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion has taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Shares may be converted into stock
89. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges, and advantage as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but not such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- *89A. The company shall have power to purchase any of its fully paid up shares or securities, in accordance with the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956, and such regulations or guidelines as may be framed by any regulatory authorities from time to time in that behalf. Such purchase of shares or securities shall not be deemed to be reduction of share capital contemplated by section 100 of the Companies Act, 1956.

Purchase of own Shares and Securities
- **89B. Subject to the provisions of sections 100 to 104, both inclusive, of the Act, the Board of Directors may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his/her/their shares.

Surrender of Shares

* As Inserted by passing Special Resolution at the EGM held on 3/3/2000.
** As Inserted by passing Special Resolution at the EGM held on 20/7/2004.

MEETINGS OF MEMBERS

Annual
General
Meeting
Annual
Summary

90. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting. Subject to the provisions of Section 210(3) of the Act the first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company, and the next Annual General Meeting shall be held within the six months after the expiry of the financial year in which the first Annual General Meeting was held; and thereafter an Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city in which the Registered Office is situated. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. 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. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited statement of Account) the Proxy Register with proxies and the Register of Directors' Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar of Companies, Maharashtra, in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary
General
Meeting

91. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition is made.

Requisition of
Members to
state object
of meeting

92. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office, provided that such requisition may consist of several documents of like form each signed by one or more requisitionists.

93. Upon the receipt of any such requisition, the Board shall forth with call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition as aforesaid.

On receipt of requisition Directors to call meeting and in default requisitionists may do so

94. A meeting called as aforesaid by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board but shall not be held after the expiration of three months from the date of the deposit if the requisition provided that nothing in this Article contained shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from being adjourned to some day after the expiry of that period. For the purposes of this Article the Board shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if it does not give such notice thereof as is required by Sub-section (2) of Section 189 of the Act and where two or more person hold any shares or interest in the Company jointly requisition, or a notice calling a meeting signed by one or only some of them shall for the purposes of the requisition as aforesaid shall have the same force and effect as if it had been signed by all of them.

95. In the case of the Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of the business relating to the consideration of the accounts, balance sheet and the reports of the Board of Directors and Auditors, the declaration of a dividend, the appointment of Directors in the place of those retiring and the appointment, and the fixing of the remuneration of the auditors, in the case of any other meeting all business shall be deemed special. Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature and extent of the interest if any therein of every Director and the Manager if any of the company. Where any item of business consists of the recording of approval of any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.

Business at the meeting

96. With the exceptions mentioned in the foregoing Articles as to the business which may be transacted at Annual General Meeting, all other business transacted thereat and all other business transacted at other General Meetings shall be deemed special and subject to the said exceptions no General Meeting shall be competent to enter upon, discuss, or transact any business which had not been specially mentioned in the notice or notices upon which such meeting was convened.

Notice by
whom to be
signed

97. Every such notice shall be signed by such Officer of the Company as the Board may in that behalf appoint, except in the case of an extra-ordinary general meeting convened in a matter aforesaid by the requisitionists under a requisition as aforesaid, in which case the notice shall be signed by the members convening the same or a majority of them in value.

98. Twenty-one days notice at the least of every General Meeting Annual or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and the fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such items of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager, if any, where any such item of business relates to, or affects any other company of every Director, the Managing Agent, Secretaries and Treasurers and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other company where any item of business consists of the recording of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

99. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.	Omission to give notice not to invalidate a resolution passed
100. A certificate in writing signed by the Managing Director, or Manager, for the time being of the company, or some officer appointed by the Board for the purpose, to the effect that according to the best of his belief a General Meeting has been duly called, shall be conclusive evidence thereof.	Certificate conclusive to the General Meeting
101. No General Meeting Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.	Business mentioned in the Notice only to be discussed
102. Five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it represented in accordance with Section 187 of the Act.	Quorum at General Meeting
103. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place within the city in which the Registered Office is situated as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of 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.	If quorum not present meeting to be dissolved or adjourned
104. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the members present shall elect another Director from amongst the Directors appointed to the Board under Article 133(3) hereof to be the Chairman, and if no such Director be present or if all such Directors present decline to take the Chair, then the Members present shall elect one of their members to be the Chairman.	Chairman of General Meeting

Business confined to election of Chairman whilst chair vacant	105. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.
Chairman with consent may adjourn meeting	106. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city in which the Registered Office is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
Questions of General Meeting how decided	107. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by atleast five Members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by Member or Members holding not less than one-tenth of the total voting power in respect of the resolution or by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman, that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
Chairman's casting vote	108. In the case of any equality of votes the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Poll to be taken if demanded	109. If a poll is demanded as aforesaid the same shall subject to Article 110 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city in which the Registered Office is situated, and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Scrutineers at poll	110. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

111. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.	In what cause poll taken without adjournment
112. 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 for which the poll has been demanded.	Demand for poll not to prevent transaction of other business

VOTING AND VOTING RIGHTS

113. Subject to the provisions of Section 89 and sub-section (2) of Section 92 of the Act, every member of the Company shall have a right to vote in respect of every resolution placed before the company and his voting right on a poll shall be in proportion to his share of the paid up capital of the Company.	Voting rights
*113(A) A Depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to such rights in respect of shares or securities held by him in the Depository. Any reference to the member or joint members shall include a reference to Beneficial Owner or joint Beneficial Owners in respect of the shares held in Depository.	Voting rights
114. The Company shall not issue any shares which carry voting right or rights in the company as to dividend, capital or otherwise which are disproportionate to the right attaching to the holders of other shares (not being preference shares).	Prohibition of issue of shares with disproportion at rights
115. The Company shall not issue any debentures carrying voting rights at any meeting of the Company, whether generally or in respect of any particular class of business.	Debenture with voting rights issued

VOTES OF MEMBERS

116. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.	Members in arrears not to vote
117. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company every member shall be entitled to be present, and to speak and vote.	Number of votes to which Member entitled
118. 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.	Casting of votes by a Member entitled to more than one vote

** As Inserted by passing Special Resolution at the AGM held on 22/9/2000.*

How Members
of unsound
mind and
minor may
vote

119. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the committee or other legal guardian; and any such Committee or guardian may, on a poll vote by proxy; if any Member be a minor, the votes in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.

Vote of joint
Member

120. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his 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, that one of the said person so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. 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.

Voting in
person or by
proxy

121. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by representative duly authorised in accordance with Section 187 of the Act and such representative 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.

122. Any person entitled under Article 65 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment
of proxy

123. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointor or his attorney, or if such appointor is a corporation under the common seal of such corporation, or be signed by an officer or an attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at meeting.

124. An instrument of proxy may appoint a proxy either for purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.	Proxy either for specified meeting or for a period
125. No Member present only by proxy shall be entitled to vote on a show of hands, unless such Member is a body corporate present by a proxy who is not himself a Member, in which case such proxy shall have a vote on the show of hands as if he were a Member.	No proxy except for a body corporate to vote on a show of hands
126. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.	Forms of Proxy
127. No person shall be allowed to vote or act as a proxy at any meeting unless the instrument appointing him as a proxy and the power of attorney (if any) under which it is signed shall have been deposited at the Registered Office of the company at least 48 hours before the time appointed for the holding of the meeting at which the person named in such instrument proposes to vote and in default thereof the instrument of proxy shall not be treated as valid and shall be rejected at the discretion of the Board. Any instrument appointing a proxy or a power of attorney permanently or for a certain period may be registered with the company once for all, and need not be again registered before each successive meeting and shall be in force until notice of revocation thereof shall have been received at any time before the hour fixed for the meeting.	The instrument of proxy and the power of Attorney (if any) under which it is signed to at be deposited at the Regd. Office
128. All instruments of proxy other than those mentioned in the foregoing Article shall remain in the custody of the company permanently, or for such time as the Board may determine. The other instruments of Proxy shall be duly registered and returned after the business of the meeting at which they are used is over, to the person by whom they were delivered.	General & special Proxy with whom a remain
129. On a poll, votes may be given either personally or by proxy. A body corporate (whether a company within the meaning of the Act or not) may if it is a member of the company within the meaning of the Act, by a resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company or if it is a creditor (including a holder of debentures) of the company within the meaning of the Act by resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the company held in pursuance of the Act or of any rules made	Representation of corporation at meetings of companies and creditors

thereunder or in pursuance of the provisions contained in any debenture or trust, as the case may be. A person authorised by any such resolution as aforesaid shall be entitled to exercise 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 a member, creditor or holder of debentures of the company.

Validity of
votes given
by proxy
notwithstanding
death of
Member

130. A vote given in accordance with the terms of the instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

Time for
objections
to votes

131. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

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

132. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of
General
meeting
and inspection

133. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 14 days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 14 days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (3) In no case shall the minutes of proceedings of a meeting be attached to any such books as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.
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- (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting (a) is, or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (7) Any such minutes shall be the evidence of the proceedings recorded therein.
- (8) The book containing the minutes of proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

DIRECTORS

134. (1) Until otherwise determined by the Company in a General Meeting and subject to the provisions of Section 252 of the Act and of Article 133(3), the number of Directors of the Company shall not be less than 3 nor more than 12, excluding any alternate Directors.

Permanent
Director
- (2) The first Directors of the Company shall be :-

(1) Dr SS Ugrankar, MB MRCP

(2) Mr SK Anand Rao

(3) Dr MG Camotim, MC

(4) Mr ED Poy Raiturcar

(5) Mr BK Naik, BA

(6) Mr VRN Rasaikar

(7) Mr GR Kare

(8) Mr RS Kamat

(9) Mr VG Gaitonde

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Ex-Officio
Directors.
- (3) Any person, firm or company holding at the same time not less than 51% of the issued share capital of the Company shall be entitled to appoint by a notice in writing addressed to the Company, such number of person or persons not exceeding one third of the total number of Directors, for the time being (or if the number is not a multiple of three the number nearest to but not greater than one third) to be Directors of the Company and by like notice to remove any Director so appointed and at any time and from time to time to appoint any other person to be a Director in place

of the Director so removed or vacating office and originally appointed by such person, firm or company. A Director appointed under the provision of this clause shall be liable to retire by rotation.

Permanent
Director

(3a) Subject to the provisions of the Act, and notwithstanding anything contained in any other Article in the Articles of Association, so long as Mr. Suresh Govind Kare and his relatives as defined in section 6 of the Act continue to hold not less than 10% of the subscribed equity capital of the Company Mr. Suresh Govind Kare shall, so long as he is willing, be a Director of the Company not liable to retire by rotation. Mr. Suresh Govind Kare, so long as he, along with his relatives, continues to hold not less than 10% of the subscribed capital of the Company and so long as he is willing, be the Chairman of the Board of Directors.

Debenture
Director

(4) If and when debentures of the Company shall be issued, the holders thereof shall have the right to appoint and from time to time remove and re-appoint a Director or Directors, in accordance with the Provisions of the Trust Deed securing the said Debentures. The Director appointed under this Article is herein referred to as the Debenture Director and the term Debenture Director means the Director for the time being in force under this article.

Mortgage
Director

(5) If and when mortgage of the properties and undertaking of the Company is created, the Mortgagee or Mortgagees may be given the right to appoint, and from time to time remove and re-appoint, a Director or Directors in accordance with the provisions of the Indenture of mortgage. The Director appointed under this article is herein referred to as the 'Mortgage Director' and the term 'Mortgage Director' means the Director for the time being in office under this Article.

Appointment
of Alternate
Director

135. The Board may appoint an Alternate Director who is recommended for such appointment by a Director (hereinafter called the "Original Director") to act for him during his absence for a period of not less than three months from the State of Maharashtra. An Alternate Director appointed under this Article shall not hold office as such for a longer period 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 the State of Maharashtra. If the term of office of the Original Director is determined before he so returns to the State of Maharashtra any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

136. Subject to the provisions of Sections 260, 261, 262 and 264 and 284(6) of the Act the Board shall have power, at any time, and from time to time to appoint any other qualified person to be a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum fixed as above	Directors may fill up vacancies and add to their number
137. Subject to provisions of the Act, 'a director need not hold any qualification shares'.	Qualification Shares
138. The Ordinary remuneration for the services of each Director other than the Managing Director or a Director appointed under the Provisions of Article 133(3) shall be Rs. 250/- for each meeting of the Board or Committee of the Board attended by him and the Board of Directors shall have power to increase the said amount by resolution from time to time subject to the provisions of the Companies Act 1956.	Remuneration of Directors
139. If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a Member of any Committee formed by the Directors) the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration above provided shall be subject to confirmation by the Company in General Meeting.	Special remuneration of Director performing extra service
140. A Director shall be entitled to be repaid any reasonable travelling, hotel and other expenses incurred in connection with the business of the Company.	Travelling expenses incurred by Director
141. The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 133 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting, but for no other purpose.	Disqualification Vacation and removal of Directors
142. The Office of a Director shall be vacated if :- (a) he fails to obtain within the time specified in section 270(1) of the Act or at any time thereafter ceases to hold, the share qualification that may be required of him by Articles of the Company for the time being in force ; (b) he is found to be of unsound mind by a court of competent jurisdiction.	Vacation of office by Directors

- (c) he applies to be adjudicated as an insolvent.
- (d) he is adjudged as an insolvent;
- (e) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment of not less than six months ;
- (f) he fails to pay any call in respect of any shares of the company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call ;
- (g) he absents himself from three consecutive meetings of the Board, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board ;
- (h) he becomes disqualified by an order of the court under section 203 of the act ;
- (i) he is removed in pursuance of section 284 of the Act ;
- (j) he, or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the company in contravention of section 295 of the Act, or
- (k) he acts in contravention of section 299 of the Act ;

Notwithstanding anything contained in sub-clauses (d), (e) and (h) above, the disqualification referred to in those clauses shall not take effect, for thirty days from the date of the adjudication, sentence or order where any appeal or petition is preferred within the thirty days aforesaid against the adjudication sentence or contravention resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of or where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Removal of
Company
Directors

143. Subject to the provisions of section 284 of the Act the company may by an Ordinary Resolution remove a Director (not being a Director appointed by the Central Government in pursuance of section 408 of the Act) before the expiry of his period of office.

DISQUALIFICATION, VACATION AND
REMOVAL OF DIRECTORS

144. A person shall not be capable of being appointed Director of the company if :-

Disqualification
of Directors

- (a) he has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force :
- (b) he is an undischarged insolvent :
- (c) he has applied to be adjudicated as an insolvent and his application is pending :
- (d) he has been convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, and a period of five years has not elapsed from the date of expiry of the sentence :
- (e) he has not paid any call in respect of 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 or
- (f) an Order disqualifying him for appointment as Director has been passed by a Court in pursuance of section 203 of the Act and is in force, unless the leave of the court has been obtained for his appointment in pursuance thereof.

145. A vacancy created by the removal of the Director under the foregoing Article may, if he has been appointed by the company in general Meeting be filled up by the appointment of another Director in his stead by the meeting at which he is removed. And a Director appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. If the vacancy is not filled up as aforesaid, it may be filled as a casual vacancy in accordance with the provisions so far as they may be applicable, of section 262 of the Act, and all the provisions of the section shall apply accordingly provided that the Director who was removed from office shall not be re-appointed as a Director by the Board. Nothing in this Article shall be taken as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination as Director; or derogating from any power to remove a Director which may exist apart therefrom.

Vacancy of
removal how
to be filled up

Director may
contract with
Company

146. (1) A Director or his relative, a firm in which such Director or his relative is a partner, or any other person in such firm or a private company of which the Director is a member or Director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

(2) No sanction however shall be necessary for :

- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private Company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.
- (c) provided that in circumstances of urgent necessity, the Company may without obtaining the consent of the Board enter into any such contract or contracts with the Director, relative, firm, partner or private company even if the value of such goods or materials or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the agreement if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

147. A Director of the Company who is in any way, whether directly or indirectly concerned, or interested in a contract or arrangement or proposed contract or 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 in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director

to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any Company where he alone holds or with one or more of the other Directors of the Company holds in the aggregate not more than 2% of the paid up Share Capital in any such other Company. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

148. No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void. Provided however that nothing herein contained shall apply to :-

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

- (a) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary for a public company in which the interest of the Director consists solely :-
 - (i) in his being;
 - (a) a Director of such company, and
 - (b) the holder of not more than share of such number of value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company, or
 - (ii) in his being a member holding not more than 2% of its paid up share capital

Register of
Contracts in
which
Directors
are interested

149. The Company shall keep a register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 146. The register shall be kept at the Registered Office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any member of the Company to the same extent in the same manner and on payment of the same fee as in the case of the Register of Members of the Company, and the provisions of Section 163 of the Act shall apply accordingly.

Directors may
be Directors
of Companies
promoted by
the Company

150. A Director may be or become a Director of any Company promoted by the Company, in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309(6) or Section 314 of the Act may be applicable.

ROTATION, ELECTION AND
APPOINTMENT OF DIRECTORS

Appointment of
Directors &
proportion of
those who are
to retire by
rotation

151. Not less than two thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act be appointed by the General Meeting. The remaining Directors shall subject to these presents be also appointed by the company in General Meeting.

Ascertainment
of Directors
retiring by
rotation and
filling of
vacancies

152. Subject to Section 284(5) of the Act, the Directors to retire by rotation under Article 150 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of or subject to any agreement among themselves be determined by lot.

Eligibility for
re-election

153. A retiring Director shall be eligible for re-election.

Company to
appoint
successors

154. Subject to Sections 258 and 261 of the Act the Company at the General Meeting at which a Director retires in manner aforesaid may by Ordinary Resolution fill up the vacated office by electing a person thereto.

155. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :-

Provision in
default of
appointment

- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 263 or sub-section (3) of Section 280 of the Act is applicable to the case

156. A motion shall not be made for the appointment of two or more persons as directors of the company by single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

157. Subject to Sections 259 of the Act the Company may, by Ordinary Resolution, from time to time increase or reduce the number of Directors, and may remove any Director other than a Director appointed in accordance with Article 133(3) hereof before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Company may
increase or
reduce the
number of
Directors

158. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director unless he or some Member intending to propose him has, not less than 14 days before the Meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office. A retiring Director shall sign and file with the Company his consent in writing to act as Director, if appointed.

(2) A person other than a Director re-appointed after retirement by rotation shall not act as a Director unless he has within 30 days of his appointment, signed and filed with the Registrar, his consent in writing to act as a Director.

Register of
Directors, etc.
and
certification
of change to
Register

159. (a) The Company shall keep at its Registered Office a Register containing the particulars of its Directors, Managing Agents, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

Register of
shares or
debentures
held by
Directors

(b) The Company shall in respect of each of its Directors also keep at its Registered Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Disclosure by
Director, of
appointment to
any other body
corporate

160. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the act), Managing Director, Manager, or Secretary of the Company within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

Disclosure by a
Director of
his holdings
of shares in
and debentures
of the
Company etc

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

161. Subject to the provisions of section 198 of the Act, a Director, who is in the whole time employment of the company, or a Managing Director, may be paid in lieu of or in addition to the fees as aforesaid a percentage of the net profit of the company not exceeding 5% for any one such Director or where there is more than one such Director 10% for all of them together as may be determined by the Board. In the

case of a Director who is neither in the whole time employment of the company nor a Managing Director and whose remuneration does not include any thing by way of a monthly payment, the company may, by special resolution, authorise the payment to such Director, or where there is more than one such Director to all of them together a commission not exceeding 1% of the net profits of the company if the company has a Managing or whole time Director, or a Manager, a commission not exceeding 3% of the net profits of the company in any other case. The net profits herein referred to shall be computed in accordance with the provisions of section 198 (1) of the Act, and the special resolution referred to in this article shall not be effective for a period of more than 5 years at a time provided that in the event of a renewal (which shall also be by a special resolution but not for the further periods of more than five years at a time) no such renewal shall be effected earlier than one year from the date on which it is to come into force.

162. The Managing Director or Managing Directors, shall not exercise the power to :

Restriction on Management

- (a) make calls on shareholders in respect of money unpaid on their shares in the Company, and
- (b) issue debentures.

except to the extent authorised in a resolution passed at a Board Meeting in accordance with the provisions of Section 292 of the Act, and shall also not exercise the powers to :

- (c) borrow money.
- (d) invest the funds of the Company, and
- (e) make loans.

163. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who

Certain persons not to be appointed Managing Directors

- (a) is an undischarged insolvent, or has at any time been adjudged as an insolvent;
- (b) suspends, or has at any time suspended payments to his creditors, or makes, or has at any time made, a composition with them; or
- (c) is, or has at any time been, convicted by a Court of an offence involving moral turpitude.

Special position of Managing Director

164. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation in accordance with Article 150. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meetings of Directors

*165. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three calendar months and not more than two months shall intervene between the last day of the calendar month in which such meeting is held and the date of the next meeting and the Directors may adjourn and otherwise regular their meetings as they think fit.

Quorum

166. Subject to Section 287 of the Act, the quorum for a meeting of a Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher. 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 Directors who are not interested, present at the meeting being not less than two, shall be quorum during such time.

Adjournment of meeting for want of quorum

167. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

When meeting to be convened

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

Chairman

169. The Directors may from time to time elect one of the members to be the Chairman of the Board of Directors and determine the period for which he is to hold office. If at any meeting of the Board the Chairman shall not be present, may choose one of their number to be the Chairman of the Meeting.

Questions at Board Meetings how decided

170. Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

Powers of Board Meetings

171. A Meeting of the Board 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 the Articles of the Company are for the time being vested in or exercisable by the Board generally.

** This clause was replaced for the following clause :*

*165. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three calendar months and provided that not more than four months shall intervene between any two Board meetings and the Directors may adjourn and otherwise regulate their meetings as they think fit.

Vide special resolution passed by the members at EGM held on 20-07-2004

172. Subject to the restrictions contained in Section 202 of the Act the Board may delegate any of their powers to committees of the Board consisting of such Member or Members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.

Directors may appoint Committee

173. The meetings and proceedings of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings 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.

Meeting of Committee how to be governed

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

Resolution by circular

175. 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 such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that, the appointment of any of them had been 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 and had not vacated his office or his appointment had not been terminated. Provided that 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 terminated.

Acts of Board or Committees valid notwithstanding defect in appointment

176. (1) The Company shall cause minutes of all proceedings of every meeting of the Board to be kept by making, within fourteen days of the conclusion of every such meeting, entries thereof in books kept for the purpose with their page consecutively numbered.

Minutes of proceedings of meeting of the Board

- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (3) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) The minutes shall also contain -
 - (a) the names of the Directors present at the meeting and
 - (b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from, or not concurring in the resolution.
- (7) Nothing contained in sub-clauses (1) to (6) of this Article shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting -
 - (a) is, or could reasonably be regarded as, defamatory of any person ;
 - (b) is irrelevant or immaterial to the proceedings or
 - (c) is detrimental to the interests of the Company. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (8) Minutes of meeting kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of
Directors

177. The Board 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 the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to provisions of the Act, or any other Act and to such

regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed 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 repayment 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 the specific purpose Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the Board be delegated to the extent therein stated ; 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 twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately proceeding, whichever is greater.

178. Without prejudice to the general powers conferred by the last proceeding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Article, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power :-

Certain powers
of the Board

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
 - (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
 - (3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights, or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
 - (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company; and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled or not so charged capital.
 - (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
 - (6) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof; on such terms and conditions as shall be agreed.
 - (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 trustee or trustees.
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- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound 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 differences to arbitration, and observe and perform any awards made thereon.
 - (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
 - (10) To make and give receipts, releases, and other discharges for moneys payable to the Company, and for the claims and demands of the Company.
 - (11) Subject to the provisions of Sections 292, 293 (1) (c), 295, 369, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
 - (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 mortgages of the Company's property (present and future) as they think fit; and any such mortgages may contain a power of sale, and such 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 the 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 part of the working expenses of the company.
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- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls, or by grants of money pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing towards places of instruction 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 293 (1) (c) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other 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 to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any specific 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 property of the Company and for such other purposes (including the purposes referred to in preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares 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 interests 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 a Reserve Fund or division of a Reserve Fund to another Reserve Fund 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 the purchase or repayment of debentures or debenture-stock,
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and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.

- (17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount 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 such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
 - (18) To comply with the requirements of any local law which in their opinion it shall in the interests 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 persons to be Members of such Local Board, and to fix their remuneration.
 - (20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegations may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul 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
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make calls and excluding also except in their limits authorised by the Board the power to make loan and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board 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 shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain power enabling any such delegates or Attorneys as aforesaid to subdelegate all or any of the powers, authorities and discretions for the time being vested in them.

- (22) Subject to Sections 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and on behalf of the Company as they may consider expedient.
- (23) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

APPOINTMENT OF MANAGING DIRECTORS,
MANAGER AND SECRETARY

179. Subject to the provision in that behalf contained in the Act the Company may from time and at any time in General Meeting approve the appointment of one or more Managing Directors. Such appointment and the terms of his service shall not however be effective until approved by the Central Government if required.

Appointment
of Manager

180. Subject to the provisions in that behalf contained in the Act the Board of Directors of the Company may from time to time appoint or employ a Manager who shall, however, not be a firm, body corporate or association, but may be a Director.

Appointment of
Secretaries

181. The Board may from time to time appoint a whole time Secretary who is qualified as required by the Act or the rules made hereunder for a fixed term or without any limitation of time for which he is to hold such office and may from time to time (subject to the provisions of any contract between him and the company) remove or dismiss him and appoint another in his place. Such secretary may be a Director.

182. The company shall not appoint or employ any person as its Managing Director for a term exceeding 5 years at a time.	Term of office of Managing Director
183. Except with the previous consent of the company accorded by a special resolution, no Director of the Company, no partner or relative of such a Director, no firm in which such a director or relative is a partner, no private company of which such a Director is a Director or member, and no Director, or Manager of such a private company shall hold any office or place of profit, except that of Managing Director, Manager, Legal or Technical Adviser, Banker or trustee for the holders of debentures of the company under the Company or under any subsidiary of the Company.	Director, etc. not to hold office or place of profit

MANAGERIAL REMUNERATION

184. Save as otherwise expressly provided in the Act, the total remuneration payable by the Company to its Directors, or Manager, if any, shall not exceed eleven percent of the net profit of the Company, computed in the manner laid down in section 349 to 351 of the Act except that the remuneration of the Directors shall not be deducted from the gross profits. The percentage aforesaid shall be exclusive of the fees paid to the Directors for meetings of the Board attended by them. The aforesaid provisions shall not be deemed to prohibit the payment of a monthly remuneration to the Directors in accordance with the provisions of Section 309 of the Act or to a Manager in accordance with the provisions of Section 387 of the Act, or to affect the operation of Sections 352 and 356 to 360 of the Act.	Overall maximum, managerial remuneration
185. Notwithstanding anything herein contained, if in any financial year the company has no profits or its profits are inadequate, the Director or Directors, including managing or whole-time Directors, or Manager, if any, or if there are two or more of them holding office in the Company to all of them together shall be paid such sum not exceeding however Rs. 50,000/- per annum by way of minimum remuneration.	Minimum remuneration
186. The company shall not pay to any of its officers or employees whether in his capacity as such or otherwise remuneration free of any tax, or otherwise calculated by reference to, or varying with, any tax payable by him or the rate as standard rate of any such tax, or the amount thereof.	Prohibition of tax free payments
187. Subject always for all purposes and in all respects to the provisions of the Act or any statutory modification thereof for the time being in force and applicable expressly or by necessary implication to the duties and obligations to be performed and observed, and the powers and authorities to be exercised, by a Managing Director and otherwise as to the rights and liabilities of a Managing Director and in particular to the restrictions mentioned in Schedule VII of the Act	Powers of Managing Director

and subject also to these presents and to the general control, supervision and directions of the Board. The Managing Director shall have the general conduct and management of the business and financial and other affairs of the Company and exercise such powers and authorities and discretions as are given to and vested in him as the Managing Director of the Company by these presents or by any agreement or as may from time to time be delegated to him by the Board and in particular but without prejudice to and without in any way affecting the foregoing qualification and the powers and authorities specifically reserved to be exercised by the company in General Meeting or by the Board. The Managing Director shall for and on behalf and on account of the company have and exercise the following powers and authorities, that is to say :

- (a) To negotiate and subject to the sanction of the Board to enter into contracts for the acquisition by purchase, lease or otherwise of any lands, hereditaments and premises, mill, factories, plants, machinery, engines and boilers and any rights, patents, privileges and concessions which may be requisite or desirable for the purpose of and incidental and in relation to the business of the company or for the extension of its business or operations and from time to time or for the sale or disposal thereof or any part thereof and to purchase, build, erect and maintain mills, warehouse, sheds, factories, chawls and other premises and property.
 - (b) To purchase, acquire and pay for either in cash or by making advances or otherwise raw materials, stock, stores, apparatus, accessories and other articles and things, required for the company or for carrying on its business and undertaking and from time to time to sell or dispose of the same or otherwise dispose of or deal therewith and other products and materials manufactured or traded or dealt in by and belonging to or at the disposal of the company such purchases and sales being either retail or wholesale or either on credit or for cash and either for present or future delivery and either in local Indian or foreign markets.
 - (c) Subject to the restrictions placed by the Directors generally or specifically to borrow from time to time such sums of money by bonds, deposits, receipts, promissory notes, current accounts with or without security or otherwise and in particular upon the security of or by obtaining advances against the goods stock or any other property of the company and upon such terms and conditions and with such owners and authorities as may be expedient, for or in relation to the business of the company and for that purpose to hypothecate, give a charge on or lien over or to mortgage or pledge the same.
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- (d) To execute, become parties to and where necessary to cause to be registered all deeds, leases, agreements, contracts, receipts and other documents for and on behalf of and on account of the company.
 - (e) To insure the property of the company against losses, damages, risks or liabilities of all kinds which may affect the company to such extent and in such manner as may seem proper.
 - (f) To give and sign effectual receipts and discharges for and on behalf and on account of and against the company for any moneys, funds, goods or property lent, payable or belonging to the company.
 - (g) To draw, accept, make, endorse, negotiate and sell bills of exchange, hundies, promissory notes, bills of lading, railway receipts and other documents of title with or without security and to open accounts with any bank, persons, firm, corporation or company and pay and draw cheques against the moneys therein and to otherwise operate thereon.
 - (h) To endorse and transfer Government promissory notes or other securities issued by the Government or any bonds or other securities of any public body or authority or any shares, stock or securities of any company belonging to or standing in the name of the company and to collect and give receipts and discharges for dividends or interests from time to time due or to become due or any such notes, securities, bonds, shares or stock.
 - (i) To institute, conduct, defend, refer to arbitration and abandon all legal, income tax and other proceedings and claims and disputes by or against the company or its officers or in which the company or its officers are concerned and to refer the same to arbitration and to observe and perform any awards made thereon and to act on behalf the company in all matters relating to bankrupts and insolvents and to sign and execute all and every warrants to summon or defend on behalf of the company and all and every legal proceedings and references or submissions to arbitration as may be requisite either in its own name or in the name of the company.
 - (j) Subject to the restrictions if any imposed by the Directors generally or specifically and subject to the restrictions by the Act in that behalf, to appoint and employ in or for the purposes of the transactions and management of the business
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and affairs of the company or otherwise for the purpose thereof, and from time to time to remove, suspend or discharge and re-employ or replace such counsel, solicitors, advocates, bankers, accountants, engineers, technicians, experts, managers, secretaries, officers, agents, commission agents, dealers, muccadums, brokers, clerks, workmen, and other servants and employees as the Agents shall think proper, with such powers, authorities and upon such terms and conditions as to duration of employment, remuneration or otherwise as the Managing Director shall think fit.

- (k) And generally to do all such acts, deeds, matters, and things, exercise all such powers and authorities, give all such consents and make all such arrangements for or in relation to all or any of the matters aforesaid or otherwise of the purpose or as are necessary, incidental or conducive to the attainment of all or any of the objects and powers of the company and to enter into all such negotiations and contracts and rescind and vary all such contracts and execute, perform and do and sanction and authorise all such acts, deeds, matters and things in the name and for and on behalf and on account of the company as may be expedient or necessary.

The Seal,
its custody
and use

- 188. (a) The Board shall provide a Common Seal for the purpose of the company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

Deeds how
executed

- **189. Every deed or other instrument, to which the seal of the Company is required to be affixed, shall be signed by any person or persons as may be authorised by the Board for the purpose.

DIVIDENDS

Division of
profits

- 190. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up on the shares held by them respectively.

*** This cluase was replaced for the following clause :*

189. Every deed or other instrument, to which the seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted Attorney, be signed by two Directors and Secretary or some other person appointed by the Board for the purpose.

Vide special resolution passed by the members at AGM held on 7-11-2006

191. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board.	The Company in General Meeting may declare dividends
192. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both. Provided that: (a) if the Company has not provided for depreciation for any previous financial year or years it shall before declaring or paying a dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years; (b) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section 2 of Section 205 of the Act or against both.	Dividends only to be paid out of profits
193. The Board may from time to time pay to the Members such interim dividend as in their judgement the position of the Company justifies.	Interim dividend
194. When capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits.	Capital paid up in advance at int. now to earn dividend
195. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 65 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Art. 65
196. Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other money payable in respect of such shares.	Dividend etc. to joint-holders

No Member to receive dividend whilst indebted to the company and company's right of reimbursement thereof	197. No Member shall be entitled to receive payment of any interest or dividend 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 howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.
Transfer of shares must be regd	198. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
Funds transmitted	*199. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a payslip or receipt having the seal of office, a cheque or warrant sent through the post to the registered address of the Member or person entitled to in case of joint-holders to the one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission or for any dividend lost by the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means. No unclaimed or unpaid dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205 (A) of the Companies Act, 1956 in respect of unclaimed or unpaid dividend.
Dividend and call together	200. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Members, be set off against the call.
Capitalisation	201. (a) The Company in General Meeting may resolve that any moneys, investments or others assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend (or presenting premiums received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the share-holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied

* As Amended by passing Special Resolution at the EGM held on 20/7/2004.

on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

- (b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the Members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding clauses of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or the fractions of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties and may rest any such cash or specific assets in trust upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

ACCOUNTS

202. The Company shall keep at the Office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to—

Directors to
keep true
accounts

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- (b) all sales and purchases of goods by the Company.
- (c) the assets and liabilities of the Company.

When the Board decides to keep all or any of the books of account at any place other than the office of the Company, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office, and proper summarised returns, made up to dates at intervals of not more than three months, are sent by the branch office to the Company at Registered Office or other place in India, at which the Company's Books of Account are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions and shall be open to inspection by any Director during business hours.

As to
inspection of
accounts
or books by
Members

203. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board.

Statement of
A/cs to be
furnished to
General
Meeting

204. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.

Copies shall be
sent to each
Member

205. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the Members, of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such debentures to all persons entitled to receive notices of General Meeting of the Company, unless the requirements of the Proviso b(iv) of Section 219(1) of the Act are complied with.

*206. Deleted.	Board's report
**206 A. The Company will furnish unaudited financial results on a quarterly basis within 48 hours of the conclusion of the Board or its Sub Committee Meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the company is situated. The Board or its sub-committee shall take on record the unaudited quarterly results, which shall be signed by the Managing Director/Director	Board's report
207. The Board shall also give the fullest information and explanations in its report aforesaid, or in cases falling under the provision to section 222 of the Act, in an Addendum to that report, on every reservation, qualification or adverse remark if any contained in the Auditors' Report.	
208. The Board's Report and any Addendum thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised, shall be signed as provided for in articles 231 hereof.	Chairman to sign the report
209. The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentage or otherwise to the Directors or any of them respectively as remuneration for their services by and the total of the amount written off for depreciation. If any Director of the company is by virtue of the nomination whether direct or indirect of the company, a Director of any other company, any remuneration or other emoluments received by him for his own use, whether as a Director or otherwise in connection with the management of that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.	Particulars of profit and loss account

AUDIT

210. Auditors shall be appointed and their rights an duties regulated in accordance with Sections 224 to 232 of the Act.	Accounts to be audited
211. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company; and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any Member of the Company and of the whose nominations notice has been given to the Members of the Company not less than 14 days before the date of the Meeting provided further that if the Board fails to exercise its powers under this Act, the Company in General Meeting may appoint the first Auditor or Auditors.	First Auditor or Auditors

* Deleted by passing Special Resolution at the EGM held on 3/3/2000.
** As Inserted by passing Special Resolution at the EGM held on 20/7/2004.

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

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

Re-appointment of Auditor

213. At any Annual General Meeting a Retiring Auditor, by whatsoever authority appointed, shall be re-appointed unless :-

- a) he is not qualified for re-appointment.
- b) he has given the company a notice in writing of his unwillingness to be re-appointed.
- c) a resolution has been passed at that meeting appointing some other person or persons instead of him or providing expressly that he shall not be re-appointed, or
- d) where notice has been given of an intended resolution to appoint some other person or persons in the place of a Retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

Casual vacancy

214. The Board may fill any casual vacancy in the office of an Auditor, but while any such vacancy continued the remaining auditor or auditors, if any, may act provided that where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in general meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.

Removal of Auditors

215. Subject to section 224 of the Act, the Auditor may be removed from office before the expiry of his term only by the company in general meeting, after obtaining the previous approval of the Central Government in that behalf.

Remuneration of Auditor

216. The remuneration of an Auditor or Auditors of the company, in the case of an Auditor appointed by the Board or the Central Government, may be fixed by the Board or the Central Government as the case may be, and subject thereto shall be fixed by the company in general meeting or in such manner as the company in General Meeting may determine.

217. Special notice shall be required for a resolution at an annual General Meeting appointing as Auditor a person other than a Retiring Auditor or providing expressly that a Retiring Auditor shall not be reappointed. On receipt of notice of such a resolution, the company shall forthwith send a copy thereof to the Retiring Auditor – where notice is given of such a resolution and the retiring auditor makes, with respect thereto, any representation in writing to the company and requests the notification thereof to the members of the company, the company shall, unless the representation is received by it too late for it to do so, in any notice of the company, state the fact of the representation having been made and send a copy of the representation to every member of the company to whom notice of the meeting is sent, whether before or after the representation by the company and if a copy of the representation is not sent as aforesaid because of the company's default, the Auditor may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting provided that copy of the representation shall not be sent out and the representation shall not be read out at the meeting if on the application either of the company or of any other person who claim to be aggrieved, the court is satisfied that the rights thus conferred are being abused to secure needless publicity for defamatory matter.

218. A person shall not be qualified for appointment as Auditor of the company unless he is a Chartered Accountant within the meaning of the Chartered Accountants Act of 1949 provided that a firm whereof all the partners practising in India qualified for appointment as aforesaid may be appointed by its firm name to be Auditors of the company in which case any partner so practising may act in the name of the firm.

Qualification
of Auditors

219. None of the following persons shall be qualified for appointment as auditor of the company, viz :—

Disqualification
of Auditors

- a) a body corporate;
- b) an officer or employee of the company;
- c) a person who is partner, or who is in the employment, or an officer of the company;
- d) a person who is indebted to the company for an amount exceeding Rs. 1,000/- or who has given any guarantee or provided any security in connection with the indebtedness of any third person to the company for an amount exceeding Rs. 1,000/-

220. A person shall also not be qualified for appointment as Auditor of the company if he is, by virtue of all or any of the above disqualifications disqualified for appointment as Auditor of any other body corporate which is the company's subsidiary or holding company or a subsidiary of the company's holding company, or would be so disqualified if the body corporate were a company.

Vacating of Office of Auditor 221. If an auditor becomes subject, after his appointment, to any of the disqualifications as aforesaid, he shall be deemed to have vacated his office as such.

Power of Auditor to have access to books, etc. and require explanations 222. The Auditor of the company shall have the right of access at all times to the books and vouchers of the company wherever they be, and shall be entitled to require from the Officers of the company such information and explanations as the Auditor may think necessary for the performance of his duties as auditor.

Right of Auditor to attend general meeting 223. The Auditor shall be entitled to attend, and to be heard at any General Meeting on any part of the business which concerns him as Auditor.

DOCUMENTS AND NOTICES

Service of documents or notices on Members by the Company 224. (1) A document or notice may be served or given by the Company on or to any Member either personally or by sending it by post to him to his registered address, or (if he has not registered address in India) to the address supplied by him to the Company for serving documents or notices on him; Provided that, if the address so supplied is outside India, the document or notice is to be sent by air mail. Simultaneously with the despatch of the notice a cable confirmation of the notice shall also be addressed to such of the shareholders as are outside India and at the address supplied by them as aforesaid.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to have been effected in the case of a notice of a Meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

*(3) Where notice is given by the Company to the shareholder by advertisement, the Company shall also advertise such notice in at least one leading daily newspaper in circulation where the shares of the company are listed.

225. A document or notice advertised in a newspaper circulating in the city in which the Registered Office of the Company is situated shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents or the sending of notice to him.

By advertisement

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

227. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) of India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency has not occurred.

On personal representatives etc

228. Documents or notices of every General Meeting shall be served or given in some manner hereinafter 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.

To whom documents or notices must be served or given

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

Members bound by Documents or notices served on or given to previous holders

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

Document or notice by Company and signature thereto

231. All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the Office.

** As Inserted by passing Special Resolution at the EGM held on 20/7/2004.*

WINDING UP

Liquidator may divide assets in specie

232. The Liquidator on any winding-up (whether voluntary under supervision, or compulsory) may, with the sanction of a Special Resolution, but subject to the right attached to any preference share capital, divide among the contributories in specie 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 as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

Officers' and others' right to indemnity

233. Every Officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against liability incurred by him 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 633 of the Act in which relief is granted to him by the Court.

SECRECY CLAUSES

Secercy clause

234. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servants, 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 matters relating 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 so to do 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.

Members not entitled to information

(b) No Member shall be entitled except to the extent expressly permitted by the Act or these Articles to enter upon the property of the Company 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 or secret process which may relate to the conduct of the business of the Company and which is in the opinion of the Board of Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

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

Names of Subscribers.	Addresses and Description of Subscribers.	Number of shares taken by each Subscriber.	Witness
SS Ugrankar	Anandashram Proctor Road, Bombay-7 (Consulting Physician)	One	BD Donde BA, LLB Advocate High Court Bombay
BK Naik	Margao, Goa (at Present Bombay) (Merchant)	One Hundred	
AS Kamat	Tara Temple Lane Lamington Road Bombay-4 (Rly. Service)	Five	
KS Nayak	Ramchandra Building B2/3, Girgaum, Bombay (Merchant)	One	
VG Gaitonde	Tara Temple Lane Lamington Road Bombay-4 (Merchant)	One	
NM Kamat	30 D, Kotachi Wadi Bombay-4 (Student)	One	
RS Kamat	Lamington Road Bombay-4 (Merchant)	One	
GR Kare	Gowalia Tank, Bombay (Merchant)	One	

Bombay, dated this 4th day of August, 1947.

SAGAR SAHITYA
Mumbai.

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