

MEMORANDUM OF ASSOCIATION

AND

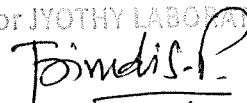
ARTICLES OF ASSOCIATION

OF

JYOTHY LABS LIMITED

CERTIFIED TRUE COPY

For JYOTHY LABORATORIES LIMITED



Shreyas Trivedi
Head-Legal & Company Secretary

Form: I R.



CERTIFICATE OF INCORPORATION

No 09-06352 of 19 92

I hereby certify that **JYOTHI LABORATORIES PRIVATE**
LIMITED

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

Given under my hand at **Cochin**,
this **the fifteenth** day of **January**,
One thousand nine hundred and **ninety two**

the 25th day of Pausa, 1913 (Saka).

V. A. Vijayan
(V. A. VIJAYAN)
Registrar of Companies
KERALA



FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies, Kerala.....

(Under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF*..... JYOTHI LABORATORIES PRIVATE LIMITED.....

I hereby certify that M/s..... JYOTHI LABORATORIES PRIVATE LIMITED.....

..... Limited, which was originally incorporated on the...15th day of...January, 1992...under the *Companies Act, 1956 and under the name...JYOTHI LABORATORIES PRIVATE LIMITED.....

..... Limited, having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956, the name of the said company is this day changed to...JYOTHI LABORATORIES LIMITED.....

..... Limited and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at Cochin, this day of...6th.....

.....October,.....1995.....(One thousand one hundred ninety...five.....)

.....(V. A. VIJAYA MENON).....

Registrar of Companies Kerala

*Here give the name of the Company as existing prior to the change.



FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

In the Office of the Registrar of Companies, Kerala.....
(Under the Companies Act, 1956 (1 of 1956))
IN THE MATTER OF*... JYOTHI LABORATORIES LIMITED.....

I hereby certify that M/s...JYOTHI LABORATORIES.....
.....
Limited, which was originally incorporated on the 15th day of JANUARY...
1992...under the Companies Act, 1956 and under the name.....
..... JYOTHI LABORATORIES PRIVATE LIMITED
..... Limited, having duly passed the
necessary resolution in terms of Section 21 of the Companies Act, 1956,
the name of the said company is this day changed to
..... JYOTHI LABORATORIES
Limited and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at Cochin this day of the 12th
..... August, 1996... (One thousand
nine hundred ninety... six,)

B.N. Harish
..... (B. N. HARISH)
Registrar of Companies
Kerala

*Here give the name of the Company as existing prior to the change.



(SECTION 18(3) OF COMPANIES ACT, 1956)

COMPANY NO. 09 - 06352

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

The JYOTHY LABORATORIES LIMITED having by Special Resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered office by changing it from the State of KERALA to the State of MAHARASHIRA and such alteration have been confirmed by an order of Company Law Board, Southern Region Bench, Chennai, on Company Petition No. 34/17/SRB/2000, bearing date the 12th day of April, 2000.

I hereby certify that a certified copy of the order of the Company Law Board, Southern Region Bench, Chennai has this day been registered.

Given under my hand at Cochin this the 07th Day of July, 2000.



(S.M. AMEERUL MILLATH)
REGISTRAR OF COMPANIES,
KERALA



[कम्पनी अधिनियम, 1956 की धारा 18 (3)]
[Section 18(3) of Companies Act, 1956]

एक राज्य से दूसरे राज्य में रजिस्ट्रीकृत कार्यालय के अन्तरण की पुष्टि करने वाले न्यायालय, के आदेश के रजिस्ट्रीकरण का प्रमाण-पत्र

CERTIFICATE OF REGISTRATION OF THE ORDER
OF COURT CONFIRMING TRANSFER OF THE
REGISTERED OFFICE FROM ONE STATE
TO ANOTHER

..... ने विशेष संकल्प द्वारा रजिस्ट्रीकृत कार्यालय का राज्य से राज्य में अन्तरण करके स्थान की वास्तु संगम-आपन के उपबंधों में परिवर्तन कर दिया है और ऐसे परिवर्तन को नारीय के आदेश द्वारा पुष्टि कर दी गई है।

The JYOTHY LABORATORIES LIMITEDhaving by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the state of KERALA to the state of MAHARASHTRA and such alteration having been confirmed by an order of CO.LAW BOARD/SOUTHERN REGION BENC CO.PETITION NO.34/17/SRB/2000 dated 12/04/2000



..... प्रमाणित करता है कि उक्त आदेश को प्रमाणित प्रति दिन रजिस्ट्रीकृत कर दी गई है।
I hereby certify that a certified copy of the said order has this day been registered.

मेरे हस्ताक्षर से यह नारीय को दिया गया।
Given under my hand at MUMBAI this ELEVENTH day of SEPTEMBER 2000. One thousand nine hundred and TWO THOUSAND

जे० एम० सी०-6
J.S.C.--5
(V. C. DAVEY)
कम्पनी का रजिस्ट्रार
BY Registrar of Companies

No. 11-128651

(Section 18(1) of the Companies Act, 1956)

CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS

M/s. JYOTHY LABORATORIES LIMITED

having by Special Resolution passed on 22nd October 2001

altered the provisions of its Memorandum of Association
with respect to its objects, and a copy of the said resolution
having been filed with this office on 15th November 2001

I hereby certify that the Special Resolution passed on 22/10/2001
together with the printed copy of the Memorandum or
Association, as altered, has this days been registered.

Given under my hand at MUMBAI
this 23rd day of November 2001

~~One thousand nine hundred ninety~~



B. Chandra

DY. (B. CHANDRA)

ASSTT/ADDL/REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Mumbai

Everest , 100, Marine Drive, null, Mumbai, Maharashtra, INDIA, 400002

Corporate Identity Number : L24240MH1992PLC128651.

SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The share holders of M/s JYOTHY LABORATORIES LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 14/09/2015 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Mumbai this Sixth day of October Two Thousand Fifteen.

Signature valid
Digitally signed by
Ministry of Corporate
Affairs of India
Date: 2015.10.06
17:46:11 GMT+05:30

RAJENDER SINGH MEENA
Deputy Registrar of Companies
Registrar of Companies
Mumbai

Mailing Address as per record available in Registrar of Companies office:

JYOTHY LABORATORIES LIMITED
UJALA HOUSE, RAM KRISHNA MANDIR ROAD,, KONDIVITA, ANDHERI (EAST),,
MUMBAI - 400059,
Maharashtra, INDIA





सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): L24240MH1992PLC128651

I hereby certify that the name of the company has been changed from JYOTHY LABORATORIES LIMITED to JYOTHY LABS LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name JYOTHI LABORATORIES PRIVATE LIMITED.

Given under my hand at Mumbai this Eleventh day of July two thousand nineteen.

DS Ministry
of Corporate
Affairs 23

Digitally signed by DS Ministry of Corporate Affairs 23
DN: cn=DS Ministry of Corporate Affairs 23, o=Ministry of
Corporate Affairs, c=India, email=ds@companyaffairs.gov.in,
ou=DS Ministry of Corporate Affairs 23, ou=Corporate Affairs
Date: 2019.07.11 16:57:19 +05'30'

V T SAJEEVAN

Registrar of Companies

RoC - Mumbai

Mailing Address as per record available in Registrar of Companies office:

JYOTHY LABS LIMITED

UJALA HOUSE, RAM KRISHNA MANDIR ROAD,, KONDIVITA, ANDHERI (EAST),, MUMBAI,
Maharashtra, India, 400059



CERTIFIED TRUE COPY

For JYOTHY LABORATORIES LIMITED

Shreyas Trivedi
Head-Legal & Company Secretary

MEMORANDUM OF ASSOCIATION

OF

JYOTHY LABS LIMITED

- I. The name of the Company is **JYOTHY LABS LIMITED***
- II. The registered office of the Company will be situated in the state of Maharashtra.
- III. A. **THE MAIN OBJECTS TO BE PERSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To set up and carry out Research and Development for the manufacture and development of soaps, soap powders, liquid whiteners, whitening agents, washing aids, hygiene products and allied items.
 - 1A. **To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care including soap, perfumes, toothpaste, tooth brush and other substances, cream, powders, shaving products like cream, gel, foam, brush, blades, blade cartridges, razors and the like; fabric care including detergents of all forms, soap, soap chips, soap powder, fabric whitener, fabric softeners, starches and cleaning and laundry machines; dishwashing products and scouring agents; dish washing machines; air care; hair care including shampoos, conditioners, hair oil, cream and gel, hair dyes; nail care; eye care; household cleansers including bath and toilet cleansers, glass cleansers, cleaning and rinsing agents, sanitation products and systems for measuring, control and dispensing; carpet care; furniture and kitchen care; shoe care; insecticides in all forms / substances including household insecticides, mosquito and insect repellants, rats and reptile repellants and dispensing products; plant care and plant protection; surface care including disinfectants, rinsing, cleaning, decreasing and disinfecting agents, decreasing and pickling agents, dispensing, cleaning and disinfecting equipment; metal surface treatment products; car care including cooling lubricants; water treatment and building maintenance; cosmetic and beauty products; ayurvedic / herbal products and mineral water, foods, beverages and dairy products. ****

**inserted pursuant to Order passed by Bombay High Court on April 12, 2013, approving Scheme of Amalgamation of Jyothy Consumer Products Limited with Jyothy Laboratories Limited and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956

B. THE OBJECT INCIDENTAL TO OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE SAID MAIN OBJECTS AND THE OTHER OBJECTS IN CLAUSE C ARE:

2. To purchase or take on lease or otherwise acquire any lands, buildings, mills, works, foundries, plants, machinery or equipments for the purpose of the above said business.
3. To set up manufacturing units for the manufacture of soaps, soap powder, whitening agents, liquid whiteners, washing aids, hygiene products and detergents, agarbattis that are tested / developed through own R & D set up or on know how acquired otherwise.
4. To set up research centers, laboratories and to distribute and sell the products of the Company.
5. To purchase, build, construct, demolish, furnish, improve, maintain and develop lands, building, appurtenances as may be conducive to business and the working of the Company.
- 5A. To purchase, procure, deal, import and obtain materials in any commodity market or commodity exchange, and engage in hedging, spot trading, forward commodity contracts, rate swaps, commodity futures/ swaps, commodity options and derivatives to manage risks on account of variation in prices of key raw materials or inputs required by the Company directly or indirectly, through hedging or otherwise.*
6. To open accounts with banks and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
7. To enter into any arrangements with any Government or authorities, municipal, local or otherwise, or any persons, whether Company or association, partnership or individual in India or abroad, that may seem conducive to the objects of the Company and to obtain from any such Government authority, persons of Company, any rights, privileges, charters, licenses or concessions.
8. To form, promote, subsidizing or organize and assist or aid in forming, promoting, subsidizing, organizing or guiding companies, syndicate or partnerships for the purpose of acquiring and undertaking any property, assets or liabilities or for the purpose of the Company as may think expedient and 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 for carrying on any business capable of conducted so as to benefit this Company directly or indirectly.

*Inserted vide Special Resolution passed thru Postal Ballot on September 14, 2015

9. To acquire and undertake the whole or any part of the business, properties, liabilities or any person, firm or Company carrying on the business which the Company is authorized to carry on possessed of property suitable for the purpose of this Company.
10. To amalgamate, enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint ventures or reciprocal concession, or for limited competition with any person or company carrying on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the company.
11. To apply for, purchase or otherwise acquire and renew in any part of the world, any patent rights, licenses, concessions and the like, conferring any exclusive or non exclusive or limited right to their use or any secret or other information to any invention which may seem capable of being used for the purpose of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise to run to, account the property rights or information so acquired and to expend money on experimenting upon, testing or improving any such patents, inventions or rights.
12. To pay for property or rights acquired by the Company either in cash or fully or partly paid up shares with or without preferred rights in respect of dividends or payments, capital or otherwise by any security which the Company has power to issue or partly in one and partly in another and generally on such terms as the Company may determine.
13. To pay out the Company's funds the cost and expenses incurred in connection with matters preliminary and incidental to the formation, promotion, establishment, registration and incorporation of the Company.
14. To invest and deal with the money of the Company not immediately required in such manner as may from time to time be determined subject to the provisions of the Companies Act, 1956.
15. To lend money to such persons or companies and on such terms as may seem expedient and in particular, to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons or companies, but the Company shall not do the business of banking as defined in the Banking Regulations Act, 1949.
16. To receive money or deposits or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debentures stock (Perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including the uncalled capital and also by mortgage, charge or

lien to secure and guarantee the performance by the company of any obligation undertaken by the Company provided that the Company shall not carry on business of the banking within the meaning of the Banking Regulations Act, 1949.

17. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
18. To receive grants, loans, advances or other moneys or deposits from State or Central Government, Banking or other Companies, Trustees or individual with or without interest thereto.
19. To employ and remunerate experts and other agents / stockists / distributors with a view to secure the objects of the Company.
20. To sell, lease, mortgage or otherwise dispose of the properties, assets of undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular of shares, stock, debentures or other securities of any other company having objects altogether or in part similar to those of the Company.
21. To improve, manage, develop, sell, lease, mortgage, dispose of or turn into account or otherwise deal with all or any of the properties and rights of the Company.
22. To undertake the training of the personnel of the Company technically or otherwise both in India or abroad.
23. To apply for and obtain licenses and or permits from the Government of India or Government of any State in the Union of India for the conduct of the business of the Company.
24. To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund, whether for depreciation or for repairing, improving or maintaining any of the property of the Company or for redemption of debenture or redeemable preference shares for any other purpose whatsoever conducive to the interest of the Company.
25. Subject to the provisions of the Companies Act, 1956, to place in reservoir or otherwise apply as the Company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the company any money received in respect of dividends accrued on forfeited shares and also any money arising from the sale of forfeited shares of the Company.

26. Subject to the provisions of the Companies Act, 1956 to distribute as dividend, bonus or otherwise among members in kind any property or assets of the Company and any shares, debentures or securities of the Company or of other companies belonging to this Company which this Company may be competent to distribute including capital profits.
27. To subscribe or contribute to any charitable, benevolent or useful objects of a public character, the support of which will, in the opinion of the Directors tend to increase the reputation or popularity of the Company among the employees or the public.
28. To provide for the welfare of Directors and Employees of the Company and to the families or the dependents or connections of such persons.
29. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefits of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any person who are or were at any time in the employment of the Company and the wives, widows, families and dependents or any such persons and also establish and subsidise and subscribe to any institution including in particular any cafeterias, canteens or clubs or funds calculated to be for the benefit of or to advance the interests and well being of the company or make, any payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid.
30. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on scientific and technical research and experiments and tests of all kinds, to promote studies and researches both scientific and technical investigation and inventions by providing subsidizing endowing or assisting conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of such kind that may be considered likely to assist the business which the company is authorized to carry on.
31. To establish, maintain and operate technical training institutions and hostels for technical staff of all categories of the Company and to make such other arrangements that may be expedient for the training of all categories of officers, workers, clerks, technical and other personnel likely, to be useful to or assist in any business which the Company is authorized to carry on.
32. Subject to the provisions of the Companies Act, 1956 or any other enactments in force, to indemnify and keep indemnified members, officers, directors, agents and servants of the company against proceedings, costs, damages, claims and demands in respect of anything done by them for and in the

interests of the Company and for any loss, damage or misfortune whatever that happened in execution of their office or in relation thereto.

33. To insure against losses, damages, risks and liabilities of any kind, which may affect the Company either wholly or partially.
34. To own and operate transport vehicles and vessels for transporting raw materials, finished products and other goods and things required, dealt in or manufactured by the Company.
35. To produce, convert, export, purchase, sell, deal and trade in all materials and things including raw materials, by-products, wastes, finished products and products at all intermediate stages, machinery equipments and chemicals connected directly or indirectly with the industry set forth above. To import machinery, equipments and raw materials and accessories required for the purpose of the business of the Company.

C. OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:

- (i) To manufacture and trade on soaps, soap powder, whitening agents, washing aids, hygiene products and detergents. To carry on the business of agents, sellers, buyers, consignors, exporters, importers, merchants, dealers of consumer goods and materials.
- (ii) To purchase, take on lease or otherwise acquire, forests, plantations and other lands of free-hold, lease-hold or other tenure cultivated, uncultivated or waste and to plant, cultivate, produce and deal in all its products.
- (iii) To carry on the business of transporting, contractors, clearing and forwarding agents.
- (iv) To carry on the business of properties of motor and other vehicles, garage proprietors and insurance agents.
- (v) To carry on the business of running motor taxies, omnibuses of all kinds and on such line as the Company may think fit and to transport passengers and goods generally by omnibus, motorcar and lorry and other public or private conveyance.
- (vi) To act as Press owners and printers.
- (vii) To carry on business of advertising through all media.
- (viii) To carry on the business of manufacturers, dealers, stockists, agents, distributors, agents, exporters and importers of all kinds and classes of plastic goods, including household and industrial products.

- (ix) To carry on business of screen printing.
 - (x) To act as manufacturers, dealers, stockists, agents, exporters and importers for all types of organic and inorganic chemicals and chemical intermediaries.
- IV. The liability of the members is limited
- V. The Authorised Share Capital of the Company is Rs. 272,30,00,000 (Rupees Two Hundred Seventy Two Crores and Thirty Lacs only) divided into 272,00,00,000 (Two Hundred Seventy Two Crores) equity shares of Rs. 1/- (Rupee One) each and 30,000 (Thirty Thousand) 11% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each.¹

¹ The Authorised Share Capital of the Company was increased from Rs.257,00,00,000 (Rupees Two Hundred Fifty Seven Crore) to 272,30,00,000 (Rupees Two Hundred Seventy Two Crores and Thirty Lacs only), pursuant to the Order passed by the National Company Law Tribunal, Mumbai Bench on March 1, 2017, sanctioning the Scheme of Amalgamation of Jyothy Consumer Products Marketing Limited with Jyothy Laboratories Limited under Section 391 to 394 of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013 w.e.f. April 1, 2016, being the appointed date.

| The present members of the Company are: | | | |
|---|--|--------------------------|---|
| Name, Address, description and occupation of each Subscriber | Number of Equity Shares taken by each Subscriber | Signature of Subscribers | Signature of witness and his name address, description and occupation |
| M. P. Ramachandran S/o. M. K. Panjan, Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 INDUSTRIALIST | 20 (Twenty) | S/d. | <p>Witness to the above signatures S/d. S. Sivaramakrishnan, S/o. Subramanian, Vasu & Sivaraman Chartered Accountants, Pazaya Nadakkavu, Trichur,</p> <p>CHARTERED ACCOUNTANTS</p> |
| M. G. Santhakumari W/o. M. P. Ramchandran Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 20 (Twenty) | S/d. | |
| M. P. Divakaran S/o. M. K. Panjan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 5 (Five) | S/d. | |
| M. K .Panjan S/o. Krishnan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 5 (Five) | S/d. | |
| M. P. Sidharthan S/o. M. K. Panjan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 5 (Five) | S/d. | |
| U. B. Beena W/o. M. P. Sidharthan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 5 (Five) | S/d. | |
| K. K. Sujatha W/o. M. P. Divakaran Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | 5 (Five) | S/d. | |
| Total | 65 (Sixty Five) | | |

Dated this the 26th day of February 1995

These Articles of Association are adopted at the 27th Annual General Meeting of the Company held on July 25, 2018.

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
JYOTHY LABS LIMITED

PRELIMINARY

- 1.1 The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall not apply to the Company, but the regulations for the management of the Company and for the observance by the Members thereof and their representative shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013.

Table F not to apply but Company to be governed by these Articles

INTERPRETATION

1.2 Interpretation Clause

- 1.2.1 In these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context and unless the context requires otherwise:

- (i) reference to the singular includes a reference to the plural and vice versa;
- (ii) reference to any gender includes a reference to all other genders;
- (iii) reference to an individual shall include his legal representative, successor, legal heir, executor and administrator; and
- (iv) reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of these Articles) for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions.

- 1.2.2 Headings in these Articles are inserted for convenience only and shall not be used in their interpretation.

- 1.2.3 Any word or phrase defined in the body of these Articles as opposed to being defined in Article 1.2.1 above shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly

stated or the contrary clearly appears from the context.

1.2.4 When any number of days are prescribed in the document, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day.

1.2.5 The use of the word "including" followed by a specific example/s in these Articles shall not be construed as limiting the meaning of the general wording preceding it.

1.2.6 Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning as in these Articles.

1.3 Definitions

| | |
|-------------------------------------|--|
| “Act” or “the Said Act” | “Act” or “the said Act” means the Companies Act, 2013 as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the legislature in relation to Companies and Rules notified there under. |
| “Affiliate” | “Affiliate” of any specified Person shall mean any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. |
| “Alter” or “Alteration” | “Alter” or “Alteration” shall include the making of additions, omissions, and substitutions. |
| “Annual General Meeting” | “Annual General Meeting” means a general meeting of members of the Company held in accordance with the provisions of Section 96 of the Act and any adjournment(s) thereof. |
| “Applicable law” | “Applicable Law” shall mean any statute, law, bye-law, enactment, regulation, ordinance, policy, treaty, rule, notification, direction, directive, guideline, requirement, license, rule of common law, order, decree, judgment, or any restriction or condition, or any similar form of decision of, or determination, application or execution by, or interpretation or pronouncement having the force of law of, any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the Execution Date or thereafter, in any applicable jurisdiction or political sub-division and includes any practice or custom under any Applicable Law. |
| “Auditors” | “Auditors” means and includes those persons appointed as such for the time being by the Company. |
| “Beneficial Owner” | “Beneficial Owner” means and include beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depository Act, 1996. |
| “Board” or “The Board of Directors” | “Board” or “the Board of Directors”, in relation to the Company, means the collective body of the directors of the Company. |

| | |
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| "Book and paper" or "Book or paper" shall have the meaning assigned to it in Section 2(12) of the Act. | "Book and paper" or "Book or paper" |
| "Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company. | "Capital" |
| "Chairman" means the Chairman of the Board of Directors. | "Chairman" |
| "Control" shall have the meaning assigned to it in Section 2(27) of the Act. | "Control" |
| "the Company" or "JLL" means JYOTHY LABS LIMITED* a Company incorporated under the Companies Act, 1956 and having its Registered Office in the State of Maharashtra. | "the Company" or "JLL" |
| "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act. | "Company Secretary" or "Secretary" |
| "Debenture" shall have the meaning assigned to it in Section 2(30) of the Act. | "Debenture" |
| "Depositories Act" means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force. | "Depositories Act" |
| "Depository" means a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 (22 of 1996) | "Depository" |
| "Director" means a director appointed to the Board of the Company; | "Director" |
| "Dividend" includes any interim dividend. | "Dividend" |
| "Encumbrance" shall mean any mortgage, charge (fixed or floating), hypothecation, pledge, lien, option, claim, infringement, power of sale in favour of a third party, right to acquire, right of pre-emption, assignment by way of security or trust arrangement for the purpose of providing security or assignment of any income or other economic interest, any security interest, or other third party right of any kind (including any retention arrangement), any right, restriction, interest or claim of a third party, or any agreement, arrangement or obligation to create any of the foregoing. | "Encumbrance" |
| "Equity Capital" means the total issued equity shares of the Company from time to time. | "Equity Capital" |
| "Equity Shares" means an equity share in the capital of the Company. | "Equity Shares" |
| "Extra Ordinary General Meeting" means an Extra Ordinary General Meeting of members of the Company duly called in accordance with the provisions of Section 100 of the Act and any adjournment(s) thereof. | "Extra Ordinary General Meeting" |
| "Financial Statements" shall have the same meaning as prescribed under Section 2(40) of the Act. | "Financial Statements" |

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| “Financial year” | “Financial year” shall have the meaning assigned thereto by Section 2(41) of the Act. |
| “Gender” | Words imparting the masculine gender also include the feminine gender defined earlier. |
| “Independent Director” | “Independent Director” shall have the meaning assigned thereto by Section 149(6) of the Act. |
| “Key Managerial Personnel” | “Key Managerial Personnel” shall have the meaning assigned to it in Section 2(51) of the Act. |
| “Marginal notes” | “The Marginal notes” here to shall not effect the construction hereof. |
| “Meeting” or “General Meeting” | “Meeting” or “General Meeting” means a meeting of members of the Company. |
| “Member” | <p>“Member”, in relation to the Company, means—</p> <ul style="list-style-type: none"> (i) the subscriber to the Memorandum and Articles of the Company who shall be deemed to have agreed to become member of the Company and whose name is entered as a member in the register of members of the Company; (ii) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (iii) every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository; |
| “Memorandum of Association” | “Memorandum of Association” means the Company’s memorandum of association, as amended from time to time. |
| “Month” | “Month” means Calendar Month. |
| “Office” | “Office” means the registered office of the Company for the time being in force. |
| “Ordinary Resolution” and “Special Resolution” | “Ordinary Resolution” and “Special Resolution” shall have the meaning assigned thereto by Section 114 of the Act. |
| “Paid up share capital” or “share capital paid up” | “Paid up share capital” or “share capital paid up” means such aggregate amount of money credited as paid up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called. |
| “Person” | “Person” shall mean any individual, sole proprietorship, unincorporated association, unincorporated organization, partnership, Company, body corporate, corporation, company, unlimited or limited liability company, joint venture, Governmental Authority or trust or any other or organization.” |

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| “Postal Ballot” means voting by post or through any electronic mode. | “Postal Ballot” |
| “Preference Shares” means a preference share in the capital of the Company. | “Preference Shares” |
| “Proxy or Proxies” shall have the same meaning as is referred to in Section 105 of the Act. | “Proxy or Proxies” |
| “Registrar” means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under the Act. | “Registrar” |
| “Register of Members” means the Register of Member to be kept pursuant to the provisions of the Act. | “Register of Members” |
| “Register and Index of beneficial owners” maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles. | “Register and Index of beneficial owners” |
| “Related Party” shall have the meaning assigned to it in Section 2(76) of the Act. | “Related Party” |
| “Relative” shall have the meaning assigned to it in Section 2(77) of the Act. | “Relative” |
| “Share” means share in the share capital of the Company and includes stock. | “Share” |
| “Seal” means the common seal for the time being of the Company. | “Seal” |
| “SEBI” means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992. | “SEBI” |
| “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956); | “Securities” |
| Words imparting the singular number include the plural number. | “Singular Number” |

SHARE CAPITAL

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| 2. | The Authorised Share Capital of the Company is Rs. 272,30,00,000 (Rupees Two Hundred Seventy Two Crores and Thirty Lacs only) divided into 2,72,00,00,000 (Two Hundred Seventy Two Crores) equity shares of Re. 1/- (Rupee One) each and 30,000 (Thirty Thousand) 11% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred). | Authorised Share Capital |
| 3. | Subject to the provisions of applicable law, the Board of Directors and/or the Company, as the case may be, has the power to increase or reduce the Capital of the Company, from time to time and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the | Increase or Reduction in Capital |

time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

Kind of Share
Capital

4. The Company may from time to time issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
- (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the applicable law
 - (b) Preference share capital; and
 - (c) Option to receive share certificate or hold shares with depository.

Power to issue
Warrants

5. Subject to the provisions of the Act and these Articles, the Board shall have power to issue warrants or other instruments which may entitle the holders thereof to subscribe to equity shares or Convertible Debentures at a price and on such terms and conditions as the Board may deem fit.

Rights of holders of
share warrants

6. (a) 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, of attending, voting and exercising the other privileges of a Member at any Meeting held after the expiry of days as may be determined by the Board, as if his name were inserted in the Register of Members as the holders of the Shares included in the deposited warrant.
- (b) Not more than one person shall be recognized as depositor of the share warrant.
- (c) The Company shall, on adequate written notice, return the deposited share warrant to the depositor.
- (d) 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 privilege of a Member at a Meeting of the Company, or be entitled to receive any notices from the Company.
- (e) The bearer of a share warrant shall be entitled in all other respects to the same privilege 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.
- (f) The Board may, from time to time, as it may deem fit, make rules as to the terms on which a new share warrant or coupon may be issued.

7. Subject to the provisions of the Act and these Articles of Association, the shares in the Capital of the Company for the time being (including any share forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and proper and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium, such option being exercisable at such time and for such consideration as the Directors think fit and may issue and allot shares in the Capital of the Company or other securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares. Provided that the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in Board meeting.
8. Subject to provisions of the Act, and without derogating from the power for that purpose conferred on the Directors under these Articles of Association, the Company in general meeting may, determine to issue further shares out of the authorised but unissued capital of the Company and may 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 holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par, as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the Company or not) option to be allotted shares of any class of the Company either at a premium or at par. Such option is exercisable at such general meeting of the Company and the Company may make any other provisions whatsoever for the issue, allotment or disposal of any shares, subject to any direction given by the general meeting as aforesaid and the provisions of Articles of Association hereof shall apply to any issue of new shares.
9. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company in lieu of payment or part payment or for any property or assets of any kind whatsoever (including the goodwill of any business) or goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 39 of the Act.
10. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered in the Register of Members shall for the purpose of these Articles be a member.

Shares under the control of Directors

Power of General Meeting to offer shares to such persons as the Company may resolve

Board may allot shares as fully paid up or partly paid up

Acceptance of Shares

- Shareholder
11. The Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any Shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof.
- Deposit and calls etc. to be a debt payable immediately
12. 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 deposits, call or otherwise in respect of any shares allotted by them shall, immediately on the insertion of the name of the allottee in the Register of members as the holders of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- Installments on shares to be duly paid
13. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
- Company not bound to recognize any interests in shares other than that of the registered holder.
14. Except when required by law and in particular by Section 89 of the Act or by Order of a Court of competent jurisdiction, the Company shall not be bound to recognize any person as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles or as ordered by a court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- Funds of Company shall not be applied in purchase of shares of the Company
15. None of the funds of the Company shall be applied in purchase of any shares of the Company and itself not give any financial assistance for or in connection with the purchase of subscription of any shares in the Company or its holding Company save as provided by Section 67 of the Act.
- Investments in securities of other companies
16. The Company shall have a power, subject to and in accordance with all applicable provisions of the Act to acquire/purchase and hold or resell any of its, fully or partly paid Shares on such terms and conditions and upto such limits as may be determined by the Board or prescribed by law from time to time and make a payment out of capital in respect of such acquisition/purchase.
- Issuance of Sweat Equity shares
17. The Company may issue Sweat Equity shares.
- Buy-back of shares
18. Notwithstanding anything contained in these Articles of Associations but subject to the provisions of sections 68 to 70 or any other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
- Liability of Members
19. 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 Company's regulations require or fix for the payment thereof.

CERTIFICATE

- 20 (a) Every person whose name is entered as a member in the Register of Members shall be entitled to receive it within fifteen days after the application for the registration of transfer or transmission or within such other period as may be prescribed, certificate(s) for all his shares without payment of any charges. Share Certificate
- (b) Every Certificate shall specify the shares to which it relates and the amount paid up thereon and shall be issued under the common seal of the Company with signatures of two directors or a director and the Company Secretary.
- (c) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- (d) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given.
- (e) Provided that the Directors shall comply with such Rules, Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.
- (f) The provisions of Articles (a) to (d) above shall mutatis mutandis apply to debentures of the Company
- (g) Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.

UNDERWRITING AND BROKERAGE

21. The Company may, subject to the provisions of Section 40(6) and other applicable provisions (if any) of the Act and rules made thereunder, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company so that the amount or rate of commission does not exceed in the case of shares, 5% of the price at which the shares are issued and in the case of debentures 2 1/2% of the price at which the debentures are issued. The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful. Commission for placing shares, debentures, etc.

DEMATERIALIZATION OF SECURITIES

- Dematerialization of Securities
22. (a) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which even the rights and obligations of the parties concern and matters connected therewith or incidental thereof, shall be govern by the provisions of the Depositories Act, 1996, as amended from time to time or any statutory modifications or re-enactments thereof.
- (b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialize it's securities held in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.
- Option for Dematerialisation
23. Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or to hold the security with a Depository. The Company shall intimate such Depository about the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee and the Beneficial Owner of the security.
- Securities in depository to be in fungible form, rights of depositories and Beneficial Owner
24. (a) All securities held by a Depository shall be dematerialized and be in fungible form, nothing contained in the Act shall apply to a depository in respect of the securities held by it in behalf of the Beneficial owners.
- (b) Notwithstanding anything to the Contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of the effecting transfer of the ownership of security on the behalf of the beneficial owner.
- (c) Save as otherwise provided in above, the depository as a registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (d) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be the 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 the Depository.
- Company not bound to recognize any interest in shares other than that of a registered holder
25. Except as Ordered by the Court of competent jurisdiction or as required by a law, the Company shall be entitled to treat the person whose name appears on the register of members as holder of any shares or where the name appears as beneficial owner of the shares in records of a depository as an 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 otherwise expressly provided by this Article) any right in respect of share other than absolute right thereto in accordance with this article, on the part of any other person whether or not it has expressed or

implied notice thereof, but the board shall be at its sole discretion to register any share, securities in the joint name of any two or more person or the survivor or survivors of them.

26. (a) Nothing contained in the Act or these Articles shall apply to the transfer of securities effected by transferor and transferee both of whom are entered as a beneficial owners in the record of the depository. Transfer of Securities
- (b) Upon the receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the depository accordingly.
27. (a) Notwithstanding anything contained in the Act or these Articles to the contrary, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by the delivery of floppies or disc. Service of Document
- (b) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien of securities, forfeiture of securities and transfer and transmission of securities shall be applicable to shares held in depository so far as they apply to securities held in physical form, subject to provisions of the Depositories Act, 1996.
- (c) Notwithstanding anything contained 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.
28. The Shares in the capital of the Company 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 dematerialized in future or issued in future in dematerialised form and except in the manner mentioned in these Articles, no shares shall be sub-divided. Every forfeited shares or surrendered shares shall continue to bear the number by which the same was originally distinguished. Shares to be numbered progressively and no shares to be Sub-divided
29. The Company shall cause to be kept a register and index of members and a register and index of Debenture holders in accordance with the Act respectively, and the Depositories Act, 1996, with details of shares and debentures held in material and dematerialised forms or in any media as may be permitted by law including in any form of electronics 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 the Register and index of Members and Register and index of Debenture holders, as the case may be, for the purpose of these Articles. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that State or Country. Company shall maintain Register and Index of Security Holders

LIEN

Company to have
lien on shares,
enforcing lien by
sale and
application of
proceeds of sale

30. (a) The Company shall have a first and paramount lien—
- (i) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (b) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

31. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made -

- (i) unless a sum in respect of which the lien exists is presently payable;
or
- (ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

32. (a) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

- (b) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- (c) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

33. (a) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

- (b) 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.

- (c) Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Board may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

CALLS ON SHARES

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| 34. | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: | Directors may make calls |
| | Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. | |
| 35. | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of calls |
| 36. | A call may be revoked or postponed at the discretion of the Board. | Calls may be revoked or postponed |
| 37. | A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. | Calls to date from resolution |
| 38. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders |
| 39. | The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the Members whom owing to their residence at a distance or other cause, 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. | Directors may extend time |
| 40. | (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent, per annum or at such lower rate, if any, as the Board may determine. | Calls to carry interest |
| | (b) The Board shall be at liberty to waive payment of any such interest wholly or in part. | |
| 41. | (a) 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 such sum becomes payable. | Sums deemed to be calls |

- (b) In case of non-payment of such sum, all the relevant provisions of these 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.

Payment in anticipation of calls may carry interest

42. The Board -

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent, per annum, as may be agreed upon between the Board and the member paying the sum in advance.

FORFEITURE OF SHARES

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

43. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

Form of Notice

44. The notice aforesaid shall -

- (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Failure to comply with Notice

45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Notice of Forfeiture to be issued

46. 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 be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

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

47. (a) Any Share so forfeited shall be deemed to be property of the Company and a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board thinks fit.

- (b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- (c) Neither a judgment in favour of the Company for call or other moneys due in respect of any Shares nor any past payment or satisfaction thereunder nor 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 its Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from proceeding to enforce a forfeiture of such Shares as provided in these Articles.
48. (a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. Liability on Forfeiture
- (b) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
49. 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. Effect of Forfeiture
50. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; Evidence of Forfeiture
51. (a) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed-off; Sale or disposal of shares
- (b) The transferee shall thereupon be registered as the holder of the share; and
- (c) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
52. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Applicability of forfeiture regulations

Validity of sale 53. Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the powers 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 nor 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.

Cancellation of Share certificate in respect of forfeited Shares 54. 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 duplicate certificate in respect of the said Shares to the person or persons entitled thereto.

TRANSFER AND TRANSMISSIONS OF SHARES

Form of Transfer 55. The instrument of transfer of any shares shall be in writing and all the provisions of Section 56 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.

56. Nothing contained in Section 56 of the Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the record of the Company.

57. For physical Shares, the instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Registrar of Members in respect thereof. Before the registration of transfer the certificate of the Shares must be delivered to the Company.

Instrument of transfer to be executed by the transferor and transferee 58. Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Transfer not to be registered except on production of instrument of transfer 59. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor and the transferee within the prescribed period along with the certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that, where

the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

60. 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 the Act. Notice of Application
When to be given
61. Subject to the provisions of Section 58 of the Act, the Board may at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal in particular the Company may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of the transfer shall be conclusive evidence of the approval by the Board of the transferee. Board may refuse to
register transfer
62. The Board may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground namely; Grounds of refusal
- (a) that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to the registration of such transfer has not been complied with;
 - (b) that the transfer of the security is in contravention of any law;
 - (c) that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest or in the interest of the Company or to the public interest;
 - (d) that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.
63. (a) The transfer of shares, in whatever lot, would not be refused, though there could be no objection to the Company refusing to split a share certificate into several scrips of small denominations or to consider a proposal for transfer of share comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be reasonable or with a genuine need. Transfer of shares not
to be refused
- (b) Except as above, the Board would not refuse transfer in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

- Notice of refusal to be given to transferor and transferee
64. If the Company refuses to register the Transfer of any share or transmission of any right therein the Company shall, within one month from the date of which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor, to the person giving intimation of transmission along with reasons for such refusal, as the case may be and thereupon the provisions of Section 58 of the Act, or any statutory modification thereof for the time being in force shall apply.
- Transfer by legal representative
65. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be valid as if he had been a member at the time of the execution of the instrument of transfer.
- Custody of Instrument of transfer
66. The instrument of transfer after registration shall be retained by the Company and shall remain in its custody. All instruments of transfer which the Board may decline to register shall, on demand, be returned to the persons depositing the same.
- Closure of transfer books
67. The Board shall have power, on giving not less than seven day's previous notice by advertisement as required by Section 91 of Act or such lesser time as may be prescribed by the Securities Exchange Board of India, to close the transfer books of the Company, the Register of Members or the Register of Debentures holder as the case may be at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year and not exceeding 30 days at a time, as to them may seem fit. The minimum time gap between two book closure and / or record dates would be atleast 30 days.
- Title of shares of deceased holder
68. The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member, not being one of two or more joint holders shall be the only persons recognized by the Company as having any title to the shares registered in the name of such deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and under the provisions of Articles of Association 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.
- Transmission Clause
69. Subject to the provisions contained in Articles of Association hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letter of Administrations or Succession Certificate or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the Shares as the Board think sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This

Article is herein referred to as the transmission Article.

70. (a) (i) Notwithstanding anything contained herein above, every shareholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company, shall vest in the event of his death. Nomination of Shares
- (ii) Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, of the holder or, as the case may be, of all the joint holders, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (b) (i) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority. Transmission of Shares by Nominee
- (ii) A nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-to be registered himself as holder of the share; or to make such transfer of the share as the deceased shareholder, could have made.
- (iii) If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
- (iv) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may

thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.

- Refusal to register in case of transmission
71. Subject to the provisions of the Act and these Articles, the Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration.
- Persons entitled may receive dividend without being registered as member
72. A person entitled to a share by transmission shall subject to the right of the Board 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 shares.
- Board may require evidence of transmission
73. Every transmission of a share shall be verified in such manner as the Board may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Board at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
- No fee on transfer or transmission
74. The Company shall not charge any fee for registration of transfer or transmission in respect of shares or debentures of the Company.
- Company not liable for disregard of a notice prohibiting registration of transfer
75. The Company shall incur no liability or responsibility whatsoever in consequences their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right title or interest (to do such shares notwithstanding that the Company may not have notice of such equitable right, title or interest) or may have received a notice prohibiting registration of such transfer and may have entered such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, 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 and referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors so think fit.
- Register of Transfers
76. The Company shall keep a book called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of any share in the Company.

CONVERSION OF SHARES INTO STOCK

- Conversion of shares into stock and reconversion
77. The Company by passing a resolution in General Meeting may:
- (a) Convert any fully paid-up shares into stock; and
 - (b) Re-convert any stock into fully paid-up shares of any denomination.

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| 78. | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that, the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose. | Transfer of Stock |
| 79. | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matter, as if they held the shares from which the stock arose but no such privilege or advantage (except as regards dividends, participation in the 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 share, have conferred that privilege or advantage. | Rights of Stock holders |
| 80. | Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Shareholders" in these regulations shall include stock and stockholder respectively. | Regulations to apply to stocks |

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

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| 81. | Subject to the provisions of applicable law, the Board and/or the Company, as the case may be, from time to time increase its share capital (including Authorised Share Capital) by the creation and issue of new shares either by fresh issue of Equity Shares or increase in terms of / by conversion or otherwise of any instruments including warrants, convertible Debentures issued or to be issued in such manner, and of such amount as it thinks expedient. Subject to the provision of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall direct and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as 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 47 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 64 of the Act. | Increase of Capital |
| 82. | (a) Where, at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, 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 up on these shares at that date and such offer shall be made in accordance with the provisions of Section 62 of the Act. | Right of Equity Share holders to further issue of Capital |

- (b) Such offer shall be made by a notice specifying the number of Equity Shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Equity Shares offered to him or any of them in favour of any other Person and the notice referred to in sub clause (b) shall contain a statement of this right.
- (d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the Equity Shares offered, the Board may dispose off them in such manner as they think most beneficial to the Company.

Provided that notwithstanding anything hereinbefore contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of offer, are holders of the equity shares of the Company in any manner whatsoever, if a special resolution to that effect is passed by the Company in General Meetings.

- (e) Subject to the provisions of Section 62 and pursuant to the approval of the shareholders granted by way of a special resolution, the Company may issue Warrants or other instruments which may entitle the holders thereof to subscribe Equity Shares and Convertible Debentures on such terms and conditions as the Board may think fit.
- (f) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued by the Company to convert such debentures or loan into shares in the Company or to subscribe for shares in the Company (whether such option is conferred by Articles of Association or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans as the case may be .

Further issue of Capital to be governed by same rules

83. (a) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.
- (b) The Company shall not issue any preference shares which are irredeemable.
 - (c) The Company may issue preference shares which are liable to be redeemed within a period not exceeding twenty years from the date of their issue subject to following conditions:

- (i) the issue of such shares has been authorized by passing a special resolution in the general meeting of the Company;
- (ii) the Company at the time of such issue of preference shares has no subsisting default in the redemption of preference shares or in payment of dividend due on any preference shares.

Provided that:

- (i) 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 redemption.
- (ii) No such shares shall be redeemed unless they are fully paid.
- (iii) 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.
- (iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account' a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were the paid up share capital of the Company.

84. The Company may, subject to the provisions of the Act, from time to time by special resolution reduce its share capital and any Capital Redemption Reserve Account or other Premium Account in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted. Reduction of Capital

85. The Company in General Meeting may subject to the provisions of the Act, may alter the conditions of its Memorandum as follows: Consolidation division, sub-division and cancellation

- (a) Consolidate and divide all or any of the share capital into shares of larger amount than its existing shares.
- (b) sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

- (c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share Capital by the amount of the shares so cancelled.

Issue of further paripassu shares not to affect the rights of shares already issued

- 86. The right conferred upon the holders of shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

MODIFICATION OF RIGHTS

Rights attached to any class of shares may be varied

- 87. If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holder of that class of shares and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.

JOINT HOLDERS

Joint Holders

- 88. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as Joint holders with benefits of survivorship subject to the following and other provisions in the Articles:
 - (a) The Company may be entitled to decline to register more than three persons as the joint holders of any shares.
 - (b) The joint Holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
 - (c) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holders from any liability in respect of the shares held by him jointly with any other person.
 - (d) Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other money payable in respect of such share.
 - (e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Articles of Association) from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.

- (f) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy then that one of such persons so present whose name stand first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holders present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this clause be deemed joint-holders.

DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE

89. (a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in Section 89 of the Act.
- (b) A person who holds or acquires a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of members of the Company and such other particulars as may be prescribed as provided in Section 89 of the Act;
- (c) Whenever there is a change in the beneficial interest in share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 89 of the Act;
- (d) Where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within 30 days from the date of receipt of the declaration by it, a return in the prescribed form with the Registrar with regard to such declaration along with such fees or additional fees as may be prescribed.

Declaration of
beneficial interest

BORROWING POWERS

- Power to borrow
90. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, by a resolution passed at meeting of the Board and not by Circular Resolution, to 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 moneys for the purposes of the Company. Provided that where the total amount borrowed at any time 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) exceeds the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, the consent of the Company by way of a special resolution shall be required. Such special resolution shall specify the total amount up to which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six months from the date of the loans such as short terms loans, cash credit arrangements, discounting of bill and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.
- Payment or repayment of money borrowed
91. Subject to the provisions of Article, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects, as the Company in General Meeting shall prescribe including the issue of bonds, Debentures, Debenture-stock of the Company charge upon all or any part of the property of the Company (both present and future), including its uncalled Capital for the time being and the bonds, Debentures, Debentures- stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- Bonds, Debentures etc. subject to control of Directors
92. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- Securities may be assignable free from equities
93. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- Condition on which bonds debentures etc. may be issued
94. Subject to the provisions of the Act and these Articles any bonds, debentures, debenture-stock or other securities may be issued at a premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at General Meeting, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or Conversion into shares, either wholly or partly shall not be issued except with the sanction of the Company in General Meeting by way of a special resolution.

95. If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed or any other person in trust for him to receive moneys on call from the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority as may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be. Mortgage of uncalled capital
96. The Board shall cause a proper register of mortgages and charges to be kept in accordance with the provisions of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company. Register of Mortgages etc. to be kept

DEBENTURES

97. The Company shall have power to issue debentures whether convertible or non-convertible, and whether linked to issue of equity shares or not, among members, but in exercising, this power, provisions of Sections 56, 71, 78, 88, 113 and 117 of the Act or any statutory modifications thereof shall be complied with. Power to issue debentures

REGISTRATION OF CHARGES

98. (a) The provisions of the Act relating to registration of charges which expression shall include mortgages shall be complied with. Registration of charges
- (b) In the case of a charge created within or out of India on the Company's property or assets or any of its undertaking, whether tangible or otherwise, and situated in or outside India, the provision of Section 77 of the Act shall be complied with.
- (c) Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein, shall be deemed to have notice of the charge as from the date of such registration.
- (d) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 79 of the Act shall be complied with.

GENERAL MEETINGS

99. Subject to the provisions of Section 96 of the Act the Company shall, in addition to any other meetings, hold a general meeting (hereinafter called as 'Annual General Meeting') at the intervals and in accordance with the provisions contained in Section 96 of the Act. Annual General Meetings

Extra-Ordinary
General Meetings

100. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings.

Directors may call
Extra-Ordinary
General Meeting

101. The Board of Directors may call an Extra-Ordinary General Meeting whenever they think fit.

Directors to call
Extra-Ordinary
General Meeting
on requisition

102. (a) The Board of Directors shall, on the requisition of such number of members of the Company who hold, in regard to any matter at the date of receipt of the requisitions, not less than one tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due shall have been paid as at that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100 of the Act and the provisions herein below contained shall be applicable to such meeting.

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

(c) The requisition may consist of several documents of the like from each signed by one or more requisitionists.

(d) Where two or more distinct matters are specified in the requisition, the provisions of clause (a) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause is fulfilled.

(e) If the Board of Directors do not, within twenty one days from the date of the receipt of valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter on a day not later than forty five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either 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 is referred to in clause (a) above whichever is less.

(f) A meeting called under clause (e) above by the requisitionists or any of them shall be called and held in the same manner, as nearly as possible, as that in which meetings are called and held by the Board., but shall not be held after the expiration of three months from the date of the deposit of the requisition.

(g) Any reasonable expenses incurred by the requisitionist in calling a meeting under clause (e) above shall be reimbursed to the requisitionists by the Company, and any sum so paid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

103. (a) A General Meeting of the Company may be called by giving not less than twenty one days clear notice either in writing or in electronic mode in such manner as may be prescribed. Notice of Meeting
- (b) However a General Meeting may be called after giving a shorter notice, if the consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.
104. (a) Every notice of a meeting of the Company shall specify the place, the date, the day and the hour of the meetings, and shall contain a statement of the business to be transacted thereat. Contents of Notice
- (b) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.
105. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat. As to omission to give notice
106. Upon a requisition of members complying with Section 111 of the said Act, the Directors shall duly comply with the obligation of the Company under the said Act relating to circulation of members resolutions and statements. Circulation of member's resolution
107. A certificate in writing, signed by the Secretary or by a Director or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notice convening the meeting have been duly given shall be conclusive evidence thereof. Certificate conclusive as to Meeting have been duly called
108. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business or statement of which has not been specified in the notice covering the meeting, except as provided in the said Act. Business which may not be transacted at the meeting

PROCEEDING AT GENERAL MEETINGS

109. The quorum for the General Meeting shall be as follows: Quorum at General Meeting
- a. Five members personally present if the number of members as on the date of meeting is not more than one thousand;
- b. Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- c. Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.
110. No business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the meeting.

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| Body corporate deemed to be personally present | 111. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act. |
| Proceedings when quorum not present | 112. If within half an hour after the time appointed for the holding of a General Meeting quorum be not present, the meeting, if convened on the requisition of shareholders shall be dissolved and in every other case, shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may determine. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting as referred hereinabove, the Company shall give notice to the members as per the provisions of Section 103 of the Act. If even at such adjourned meeting the requisite quorum is not present within half an hour from the time appointed for holding the meeting, those members present shall be the quorum and may transact the business for which the meeting was called. |
| Business of adjourned meetings | 113. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. |
| Chairman | 114. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting, he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a Chairman, and in default of their doing so the members present shall choose one of the Directors to be the Chairman and if no Director present be willing to take the chair, the members present shall choose one of the member to be the Chairman. |
| Business confined to election of Chairman while chair vacant | 115. No business shall be discussed at any General Meeting without the election of a Chairman while the chair is vacant. |
| Chairman with consent may adjourn meeting | 116. The Chairman with the consent of any meeting at which a quorum is present can adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated. |
| Notice to be given where a meeting is adjourned for thirty days or more | 117. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. |
| Evidence of the passing of a resolution where poll is not demanded | 118. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result on a show of hands) demanded be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour or against such resolution. |

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| 119. | In the case of an equality of votes, the Chairman shall have a casting vote. | Chairman to have casting vote |
| 120. | Before or on declaration of the result of the voting on a show of hands, the Chairman may on his own motion, order a poll to be taken. Poll shall also be ordered by Chairman if it is demanded by one or more members present at the meeting in person or by proxy and holding shares or being entitled to votes at least to the extent stipulated by Section 109 of the Act. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. | Demand for poll |
| 121. | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded. | Demand for poll not to prevent transaction of other business |

VOTE OF MEMBERS

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| 122. | a) Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of a body corporate also by a representative duly authorized under Section 113 of the Act. | Votes may be given by proxy or attorney |
| | b) A member may exercise his vote at a general meeting by electronic means in accordance with Section 108 of the Act and rules prescribed under the Act and shall vote only once. | Electronic Voting |
| 123. | Subject to the Provisions of the Act: | Voting on show of hands and right of performance shareholder to vote. |
| | (a) On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his share in the paid-up equity Capital of the Company. | |
| | (b) Every holder of a preference share in the capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Act. | |
| 124. | A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians, if more than one to be selected in case of dispute by the Chairman of the Meetings. | Voting by members of unsound mind and minors |
| 125. | Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member. | No member to vote unless calls are paid up |

- Member entitled to cast his vote differently 126. 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.
- Joint-holders voting 127. Where there are joint registered holder of any shares, any one of such persons may vote at any meeting in respect of shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting then one of the said person so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.
- Votes of a person entitled to a share on transmission 128. Any person entitled under the transmission Article to transfer any share shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless at least forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such shares (as to which the opinion of the Directors shall be final) or unless the Directors shall have previously admitted his right to vote in respect thereof.
- Appointment of proxy 129. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.
- Deposit of instrument of proxy 130. Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an Officer or an attorney duly authorized by it.
- Timing of deposit of proxy 131. (a) The instrument of proxy shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.
- (b) Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled, during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect, the proxies lodged at

any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

132. An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time. Form of proxy
133. If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or fix such time as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company. Custody of the instrument of proxy
134. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the principal or revocation of the proxy under such proxy was, signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity revocation or transfer shall have been received at the office of the Company before the meeting. Validity of votes given by proxy notwithstanding death of members etc
135. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote is tendered and every vote whether given personally or by proxy or by any means hereby authorized and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. Times for objection to votes
136. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered or given at such meeting and subject as aforesaid, the Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Chairman of any meeting to be the judge of validity of any vote

VOTING BY POSTAL BALLOT

137. Where permitted or required by the Applicable law, Board may instead of calling a meeting of any members/ Debenture holders, seek their assent by Postal Ballot, including remote e-voting. Such postal ballot should comply with the provisions of all the Applicable law. Voting by postal ballot

The Company shall transact such business, follow such procedure and ascertain the assent or dissent of members for a voting conducted by Postal Ballot, as may be prescribed by Section 110 of the Act or any other applicable law.

MINUTES OF MEETINGS

138. (a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. Minutes of General Meeting and inspection thereof by Members

- (b) Each page of every such book shall be initialled or signed and the last page of the record or proceedings of each Meeting in such book, shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty 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.
- (c) In no case shall the minutes of proceedings of a Meeting be attached by pasting or otherwise.
- (d) The minutes of each Meeting shall contain a fair and correct summary of the proceedings conducted at the Meeting.
- (e) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as defamatory of any person; (ii) is irrelevant or immaterial to the proceedings; or (iii) 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.
- (f) Any such minutes shall be of the proceedings recorded therein.
- (g) 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 period not being less in the aggregate than two hours in each day as the Directors determine, to inspection of any Member without charge.

BOARD OF DIRECTORS

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| Board of Directors | <p>139. Director of the Company shall not be bound to hold any qualification shares.</p> <p>140. Subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three directors and not more than fifteen directors. Provided that the company may appoint more than fifteen directors after passing a special resolution in General Meeting.</p> |
| First Directors | <p>141. The following persons shall be the first Directors of Company:</p> <ul style="list-style-type: none"> (1) Mr. Moothedath Panjan Ramchandran (2) Ms. M. G. Shanthakumari |
| Reimbursement of expenses to Directors | <p>142. (a) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(b) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> |

- (i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
 - (ii) in connection with the business of the Company.
143. The Board may pay all expenses incurred in getting up and registering the company.
144. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register and the Board may make and vary such regulations as it may think fit in respect of keeping of any such register.
145. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
146. Every Director present at any meeting of the Board or of a committee thereof shall sign against his name in a book to be kept for that purpose. Signing of attendance register
147. (a) Subject to the provisions of sections 149 and/or 161 of the Act, the Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Appointment of Additional Directors
- (b) Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
148. (a) Subject to the provisions of the Act and the rules made thereunder and notwithstanding anything to the contrary contained in these Articles, any financing Company or Body Corporate or bank or Insurance Corporation (hereinafter referred to as "the Lenders") shall have a right to appoint, remove, re-appoint, substitute from time to time, its nominee as a Director (hereinafter referred to as "the Nominee Director") on the Board of the Company, so long as any moneys remain owing to them or any of them by the Company, out of any financial Assistance by subscribing to any instrument granted by them or any of them to the Company by way of and/or as a result of undertaking or funding arrangement and/or any liability of the Company arising out of the guarantee furnished by the Lenders on behalf of the Company remaining outstanding. Appointment of Nominee Director
- (b) The Nominee Director(s) so appointed shall not be required to hold any qualification shares in the Company nor shall he/they be liable to retire by rotation. The Board of the Company shall have no power to

remove him/them from office of the Nominee Director so appointed, Subject to the aforesaid, the said Nominee Director(s) shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as other Director of the Company is entitled.

Appointment of Alternate Directors

149. The Board of the Company may appoint an Alternate Director (not being a person holding any alternate directorship for any other Director in the Company) to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an Alternate Director for an Independent Director. Such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Board and to attend and vote thereat accordingly. An Alternate Director appointed under this Article should not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office, if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of a retiring director in default of any other appointment shall apply to the Original Director and not to the Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.

Board's power to appoint Advisors

150. Subject to the provisions of the Act and these Articles the Board may from time to time appoint one or more persons to the office of technical advisors for such term and at such remuneration as may be fixed by the Board from time to time.

Casual Vacancy

151. Subject to the provisions of sections 161(4), 169(7) and other applicable provisions, if any, of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date upto which the Director in whose place he is so appointed would have held the office if it had not been vacated. Provided that, where a vacancy is created by removal of a director, the director who was removed from office shall not be re-appointed as the director by the Board.

Sitting Fees

152. Until otherwise determined by the Company in General Meeting and subject to applicable law, each Director other than the Managing Director and whole-time Director shall be entitled to receive out of the funds of the Company for his services in attending Meetings of the Board or committees thereof, a sitting fees as determined by the Board from time to time.

Remuneration of Managing Director or Director in Whole-time employment.

153. Subject to the provisions of the Act, a Managing Director or Director in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment and/or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

154. Subject to the provisions of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either;
- Remuneration to Director(s) not in Whole-time employment or nor a Managing Director.
- (i) by way of monthly, quarterly or annual payment;
 - or
 - (ii) by way of commission if the Company, in General Meeting authorises such payment.

RETIREMENT AND ROTATION OF DIRECTORS

155. Subject to Section 152 of the Act all the Directors of the Company, other than Independent Directors and non-retiring Directors shall be liable to retire by rotation.
- Directors liable to retire by rotation

Not less than two-thirds of total number of Directors of the Company shall:

- (i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
 - (ii) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
156. At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three the number nearest to one third shall retire from office.
157. Save and except as provided under the Act, the expression "Retiring Director" means a director retiring by rotation.

158. Subject to the provisions of the Act and these Articles, the Directors to retire under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between person who become Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.
- Ascertainment of Directors retiring by rotation

159. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.
- Eligibility of re-appointment

160. The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.
- Company to fill up vacancy

161. (a) If the place of the retiring Director or Directors is not so filled up and the meeting has not expressly resolved to not fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at
- Provision in default of appointment

the same time and place, or if that day is a national holiday till the next succeeding day which is not a national holiday, at the same time and place.

- (b) If at the adjourned meeting also the place of the retiring Director or Directors is not filled up and the meeting also has not expressly resolved not to fill the vacancy the retiring Director or Directors shall be deemed to have been re-appointed at the adjourned meeting unless:
- (i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost;
 - (ii) the retiring Director or Directors has or have by a notice in writing addressed to the Company or its Board expressed his or their unwillingness to be so re-appointed;
 - (iii) he is or they are not qualified or is disqualified for appointment or re-appointment;
 - (iv) a resolution whether special or ordinary, is required for their appointment or re- appointment by virtue of any provisions of the Act;
 - (v) under these Articles or any provisions of the Act as is applicable to the case.

Notice of
candidature for
office of Directors

162. (a) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of the Director at any General Meeting if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the Registered 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.

Consent to act as
Director

- (b) On receipt of the notice referred to in these Articles the Company shall at least seven days before the general meeting inform its members of the candidature of that person for the office of a Director or of the intention of member to propose such person as a candidate for that office (i) by serving individual notices on members through electronic mode to such members who have provided their email addresses to the Company for communication purposes, and in writing to all other members; and (ii) by placing notice of such candidature or intention on the website of the Company. Provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting at-least once in a vernacular newspaper in the principal vernacular language of the district in which the Registered Office of the Company is situated, and circulating in that district, and atleast once in English Language in an English newspaper circulating in that district.

163. A person appointed as a Director shall not act as a director unless he gives his consent to the Company to hold the office as Director and files the same with the Registrar within the prescribed time. Consent to act as Director
164. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by single resolution that it shall be so made has first been agreed to by the meeting without any vote given against it. A resolution moved in contravention of this Article shall be void whether or not objection so moved is passed. No provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply. Individual Resolution for Directors Appointment
165. (a) The Company may, subject to the provisions of Section 169 and other applicable provisions Act and these Articles remove any Director before the expiry of his period of office. Removal of Directors
- (b) Special notice as provided by Section 115 of the Act shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (d) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to members of the Company, the Company shall unless the representation is received by it too late for it to do (i) in the notice of the resolution given to the members of the Company state the fact of the representation having been made and (ii) send a copy of the representation to every member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the

intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

- (f) If the vacancy is not filled under clause (e) it may be filled as Casual Vacancy in accordance with the provisions (in so far they are applicable) of the Act and these Articles.
- (g) A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.
- (h) Nothing contained in this Article shall be taken:
 - (i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment terminating with that as Director, or
 - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

MEETINGS OF DIRECTORS

Meeting of Directors

166. The Directors may meet together as a Board from time to time and at least four Board meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. Provided that not more than 120 days shall intervene between two consecutive Board meetings. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

When meetings to be convened and notice thereof

167. A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Not less than 7 days' notice along with agenda of every Board Meeting shall be given to all the Directors and their Alternate, if any, at their address or email address registered with the Company in accordance with Section 173 of the Act.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.

Quorum

168. Subject to the provisions of Section 174 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (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, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum, provided that where at any time, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors that is to say the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such meeting.

169. If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place or at such time and place as the Chairman or the Directors may decide. Adjournment of meeting for want of quorum
170. The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. In the absence of Chairman the Board may elect one of their members to be the Chairman of the Meeting. Chairman of each Meeting
171. (a) Subject to the provisions of sections 179, 180 and 182 and all other applicable provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting. General Powers of Directors
- (b) Subject to the provisions of the Act the Board may delegate any of their powers to committee(s) of the Board consisting of such Members or of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and 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 fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board.
- (c) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
172. Subject to provisions of the Act, no resolution shall be deemed to have been duly passed by the Board or a committee thereof by circulation, unless the Resolution by circulation

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 its 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.

Acts of Board or committee valid notwithstanding informal appointment

173. 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 is 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.

APPOINTMENT OR REMOVAL OF KEY MANAGEMENT PERSONNEL

Appointment or Removal of Key Managerial Personnel

174. Subject to the provisions of the Act or any other applicable law for the time being in force, the Board may from time to time appoint or remove, at their discretion, Key Managerial Personnel.

DIVIDEND AND RESERVES

Declaration of Dividend

175. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Payment of interim Dividend

176. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Transfer to Reserves

177. (a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
178. (a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof

the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
 - (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
179. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
180. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or any other mode of payment sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
181. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
182. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
183. No dividend shall bear interest against the Company.

CAPITALISATION

184. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend (or representing premium received on the issue of Shares and standing to the credit of the Share premium account) be capitalised and distributed amongst such of the shareholders 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 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 purpose of this Article, only be applied in the paying of any unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

- (b) A General Meeting may resolve that any surplus money arising from the realisation of any capital assets of the Company or any investment 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 paragraphs of this Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient.

ACCOUNTS

Books of Account to be kept

185. (a) As required by Section 128 of the Act, the Company shall keep at its Registered Office proper Books of Account and other relevant books and papers and Financial Statement for every financial year.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides 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.

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in accordance with the Act.

- (b) All the aforesaid books shall give a true and fair view of the state of affairs of the Company or its branch office, if any, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

Inspection by members of accounts and books of the Company

186. The Directors shall from time to time determine whether and what extent and what time and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors and no member (not being Director) shall have any right of inspection any account or books or documents of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

Rights of members to copies of Balance Sheet and Auditors Report

187. The Company shall comply with the requirements of Section 136 of the Act.

AUDIT

Financial statements to be audited

188. (a) At least once in every year, the financial statements of the Company shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors to be appointed as required by the Act.

- (b) The remuneration of the Auditors of the Company shall be fixed and determined in accordance with the provisions of Section 142 of the Act. The powers and duties of the Auditors shall be the same as those provided in the Act.

DOCUMENTS AND SERVICE OF DOCUMENTS

189. (a) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice requisition, order, declaration, form, and register maintained on paper or in electronic form) may be served or sent by the Company on or to any member either personally or sending it by post or speed post or registered post or courier service to him at his registered address or by electronic mode or (if he has no registered address in India) at the address, if any supplied by him to the Company. Manner of Service
- (b) Where a document is sent by Post:
- (i) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that a member may request to the Company in advance that documents should be sent to him in a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting; and
- (ii) such service shall be deemed to have been affected;
- a. in the case of a notice of meeting, at the expiration of forty eight hours after the letter containing the notice is posted; and
- b. in any other case, at the time at which the letter would be delivered in the ordinary course of post.
190. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears. Service on member having no registered address
191. A document may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a Member sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased or Assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such as address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency has not occurred. Service on person acquiring shares on death or insolvency of member
192. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given: Persons entitled to notice of General Meetings

- (a) to members of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) to the Auditor or Auditors of the Company; and
- (c) every director of the Company.

Advertisement 193. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered Office of the Company is situated.

Notice by Company and Signature thereto 194. Any notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed or may be in electronic form.

Service of notices by members 195. All notices to be given by the members to the Company shall be sent by post or speed post or courier service or by registered post to the Registered Office of the Company or by electronic mode.

The Company shall charge such fees for providing the inspection/extracts/copies of any Statutory Register as specified in the Act.

AUTHENTICATION OF DOCUMENTS

Authentication of document and proceedings 196. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company or contracts made by or on behalf of the Company may be signed by any Key Managerial Personnel or Director or an Officer of the Company duly authorized by the Board in this behalf.

RECONSTRUCTION

Reconstruction 197. On any sale of the undertaking of the Company the Board or Liquidator on a winding up may, if authorized by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the Liquidator (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and may provide for the distribution or appropriation of cash, shares or other securities, benefit or property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only

in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under the Act as are incapable of being varied or excluded by these Articles.

THE SEAL

198. (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 the provision of the Act, for use in any territory, district or place outside India.
- (c) 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 or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the share certificate the seal shall be affixed in accordance with Article 20(b).

WINDING UP

199. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of shares issued upon special terms and conditions. Distribution of Assets
200. (a) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of Special Resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators, with the like sanction shall think fit. Distribution of Assets
in specie or kind
- (b) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the Right of Shareholders
in case of sale

contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part in case any such division shall be determined, any contributory who would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to the provisions of the Act.

- (c) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution, by notice in writing, intimate to the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

201. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to the provisions of the Act may, subject to the provisions of the Act, in like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the Act.

SECURITY CLAUSE

Secrecy Clause

- 202. (a) Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transaction and affairs of the Company with the customers and the state of the account with individuals and in relation 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.
- (b) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or Key Managerial Personnel 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 in the opinion of the Director or the Managing Director or Key Managerial Personnel it will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors and others right to indemnity

- 203. (a) Subject to the provisions of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or

employee of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of funds of the Company to pay all costs, losses and expenses (including traveling expenses) which any such Director, Managing Director, Manager, Secretary or other officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act, deed or thing done by him as such Director, Officer, employee or trustees or in any way in the discharge of his duties.

- (b) Provided that every Director, Managing Director, Manager, Secretary or other Officer or Employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is given to him by the Court.

204. Subject to the provisions of the Act, no Director, the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglect or default of any Director or Officer or for jointly in any omission or other act for conformity or for any loss or expenses suffered by the Company through insufficiency or deficiency, of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from bankruptcy, insolvency, or tortuous act of any person Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damages or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. Directors and other not responsible for acts of others
205. The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community. Special objective
206. Whenever in the Act, it has been provided that the Company shall have any right, privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its Articles, then and in that case this regulation hereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided. General Power

| The present members of the Company are: | | | |
|--|--|--------------------------|---|
| Name, Address, description and occupation of each Subscriber | | Signature of Subscribers | Signature of witness and his name address, description and occupation |
| M. P. Ramachandran S/o. M. K. Panjan, Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 INDUSTRIALIST | | S/d. | |
| M. G. Santhakumari W/o. M. P. Ramchandran Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | |
| M. P. Divakaran S/o. M. K. Panjan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | Witness to the above signatures S/d. S. Sivaramakrishnan, S/o. Subramanian, Chartered Accountants, PazayaNadakkavu, Trichur, |
| Vasu&Sivaraman, M. K .Panjan S/o. Krishnan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | CHARTERED ACCOUNTANTS |
| M. P. Sidharthan S/o. M. K. Panjan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | |
| U. B. Beena W/o. M. P. Sidharthan Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | |
| K. K. Sujatha W/o. M. P. Divakaran Moothedath House, P.O. Kandanassery, Via Ariaynnur, Thrissur - 680 102 BUSINESS | | S/d. | |
| Dated this the 26th day of February 1995 | | | |

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 482 OF 2010.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTIONS NO. 491 OF 2010.

SAI HOMECARE PRODUCTS PRIVATE LIMITED.

.....Petitioner Company.

In the matter of the Companies Act 1 of 1956;

AND

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

AND

In the matter of Scheme of Amalgamation of SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED with JYOTHY LABORATORIES LIMITED

Mr. Rajesh Shah i/b Rajesh Shah & Co., for the Petitioners.

Mr. C. J. Joy and Mr. N. D. Sharma i/b Mr. S.P. Chaturvedi for Regional Director.

Dr. T. Pandian, Official Liquidator, present.

CORAM : S.C. Dharmadhikari, J.

DATE : 28th January, 2011

PC :

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation of SAI HOEMCARE PRODUCTS PRIVATE LIMITED, the Transferor Company with JYOTHY LABORATORIES LIMITED, the Transferee Company.
3. Counsel appearing on behalf of the Petitioner Company states that the Transferor Company is a wholly owned subsidiary of the Transferee Company. He has further stated that in view of the Judgement in the case of Mahaamba Investments Limited v/s IDI Limited [(2001) 105 Company Cases page 16 to 18] filing of separate Application and Petition of the Transferee Company has been dispensed with by order dated 23rd July, 2010 passed by this Court in Company Summons for Directon No. 491 of 2010.

4. Counsel appearing on behalf of the Petitioners further states that they have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made thereunder. The Undertaking is accepted.
5. The Regional Director has filed an Affidavit stating therein that the scheme does not appear to be prejudicial to the interest of shareholders as the public.
6. The Official Liquidator has filed a report stating that the affairs of the Petitioner Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved.
7. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme.
8. Since all the requisite statutory compliances have been fulfilled, the Company Petition is made absolute in terms of prayer clauses (a) to (j) of the Petition.
9. The Petitioner Company to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.) Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.
10. The Petitioner to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai, and the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.
11. Filing and issuance of the drawn up order is dispensed with.
12. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Company Registrar, High Court, Bombay.

(S.C. Dharmadhikari, J.)

**SCHEME OF AMALGAMATION
OF
SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED
WITH
JYOTHY LABORATORIES LIMITED**

1. PREAMBLE

This Scheme of Amalgamation provides for amalgamation of SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED (hereinafter referred to as “The Transferor Company” or “SRI SAI”) with JYOTHY LABORATORIES LIMITED (hereinafter referred to as “The Transferee Company” or “JYOTHY”), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

2. DEFINITIONS

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

- 2.1 SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED, (hereinafter referred to as “The Transferor Company” or “SRI SAI”) means a Company incorporated under the Companies Act, 1956, whose Registered Office is situated at ‘Ujala House’ Ram Krishna Mandir Road, Kondivita, Andheri, Mumbai - 400 059’ and shall include its successors and assigns.
- 2.2 JYOTHY LABORATORIES LIMITED, (hereinafter referred to as “The Transferee Company” or “JYOTHY”) a Company incorporated under the Companies Act, 1956 whose Registered Office is situated at ‘Ujala House’ Ram Krishna Mandir Road, Kondivita, Andheri, Mumbai - 400 059 and shall include its successors and assigns
- 2.3 “The said Act” means the Companies Act, 1956 including any statutory modification or re – enactment thereof for the time being in force.
- 2.4 “The Appointed Date” means 1st April, 2010 or such other date as the High Court at Bombay may direct.
- 2.5 “The Effective Date” means the dates on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary are obtained
- 2.6 “Undertaking” shall mean and include the entire business of the Transferor Company as a going concern including
- (a) All the assets and properties of “SRI SAI” as on the Appointed Date (hereinafter referred to as “the said assets”)
 - (b) All the debts, liabilities, duties and obligations of “SRI SAI” as on the Appointed Date (hereinafter referred to as “the said Liabilities”)
 - (c) Without prejudice to the generality of sub clause (a) and (b) above, the undertaking of the Transferor Company shall include entire

business as going concern and all the Transferor Company's movable and immovable properties, investments, assets, loans and advances including lease-hold rights, tenancy rights, Industrial and other licenses, permits, authorizations, deposits, quota rights, and other intangible rights, trade marks, patents and other Industrial and intellectual properties, import quotas, statutory permissions, approvals and consents, of any kind whatsoever, rights and benefits to all agreements and other interests including rights, entitlements to any amount claimable from Government (whether or not recorded in the books), right to claim refund of any tax, duty, cess or other charges, including right to refund or adjustment of any erroneous or excess payments and any interest thereon under any scheme or statute made by Government, right to deductions, exemptions, rebates, allowances, amortization benefit, etc. under the Income Tax Act, 1961, or any other benefits /incentives/ exemption given under any policy announced, issued or promulgated by the Government of India, any State Government, or any other governmental body or authority or any other like benefits under any statute and advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company

- 2.7 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.
- 2.8 "Court" or "The Court" or "The High Court" means High Court of Judicature at Bombay.

3. SHARE CAPITAL

The details of Share capital of the Transferor Company and the Transferee Company as on 31st March, 2010 are as under:

- (a) The Authorised Share Capital of the Transferor Company is Rs.2,00,00,000/- divided into of 20,00,000 Equity Shares of Rs. 10/- each.

The issued, Subscribed and Paid up Share Capital is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs. 10/- each fully paid up.

- (b) The Authorised Share Capital of the Transferee Company is Rs.10,00,00,000/- divided into 10,00,00,000 Equity Shares of Re. 1/- each. The Subscribed and Paid up Share Capital is Rs. 7,25,68,800/- divided into 7,25,68,800 Equity Shares of Re. 1/- each fully paid up.
- (c) The Transferor Company is a wholly owned subsidiary of the Transferee Company as the entire share capital of the Transferor Company is held by the Transferee Company and its nominees.

4. TRANSFER OF UNDERTAKING

- 4.1 With effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act. Provided that in furtherance of the orders of the High Court, the movable properties of the Transferor Company shall vest in the Transferee Company in the manner laid down hereunder:
- (i) All the movable assets of the Transferor Company, including machinery, investments, furniture and fixtures, cash on hand, etc., shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the title and property therein shall pass to the Transferee Company on such delivery.
 - (ii) In respect of the movable assets of the Transferor Company other than those specified in sub-clause (i) above i.e. sundry debtors, loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers, investment in other companies including companies outside India, etc., the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper, to each person, debtor, depositee or the investee, as the case may be, that pursuant to the Scheme, the said investment, debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize all such debts and investment stand transferred and assigned to the Transferee Company and that appropriate entries should be passed in the Transferee Company books to record the aforesaid change.
 - (iii) The registrations in the name of the Transferor Company, shall, if permitted by law and unless otherwise directed by the Court, without any further act, deed, matter or thing, be transferred in the name of the Transferee Company from the effective date.
- 4.2 With effect from the Appointed Date, all the said Liabilities of the Transferor Company shall, without any further act or deed, be and stand transferred to the Transferee Company pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company. The transfer and vesting of the Undertaking of the Transferor Company and continuance of the proceedings by the Transferee Company shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Company.
- 4.3 With effect from the Appointed Date, all debts, liabilities, dues, duties and obligations including all income taxes, excise duty, customs duty, sales tax, value added tax, service tax and other Government and Semi-Government

liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which, such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company is a party or subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, or confirmation or enter into any tripartite arrangement, confirmations or novations in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary and the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

6. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially be affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company notwithstanding the fact that the Transferor Company have been dissolved without winding up.

7. OPERATIVE DATE OF THE SCHEME

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

8. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the Transferor Company immediately preceding the date on which the Scheme finally takes effect i.e. the Effective Date, shall become the staff, workmen and employees of the Transferee Company on the basis that their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

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

- (a) shall carry on and be deemed to carry on all their business and activities and stand possessed of their properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of the Transferee Company, as the case may be ;
- (b) hereby undertakes to carry on its business, until the Effective Date, with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of their business;
- (c) shall not, without the written consent of the Transferee Company, undertake any new business or reorganize any existing business

10. CONSIDERATION

Since the entire equity share capital of SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED is owned by JYOTHY LABORATORIES LIMITED, on merger of SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED into JYOTHY LABORATORIES LIMITED, all these shares shall stand cancelled and no allotment of shares shall be made against shares owned by JYOTHY LABORATORIES LIMITED in SRI SAI HOMECARE PRODUCTS PRIVATE LIMITED.

11. ACCOUNTING TREATMENT

On this Scheme becoming effective, the Transferee Company shall account for the amalgamation as per the 'Pooling of Interest Method' of Accounting prescribed under Accounting Standard 14 - "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India so that –

- a) all the assets and liabilities and reserves of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company or at their existing carrying amounts; and
- b) the balance of the Profit and Loss Account appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- c) The excess of face value of the paid-up share capital of the transferor company over the book value of investment made by the transferee company in the share capital of the transferor company shall be transferred to the Capital Reserve Account in the books of the transferee company.

d) Adjustment for differences in accounting policies

In case of any differences in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Profit & Loss Account of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

12. COMBINATION OF AUTHORISED CAPITAL

12.1 Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the Authorized Share Capital of Transferor Company amounting to Rs. 2,00,00,000 (Rupees Two Crores Only) comprising of, 20,00,000 Equity Shares of Rs.10/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 394 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and fees paid on the Authorized Share Capital of the Transferor Company shall be utilized and applied to the increased Authorized Share Capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by Transferee Company for increase in the Authorized Share Capital to that extent.

12.2 Consequent upon the amalgamation, the Authorized Share Capital of the Transferee Company will be as under:

| Authorized Share Capital | Amount in Rs. |
|--|----------------------|
| 12,00,00,000 Equity Shares of Re. 1/- each | 12,00,00,000 |
| Total | 12,00,00,000 |

It is clarified that the approval of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association and Articles of Association of the Transferee Company as may be required under the Act.

13. APPLICATIONS TO HIGH COURTS

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

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the Parties

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 15.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 15.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

16. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

- 16.1 The approval to the Scheme by the requisite majorities of the members and Unsecured creditors of the Transferor Company as may be directed by the High Court of Judicature at Bombay on applications made for directions under sections 391 to 394 of the said Act for calling or dispensing with meetings and necessary resolutions being passed under the Act for the purpose
- 16.2 The sanction of the High Court of Judicature at Bombay under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained and filing of the certified copies of the Court order referred to in the Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.
- 16.3 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

17. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 31st day of December, 2010 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

18. EXPENSES CONNECTED WITH THE SCHEME

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

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 27 OF 2013
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 726 OF 2012.

JYOTHY CONSUMER PRODUCTS LIMITED

.....Petitioner / Transferor Company.

WITH

COMPANY SCHEME PETITION NO. 28 OF 2013
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 727 OF 2012

JYOTHY LABORATORIES LIMITED

.....Petitioner / Transferee Company.

In the matter of :
The Companies Act, of 1956;
AND

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

In the matter of
The Scheme of Amalgamation of JYOTHY CONSUMER
PRODUCTS LIMITED with JYOTHY LABORATORIES
LIMITED and their respective shareholders and
creditors.

CALLED FOR HEARING & FINAL DISPOSAL

Mr. Sharan Jagtiani along with Mr. Rohan Rajadhyaksha and Mr. Molla Hasan I/b. AZB & Partners, Advocates for both the Petitioners.

Mrs. R.N. Sutar, Asst. Official Liquidator, present in CSP No. 27 of 2013.

Mr. H. V. Mehta I/b H.P. Chaturvedi for Regional Director in both the Petitions.

CORAM : Ranjit More, J.

DATE : 12th April, 2013

1. Heard learned counsel for the parties.
2. The Learned Counsel for the Petitioner/Transferee Company has tendered an Affidavit dated April 12, 2013 wherein an Affidavit of Objector, Hershey India Private Limited dated February 19, 2013 is annexed at Exhibit A & B

and submits that the Affidavit dated February 19, 2013 from Hershey India Private Limited if for the claim of an amount of Rs. 12,456,068/- from the Transferee Company. However, the same claim is disputed by the Transferee Company. It is further submitted that the said alleged claim is time barred. Learned Counsel for the Petitioner / Transferee Company submits that the aggregate assets of the Transferree Company are in excess of, and are more than sufficient to meet all the liabilities of the creditors of the Transferee Company and the Scheme will not adversely affect the rights and interest of any of the creditors of any company in any manner whatsoever as the notional net worth of the Transferee Company after giving effect to the Scheme would be Rs. 728.30 crores. A copy of the said Net Worth Certificate issued by Darshan Bheda & Associates, Chartered Accountant has been annexed at Exhibit "O" to the Company Scheme Petition filed by the Transferee Company. Thus, it is stated that pursuant to the amalgamation of the Transferor Company with the Transferree Company, the debt repayment capacity of the Transferee Company will in fact improve. Therefore, as far as the rights of the unsecured creditors of the Transferee Company are concerned including Hershey India Private Limited, they will not be affected adversely by the proposed Scheme as there is no Compromise or Arrangement with any of the Creditors and since the assets of the Transferee Company post amalgamation are far more in excess of the corresponding liabilities. The Creditor cannot use Scheme as a tool to recover debts which are disputed. It is clarified that it will be open to the said Unsecured Creditor to pursue legal remedy as may be advised for recovery of their claim amount. The Transferree Company will be the surviving entity post sanction of the merger. No other objector has come before the Court of oppose the Scheme and nor any party has contravened any averment made in the Petitions.

3. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to a Scheme of Amalgamation of Jyothy Consumer Products Limited with Jyothy Laboratories Limited and their respective shareholders and creditors.
4. Learned Counsel appearing on behalf of the Petitioners states that the Petitioner Company Scheme Petition No. 27 of 2013 is, *inter alia*, engaged in the business of manufacturing of laundry care products, dishwashing products toileteries and personal care products. The Petitioner Company in Company Scheme Petition No. 28 of 2013 is, *inter alia*, engaged in the business of fabric care, household insecticide, utensil cleaners, fragrances and personal care products.
5. Learned Counsel appearing on behalf of the Petitioners states that the proposed Scheme of Amalgamation will *inter alia* would lead to a more efficient utilization of capital and create a stronger base for future growth of the amalgamated entity. The proposed amalgamation will result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferree Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company facilitate resource mobilization and achieve better cash flows. The synergies created by the amalgamation would increase operational efficiency, and integrated business functions. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple

entities. The proposed amalgamation, in addition to offering a strong financial structure, to all creditors including the creditors of transferor company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, a more efficient utilization of resources resulting in cost and operational efficiencies, and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders.

6. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies had at their respective meetings held on 15th June, 2012, passed resolutions unanimously approving the said Scheme of Amalgamation, Copies of the said resolutions dated 15th June, 2012 passed by Board of Director of the Petitioner Companies are annexed to the Company Scheme Petition respectively.
7. The learned counsel for the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Directions and that the respective Company Scheme Petitions have been filed in consonance with the orders passed in the respective Company Summons for Directions.
8. The Learned Counsel appearing on behalf of the Petitioner Companies has stated that they have complied with all requirements as per directions of this Hon'ble Court and they have filed necessary affidavits of compliance in this Hon'ble Court. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements. If any, as required under the Companies Act, 1956 and the rules made thereunder. The undertaking is accepted.
9. The Official Liquidator has filed the report dated 15th, March 2013, in Company Scheme Petition No. 27 of 2013 stating that the affairs of the Petitioner/ Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.
10. The Regional Director has filed an affidavit dated April 1, 2013, stating therein that it appears that the Scheme is not prejudicial to the interest of shareholders and public, save and except as stated in paragraphs 6 (a), (b) and (c) of the said Affidavit of the Regional Director, which is reproduced below:
"6. That the Deponent further submits that,
 - a) Clause 15.1 of the Scheme states that the existing Clause No. 1A in the Main Object of the Memorandum of Association of the Transferee Company shall be deleted and new Object Clause 1A shall be inserted in the Main Objects Clause of the Memorandum of Association of the Transferee Company. In this connection, the Transferee Company may be directed to comply with provisions of Section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association alongwith Form No. 21 with the Registrar of Companies.
 - b) Clause 19.4 of the Scheme states that the Transferee Company shall issue the New Equity Shares at fair value. The premium on the New Equity Shares shall be credited to the Securities Premium Account of the Transferee Company. In this regard, it is suggested that the difference in Nominal Value and Fair Value of the Equity Shares of Transferee Company may be transferred to Capital Reserve Account instead of Securities Premium Account of Transferee Company.

- c) The Deponent further submits that a joint representation has been received by the Company Law Board, Mumbai and the Registrar of Companies, Mumbai from Shri. K. Prabu Together with 12 others claiming Employee of the Petitioner Company and the same has been forwarded to this Directorate. In the representation, they have submitted that without clearing the statutory dues to the Employees, the management has proposed the merger scheme. There are various cases pending in this regard before the Hon'ble High Court of Madras and Labour Court at Chennai. In the regard, the Transferee Company was directed by the Deponent to offer their comments vide letter dated 13/03/2013. In the said letter, the petitioner company was advised to inform the Objectors about the pendency of the scheme petition before this Hon'ble Court of Bombay for their notice. Besides the Transferee company was further advised to endorse the copy of the reply submitted to this Deponent, to the objector also. The copy of the representation and reply given by the Advocates for the Petitioner Company are annexed hereto and marked as Exhibit 'D1' & 'D2'. In the said dated 15/03/2013, Transferee Company has undertaken to the effect that the Petitioner Company will abide by any order / directions. If any, that may be passed by the appropriate authorities with respect to the pending proceedings filed by the ex-employees against JCPL.”
11. In response to the observation made in paragraph 6(a) of the said Affidavit of the Regional Director, the Counsel appearing for the Petitioners gives an undertaking on behalf of the Transferee Company that the Transferee Company will comply with the provisions of Section 40 read with Section 18 of the Companies Act, 1956 and to file an amended copy of Memorandum of Association along with Form No. 21 with the Registrar of Companies. The said undertaking is accepted.
12. In response to the observation made in paragraph 6(b) of the said Affidavit of the Regional Director, the Counsel appearing for the Petitioners gives an undertaking on behalf of the Petitioners that the difference in Nominal value and Fair value of the Equity Shares to be issued by the Transferee Company pursuant to the amalgamation will not be transferred to the Securities Premium Account of the Transferee Company and will be transferred to the Capital Reserve Account of the Transferee Company. The said undertaking is accepted.
13. In response to the observation made in paragraph 6(c) of the said Affidavit of the Regional Director, the Counsel appearing for the petitioners states that the services of the objectors were terminated by the Transferor Company following the due process contemplated under the applicable provisions of law. As on date, they are not under the employment of the Transferor Company and therefore they have no *locus standi* to make any representation or otherwise raise any objection to the proposed merger. The cases filed by these objectors against the management of the Transferor Company before various courts are *sub judice* and the said cases are being legitimately contested by the Transferor Company and the alleged allegations/ claims of the ex-employees have not yet been proved or determined. The Counsel appearing for the Petitioners states that in any event. Clause 7 of the Scheme provides that all pending legal proceedings by or against the Transferor Company will not be abated or be discontinued or be in any way prejudicially affected by reason of the merger or anything contained in the Scheme and the same will be continued, prosecuted and enforced by or against the

Transferee Company *in the same manner and to the same extent as they would or might have been continued and enforced by or against the Transferor Company, in the absence of the Scheme.* Therefore, the scheme does not take away the rights of the ex-employees to raise any demands or disputes and it is open for them to pursue / continue the legal proceedings before the appropriate for a against the Transferee Company, post sanction of the scheme. The Counsel appearing for the petitioners gives an undertaking on behalf of the Transferee Company to abide by any order / directions, if any, that may be passed by the appropriate authorities with respect to the pending proceedings filed by the ex-employees against the Transferor Company. The said undertaking is accepted.

14. The Learned Counsel of Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the aforesaid undertakings given by the Counsel for the Petitioners. The said undertaking is accepted.
15. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
16. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 27 of 2013 is made absolute in terms of the prayer clauses (a) to (f) and (h). The Company Scheme Petition No. 28 of 2013 is made absolute in terms of the prayer clauses (a) to (f) and (h).
17. The Petitioners to lodge a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the order.
18. The Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies electronically, along with e-Form 21 in addition to physical copy, as per the relevant provisions of the Companies Act, 1956.
19. The Petitioners in both the Company Scheme Petitions to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner in the Company Scheme Petition No. 27 & 2013 to pay costs of Rs. 10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
20. Filing and issuance of the drawn up order is dispensed with.
21. All authorities concerned to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay.

(RANJIT MORE J.)

SCHEME OF AMALGAMATION
OF
JYOTHY CONSUMER PRODUCTS LIMITED
WITH
JYOTHY LABORATORIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

PREAMBLE

This Scheme of Amalgamation provides for the amalgamation of Jyothy Consumer Products Limited, a company incorporated under the provisions of the Companies Act, 1913 having its registered office at Ujjala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra (“**Transferor Company**”) with Jyothy Laboratories Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Ujala House, Ram Krishna Mandir Road, Kondvita, Andheri (East), Mumbai - 400 059, Maharashtra (“**Transferee Company**”), pursuant to the relevant provisions of the Companies Act, 1956.

1. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings.

- 1.1. “**Act**” or “**the Act**” means the Companies Act, 1956, or any modifications or re-enactment thereof from time to time.
- 1.2. “**Appointed Date**” means April 1, 2012 or such other date as may be mutually agreed in writing by the Board of Directors of the Transferor Company and the Transferee Company.
- 1.3. “**Board of Directors**” or “**Board**” means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof or any person authorized by the respective board of directors or any person authorized by such committee of directors.
- 1.4. “**CCI**” shall mean the Competition Commission of India established under the Competition Act, 2002.
- 1.5. “**Effective Date**” means that last of the dates specified in Clause 23 of this Scheme.

- 1.6. **“Government Authority”** means any applicable Central, State or local Government legislative body, regulatory or administrative authority, agency or commission or any court tribunal, board, bureau or instrumentally thereof or arbitration or arbitral body having jurisdiction;
- 1.7. **“High Court”** means the High Court of Judicature at Bombay or the National Company Law Tribunal, as applicable.
- 1.8. **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company under the Scheme upon amalgamation of Transferor Company into the Transferee Company.
- 1.9. **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 21 of this Scheme or any modifications approved or directed by the High Court.
- 1.10 **“Transferee Company”** means Jyothy Laboratories Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Ujala House, Rama Krishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra.
- 1.11 **“Transferor Company”** means Jyothy Consumer Products Limited, a company incorporated under the Indian Companies Act, 1913 having its registered office at Ujala House, Rama Krishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

2. DESCRIPTION OF COMPANIES

- 2.1 The Transferor Company is *inter alia*, engaged in the business of manufacturing of laundry care products, dishwashing products, toiletries and personal care products. The equity shares of the Transferor Company are listed on BSE Limited, Madras Stock Exchange Ltd and The Calcutta Stock Exchange Ltd.
- 2.2. The Transferee Company is, *inter alia*, engaged in the business of fabric care, household insecticide, utensil cleaners, fragrances and personal care products. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

3. CAPITAL STRUCTURE

- 3.1 As on March 31, 2012, the share capital of the Transferor Company is as under:

| Particulars | Amount (in Rupees) |
|---|-------------------------------|
| <u>Authorized Capital</u> | |
| <i>Equity Shares</i> | |
| 17,20,00,000 equity shares of Rs. 10/- each | 172,00,00,000 |
| <i>Preference Shares</i> | |
| 6,80,00,000 redeemable non-cumulative / cumulative preference shares of Rs. 10 each | 68,00,00,000 |
| | <u>240,00,00,000</u> |

| | |
|---|-----------------------------|
| <u>Issued, Subscribed and Paid-up Capital</u> | |
| <i>Equity Shares</i> | |
| 11,64,64,471 equity shares of Rs. 10/- each, fully paid-up | 116,46,44,710 |
| <i>Preference Shares</i> | |
| 2,80,00,000 9% redeemable non-cumulative preference shares of Rs. 10 each | 28,00,00,000 |
| 4,00,00,000 4% redeemable cumulative preference shares of Rs. 10 each | 40,00,00,000 |
| | <u>184,46,44,710</u> |

3.2 Subsequent of March 31, 2012, there has been no change in the share capital structure of the Transferor Company.

3.3. As on date, the Transferee Company holds (i) 97,426,487 outstanding equity shares of the Transferor Company (i.e. 83.66% of the equity share capital of the Transferor Company); and (ii) all the paid up preference shares of the Transferor Company.

3.4 As on March 31, 2012, the share capital of the Transferee Company is as under :

| Particulars | Amount (in Rupees) |
|--|-------------------------------|
| <u>Authorized Capital</u> | |
| <i>Equity Shares</i> | |
| 12,00,00,000 equity shares of Rs. 1/- each | 12,00,00,000 |
| | <u>12,00,00,000</u> |
| <u>Issued, Subscribed and Paid-up Capital</u> | |
| <i>Equity Shares</i> | |
| 8,06,32,000 equity shares of Rs. 1/- each, fully paid-up | 8,06,32,000 |
| | <u>8,06,32,000</u> |

3.5 On May 23, 2012, the Transferee Company has initiated a postal ballot process under Section 192A of the Act for obtaining shareholder's approval for (i) increase in Authorized Share Capital from Rs. 12,00,00,000/- to Rs. 17,00,00,000/- by addition of 5,00,00,000 equity shares of Rs. 1/- each; and (ii) issuance of bonus shares with face value of Rs. 1/- each to be credited as fully paid up to its existing equity shareholders in proportion of 1 equity share for every 1 equity held by them. In the event, the above resolutions are passed by the members of the Transferee Company, the share capital of the Transferee Company shall stand revised as under:

| Particulars | Amount (in Rupees) |
|---|----------------------------|
| <u>Authorized Capital</u> | |
| <i>Equity Shares</i> | |
| 17,00,00,000 equity shares of Rs. 1/- each | 17,00,00,000 |
| | <u>17,00,00,000</u> |
| <u>Issued, Subscribed and Paid-up Capital</u> | |
| <i>Equity Shares</i> | |
| 16,12,64,000 equity shares of Rs. 1/- each, fully paid-up | 16,12,64,000 |
| | <u>16,12,64,000</u> |

4. BACKGROUND AND RATIONALE FOR THE SCHEME

- 4.1 On May 5, 2011, the Transferee Company has executed a Share Purchase Agreement (“SPA”) with Henkel AG & Co. KGaA for acquisition of 59,360,203 equity shares, constituting 50.97% of the voting capital of the Transferor Company. Prior thereto, the Transferee Company had also acquired 17,351,686 Equity Shares of the Transferor Company from the open market. The Transferee Company further purchased 6,679,167 Equity Shares of the Transferor Company from the open market, post announcement of open offer. The Transferee Company also purchased 40,000,000 4% redeemable cumulative preference shares of the Transferor Company, having a par value of Rs. 10/- each and 28,000,000 9% redeemable noncumulative preference shares of the Transferor Company, having a par value of Rs. 10/- each, constituting 100% of the preference share capital of the Transferor Company. The SPA had resulted in the Transferee Company making an open offer in terms of Regulations 10 and 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“**Takeover Regulations**”) to acquire up to 23,292,895 fully paid-up equity shares of face value of Rs. 10/- each of the Transferor Company forming 20% of the voting capital of the Transferor Company. The open offer resulted in the transferee company acquiring 14,035,431 equity shares of the Transferor Company. Following completion of the foregoing transactions, the shareholding of the Transferee Company in the equity share capital of the Transferor Company stands at 83.66%.
- 4.2 The Transferee Company had expressly stated in the letter of offer relating to the open offer that given the commonality of business interests of the Transferor Company and the Transferee Company and synergistic linkages that exist between them, and amalgamation of the Transferor Company into the Transferee Company may enable appropriate consolidation of the activities of the Transferor Company and the Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. Accordingly, the Board of the Transferee Company had constituted a reorganization committee to explore the possibility of a merger of the Transferor Company and the Transferee Company.
- 4.3. Accordingly, in line with the aforesaid disclosures, the said companies now propose by way of this Scheme to amalgamate the Transferor Company into and with the Transferee Company in accordance with the terms hereof. The background and circumstances which justify the said amalgamation are, *inter-alia*, as follows:

- 4.3.1. The Transferor Company and the Transferee Company are companies within the same group of companies (“**Group**”). A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital and create a stronger base for future growth of the amalgamated entity.
- 4.3.2. The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiency of the holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilization and achieve better cash flows. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- 4.3.3. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
- 4.3.4. The proposed amalgamation, in addition to offering a strong financial structure to all creditors including the creditors of the Transferor Company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, a more efficient utilization of resources resulting in cost and operational efficiencies, and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

5. DATE OF TAKING EFFECT

The Scheme shall be operative from the Appointed Date mentioned herein but shall be effective from the Effective Date. Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be constructed to be a reference to the Effective Date.

6. AMALGAMATION OF COMPANIES

- 6.1 Upon the coming into effect of this Scheme and with effect for the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, all the assets and debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or deemed to be and

stand transferred to and vested in the Transferee Company, as set out in Clauses 6.1.1. to 6.1.5 hereunder.

6.1.1. In respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the Act.

It is hereby clarified that the plant and machinery of the Transferor Company, which are fastened to land and/or buildings shall continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.

6.1.2. In respect of such of the assets belongings to the Transferor Company other than those referred to in sub-clause 6.1.1. above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.

6.1.3 In relation to the assets belongings to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.

6.1.4 The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further of additional security.

6.1.5 In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen.

6.2 For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the

obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

7. APPLICABILITY OF THE PROVISIONS OF THE INCOME TAX ACT, 1961

- 7.1. This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961
- 7.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax, wealth tax purposes and other tax benefits), central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 7.3. All tax assessment proceedings appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 7.4. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 7.5. Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

- 7.6. Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 7.7. The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.8. Further, any tax deducted at source by Transferor Company / Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.9. Further, any tax deducted at source by the Transferor Company on interest accrued, if any (from Appointed Date to Effective Date) and payable to the Transferee company but on account of Clause 6.2 has been deemed to be not accruing, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.10. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 7.11. Upon the coming into effect of this Scheme and subject to the provisions of Section 72A of the Income Tax Act, 1961, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation of the Transferor Company upto the Appointed Date shall be transferred to the Transferee Company.
- 7.12. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

8. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same

extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

9. CONTRACTS AND DEEDS

- 9.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements registrations and other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 9.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Company under Clause 6 above, the continuance of Proceedings under Clause 8 above and the effectiveness of contracts and deeds under Clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before 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 if done and executed on its behalf.

11. EMPLOYEES

- 11.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company. All employees of the Transferor Company in service on the Effective Date to whom provisions of Industrial Disputes Act, 1947 apply, shall, on and from the Effective Date, become the employees of the Transferee Company on the terms and conditions not less favourable than those on which they were engaged on the Effective Date.
- 11.2. On and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of the said Funds (as defined herein below).
- 11.3. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the "said Funds") of the Transferor Company,

upon the Scheme becoming effective, 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 in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective Trust Deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. For this purpose, the trusts created by the Transferor Company shall be transferred and / or continued by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the respective Board of Directors of the Transferor Company and the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company. Notwithstanding the above the Board of Directors of the Transferee Company if it deems fit and subject to applicable law shall be entitled to retain separate trust within the Transferee Company for the erstwhile fund of the Transferor Company.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 12.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 12.2. The Transferor Company shall carry on their respective businesses and activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose of the undertaking or any part thereof (except in the ordinary course of business).
- 12.3. All the profits or income, taxes (including but not limited to advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.4. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company:

12.4.2. except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; or

12.4.3. utilize, subject to Clause 13.1 below, the profits, if any, for any purpose including or declaring or paying any dividend.

12.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the undertaking and to carry on the business of the Transferor Company.

13. DIVIDENDS

13.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company, as mentioned in Clause 12.4.3 above.

13.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

13.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

14. COMBINATION OF AUTHORISED CAPITAL

14.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the relevant Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 240,00,00,000/- and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized

share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

- 14.2 Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company and in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, the authorized share capital of the Transferee Company will be as under:

| AUTHORISED SHARE CAPITAL: | (Rs.) |
|---|-----------------|
| 252,00,00,000 equity shares of Rs. 11- each | 252,00,00,000/- |

- 14.3. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall, in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, respectively stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Clause V of the Memorandum of Association:

"The Authorised Share Capital of the Company is Rs. 252,00,00,000 (Rupees Two Hundred Fifty Two Crores only) divided into 252,00,00,000 (Rupees Two Hundred Fifty Two Crores) equity shares of Rs. 1/- (Rupee One) each."

Article 3 of the Articles of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorised Share Capital of the Company is Rs. 252,00,00,000 (Rupees Two Hundred Fifty Two Crores only) divided into 252,00,00,000 (Rupees Two Hundred Fifty Two Crores) equity shares of Rs. 1/- (Rupee One) each."

- 14.4 Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company and in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, the authorized share capital of the Transferee Company will be as under:

| | |
|---|-----------------|
| AUTHORISED SHARE CAPITAL: | (Rs.) |
| 257,00,00,000 equity shares of Rs. 1/- each | 257,00,00,000/- |

- 14.5. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall, in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, respectively stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Clause V of the Memorandum of Association:

“The Authorised Share Capital of the Company is Rs. 257,00,00,000 (Rupees Two Hundred Fifty Seven Crores only) divided into 257,00,00,000 (Two Hundred Fifty Seven Crores) equity shares of Rs. 1/- (Rupee One) each.”

Article 3 of the Articles of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

“The Authorised Share Capital of the Company is Rs. 257,00,00,000 (Rupees Two Hundred Fifty Seven Crores only) divided into 257,00,00,000 (Two Hundred Fifty Seven Crores) equity shares of Rs. 1/- (Rupee One) each

15. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TRANSFEREE COMPANY

- 15.1. Upon coming into effect of the Scheme, the existing Clause No. 1A in the Main Object of the Memorandum of Association of the Transferee Company shall be deleted and the following new Object Clause 1A shall be inserted in the Main Objects Clause of the Memorandum of Association of the Transferee Company:

“1A. To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care including soap, perfumes, toothpaste, tooth brush and other substances, cream, powders, shaving products like cream, gel, foam, brush, blades, blade cartridges, razors and the like; fabric care including detergents of all forms, soap, soap chips, soap powder, fabric whitener,

fabric softeners, starches and cleaning and laundry machines; dishwashing products and scouring agents; dish washing machines; air care; hair care including shampoos, conditioners, hair oil, cream and gel, hair dyes; nail care; eye care; household cleansers including bath and toilet cleansers, glass cleansers, cleaning and rinsing agents, sanitation products and systems for measuring, control and dispensing; carpet care; furniture and kitchen care; shoe care; insecticides in all forms /substances including household insecticides, mosquito and insect repellants, rats and reptile repellants and dispensing products; plant care and plant protection; surface care including disinfectants, rinsing, cleaning, decreasing and disinfecting agents, decreasing and pickling agents, dispensing, cleaning and disinfecting equipment; metal surface treatment products; car care including cooling lubricants; water treatment and building maintenance; cosmetic and beauty products; ayurvedic / herbal products and mineral water, foods, beverages and dairy products.”

- 15.2. It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 17 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act for the amendments of the Memorandum of Association of the Transferee Company as above.
- 15.3. In order to carry on the activities currently being carried on by the Transferor Company, upon the approval of the Scheme by the respective members of the Transferor Company and the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 149 (2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor Company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company would be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 149 (2A) of the Act.

16. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 16.1 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of all the assets and liabilities and the entire business and the whole of the undertaking of the Transferor Company to the Transferee Company in terms of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 hereof) and without any further application, act or deed, issue and allot 1 (One) equity shares of Rs. 1/- each fully paid up in its capital in respect of every 8 (Eight) equity shares of Rs. 10/- each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the

Transferor Company (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause shall be hereinafter referred to as “New Equity Shares”.

- 16.2 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of all the assets and liabilities and the entire business and the whole of the undertaking of the Transferor Company to the Transferee Company in terms of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 hereof) and without any further application, act or deed, issue and allot 1 (One) equity shares of Rs. 1/- each fully paid up in its capital in respect of every 4 (Four) equity shares of Rs. 10/- each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause shall be hereinafter referred to as “New Equity Shares”.
- 16.3 It is hereby clarified that either Clause 16.1 or Clause 16.2, as the case may be, shall be given effect depending on whether the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is approved or not approved by the members of the Transferee Company.
- 16.4 Where New Equity Shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 16.5 The New Equity Shares of the Transferee Company allotted and issued in terms of Sub Clauses 16.1 or Clause 16.2 above, as the case may be, shall be listed and/or admitted to trading on the relevant Stock Exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading as on the Effective Date. The New Equity Shares of the Transferee Company shall however be listed subject to the Transferee Company obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of the New Equity Shares of the Transferee Company.

- 16.6 Upon the Scheme becoming effective and upon the New Equity Shares of the Transferee Company being allotted and issued by it to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the said Company in the records of the Depositories or Register of Members as the case may be as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.
- 16.7 The New Equity Shares of the Transferee Company to be allotted and issued to the shareholders of the Transferor Company as provided in Clause 16.1 or Clause 16.2 above, as the case may be, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pan-passu in all respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 16.8 The issue and allotment of New Equity Shares by the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- 16.9 Notwithstanding anything contained herein, in the event of any shareholder of the Transferor Company having a shareholding such that such shareholder becomes entitled to a fraction of the New Equity shares, all the fractional entitlements of the shareholders shall be aggregated and without any further act, deed or thing to be done, such consolidated New Equity Shares shall stand vested in trustees of a trust to be set up by the Board of the Transferee Company. Such trustees shall dispose off the aggregate of all such fractional holdings and distribute the net proceeds (after deduction of expenses incurred and taxes, if any) to the respective shareholders of the Transferor Company in proportion to their respective fractional entitlement.
- 16.10 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in the Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company.

17. CANCELLATION OF SHARES HELD BY TRANSFEREE COMPANY IN TRANSFEROR COMPANY

On and from the Effective Date, all equity shares and preference shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall get cancelled without any further application, act or deed. It is clarified that no new equity or preference shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Company.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

18.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the parties.

18.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

19. ACCOUNTING TREATMENT

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

19.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Purchase Method' of accounting as per Accounting Standard 14 notified pursuant to the Companies (Accounting Standard) Rules, 2006. (as amended), and the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded at their fair values as determined by the Board of Directors of Transferee Company.

19.2 The investments held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

19.3 The inter-corporate investments and inter-corporate deposits / loans and advances outstanding between the Transferee Company and the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

19.4 The Transferee Company shall issue the New Equity Shares at fair value. The Transferee Company shall credit the aggregate face value of the New Equity Shares issued to Share Capital Account. The premium on the New Equity Shares shall be credited to the Securities Premium account of the Transferee Company.

19.5 Any excess of the amount of the consideration (as per Clause 19.4) over the value of net assets of the Transferor Company acquired by the Transferee Company (as per Clause 19.1) and after giving effect to Clauses 19.2 and 19.3 above shall be adjusted in the Transferee

Company's financial statements as Goodwill arising on amalgamation. If the amount of the consideration (as per Clause 19.4), after giving effect to Clauses 19.2 and 19.3 above, is lower than the value of net assets acquired (as per Clause 19.1), the difference shall be treated as Capital Reserve.

20. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court where the respective registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

21. MODIFICATIONS / AMENDMENTS TO THE SCHEME

21.1 The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Court or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Court or such other Government Authority, whether in pursuance of a change in law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

21.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

22. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

23. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- 23.1 The Scheme is conditional upon and subject to:
- 23.1.1 approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company as may be directed by the High Court;
 - 23.1.2 sanctions and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the High Court;
 - 23.1.3 if required, the approval of the CCI as may be required under the Competition Act, 2002 and any rules, regulations made therein.
- 23.2 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:
- 23.2.1. that on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 18.1 shall be obtained or passed; or
 - 23.2.2. that on which all necessary authenticated copies of orders under Sections 391 and 394 of the Act shall be duly filed with the relevant Registrar of Companies.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

24. REVOCATION OF THE SCHEME

- 24.1 In the event of any of the said approvals referred to in Clause 23 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid by March 31, 2013 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 24.2 In the event of revocation under Sub Clause 24.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.

24.3 The Boards of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on Transferor Company and or the Transferee Company.

25. COSTS

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

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY PETITION NO. 1 OF 2017
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 843 OF 2016
(HIGH COURT TRANSFERRED APPLICATION).
JYOTHY CONSUMER PRODUCTS MARKETING LIMITED
.... Petitioner/ the Transferor Company

AND
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY PETITION NO. 4 OF 2017
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 844 OF 2016
(HIGH COURT TRANSFERRED APPLICATION)
JYOTHY LABORATORIES LIMITED

.... Petitioner/ the Transferee Company

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013

AND

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

AND

In the matter of Scheme of Amalgamation of JYOTHY CONSUMER PRODUCTS MARKETING LIMITED, the Transferor Company with JYOTHY LABORATORIES LIMITED, the Transferee Company.

Called for hearing

Mr. Rajesh Shah with Mr. Ahmed M Chunawala i/b M/s. Rajesh Shah & Co.,
Advocate for the Petitioner.

Mr. Ishan Ravindranath i/b M/s The Law Point for SEBI.

Mr. S. Ramakantha, Joint Director for the Regional Director.

Mr. Vinod Sharma, the Official Liquidator.

Coram: SH. B.S.V. Prakash Kumar, Member (J)

Date: 1st March, 2017

MINUTES OF THE ORDER

1. Heard learned counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions. Mr. Ishan Ravindranath i/b M/s The Law Point has appeared on behalf of Securities and Exchange Board of India and stated that they have no objections to the Scheme of Amalgamation of JYOTHY CONSUMER PRODUCTS MARKETING LIMITED, the Transferor Company with JYOTHY LABORATORY LIMITED, the Transferee Company.
2. The sanction of the Tribunal is sought under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013 to a Scheme of Amalgamation of JYOTHY CONSUMER PRODUCTS MARKETING LIMITED, the Transferor Company with JYOTHY LABORATORIES LIMITED, the Transferee Company.
3. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.
4. The Learned Advocate appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the order passed in their Company Summons for Direction Nos. 843 of 2016 and 844 of 2016 of the Hon'ble Bombay High Court.
5. The Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the Hon'ble Bombay High Court and they have filed necessary affidavits of compliance in the Hon'ble Bombay High Court. Moreover, Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 1956/2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
6. The Learned Counsel for the Petitioners states that the Transferor Company has been carrying on the business of manufacturers, dealers, stockists, distributors, exporters and importers of Fast Moving Consumer Products and the Transferee Company has been carrying on the business of manufacturing, marketing and trading of Fast Moving Consumer Goods. As per the opinion of the management, the proposed scheme of Amalgamation would result in numerous benefits, viz., that the Transferor Company is a wholly owned subsidiary of -the Transferee Company and both the Transferor and Transferee Companies are under same management and amalgamation would lead to administrative convenience and would be advantageous to combine the operations in a single Company and will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and benefit of combined resources and that the Transferor and the Transferee Company, both, are engaged in the business of manufacturing and marketing of Fast Moving Consumer Goods (FMCG) products and as a result the amalgamation would lead to better leveraging of manufacturing and marketing facilities and will bring both the entities under one roof to portray one face to all the parties with whom the Jyothy Group deals and that the amalgamation

would also result in achieving Direct and Indirect Tax efficiencies and that the amalgamation the Transferee Company will also provide an - opportunity to leverage combined assets and build a stronger sustainable business and will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, knowledge, efficiencies, expertise and infrastructure of both the companies and that the amalgamation will result in cost saving for both the companies as they would capitalize on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company and that the amalgamation will result in simplification of shareholding structure, reduction in shareholding tiers, reduction in the operating costs, reduction in multiplicity of legal and regulatory compliances, elimination of multiple record keeping which will ultimately lead to overall reduction in expenditure.

7. The Regional Director has filed a Report on 13th day of February, 2017 stating therein, save and except as stated in paragraph IV, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has stated that:-

"IV. The observations of the Regional Director on the proposed Scheme to be considered by the Hon'ble NCLT are as under:

- a) *In addition to compliance of AS-14 corresponding (Ind AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply . with other applicable Accounting Standards such as AS-5 / corresponding Ind As-8 etc.*
- b) *Regarding 13 of the Scheme it is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account and will not be adjusted against Profit & Loss Account of the Transferee Company.*
- c) *As per existing practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangement to the Income Tax Department for their comments. It appears that the company vide letter dated 21st January, 201 7 has served a copy company petition No. 4/2017 along with relevant order etc, to IT Department. However, as on date there is no response from Income Tax Department. The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the transferee company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the petitioner Company."*

8. So far as the observation in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Transferee Company undertakes that in addition to compliance of AS-14 corresponding (Ind AS-103) accounting treatment, the

Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as AS-5/ corresponding Ind AS-8 etc.

9. So far as the observation in paragraph IV(b) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Transferee Company is bound to comply with the surplus any arising out of the scheme which shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account and will not be adjusted against the Profit & Loss Account of the Transferee Company.
10. So far as the observation in paragraph IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the tax implication if any arising out of the Scheme is subject to final decision of the Income Tax Authorities and the decision of the Income Tax Authority shall be binding on the Petitioner Companies.
11. Mr. S. Ramakantha, Joint Director, in the office of the Regional Director, Ministry of Corporate Affairs, Western region, Mumbai, is satisfied with the undertaking given by the Petitioner Companies. The said undertaking given by the Petitioner Companies are accepted.
12. The Official Liquidator has filed his report on 20th February, 2017 in the Company Petition No. 1 of 2017 inter alia, stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Tribunal.
13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, Company Petition No. 4 of 2017 is made absolute in terms of prayers clause (a) to (c) and 1 of 20 17 is made absolute in terms of prayer clauses (a) to (d).
15. Petitioners are directed to lodge a copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act 1956 / 2013.
16. The Petitioner Companies to pay costs of Rs.25,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner in the Company Petition No. 4 of 2017 to pay costs of Rs.25,000/- to the Official Liquidator, High Court, Bombay. Cost to be paid within four weeks from the date of the Order.
17. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, National Company Law Tribunal, Mumbai.

sd/-

B.S.V. Prakash kumar Member (Judicial)

**SCHEME OF AMALGAMATION
OF
JYOTHY CONSUMER PRODUCTS MARKETING LIMITED
(The Transferor Company)
WITH
JYOTHY LABORATORIES LIMITED
(The Transferee Company)**

1. PREAMBLE

This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the amalgamation of JYOTHY CONSUMER PRODUCTS MARKETING LIMITED, (hereinafter referred to as "The Transferor Company") with JYOTHY LABORATORIES LIMITED, (hereinafter referred to as "The Transferee Company"), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and other relevant provisions of Companies Act, 2013 as notified therein and the same is divided into the following Parts:

Part A - deals with Definitions and Share Capital;

Part B - deals with Amalgamation of JYOTHY CONSUMER PRODUCTS MARKETING LIMITED with JYOTHY LABORATORIES LIMITED,.

Part C - deals with General Clauses, Terms and Conditions.

2. RATIONALE FOR THE SCHEME OF AMALGAMATION

- 2.1 The Transferor Company is a wholly owned subsidiary of the transferee Company and both the Transferor and Transferee Companies are under same management and for administrative convenience, it would be advantageous to combine the operations in a single Company. The amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and benefit of combined resources.
- 2.2 The Transferor and Transferee Company, both, are engaged in the business of manufacturing and marketing of Fast Moving Consumer Goods (FMCG) products and as a result the amalgamation would lead to better leveraging of manufacturing and marketing facilities and will bring both the entities under one roof to portray one face to all the parties with whom the Jyothy Group deals.
- 2.3 This Scheme of amalgamation would also result in achieving Direct and Indirect Tax efficiencies.
- 2.4 Amalgamation of the Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the amalgamation will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, knowledge, efficiencies, expertise and infrastructure of both the companies.

- 2.5 The Scheme of amalgamation will result in cost saving for both the companies as they would capitalize on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company.
- 2.6 The Transferor Company is a wholly owned subsidiary of the Transferee Company and the amalgamation will result in simplification of shareholding structure, reduction in share holding tiers, reduction in the operation costs, reduction in multiplicity of legal and regulatory. Compliances, elimination of multiple record keeping which will ultimately lead to overall reduction in expenditure.

PART A - DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

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

- 3.1 JYOTHY CONSUMER PRODUCTS MARKETING LIMITED, (hereinafter referred to as "The Transferor Company") means a company incorporated under the Companies Act, 1956, and having its Registered Office situated at 'UJALA HOUSE', Ramkrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059.
- 3.2 JYOTHY LABORATORIES LIMITED, (hereinafter referred to as "The Transferee company") mean a company incorporated under the Companies Act, 1956, and having its Registered Office situated at 'UJALA HOUSE', Ramkrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059.
- 3.3 "The Act" or "the said Act" means the Companies Act, 1956 and the Companies Act, 2013 to the extent the sections as notified and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 3.4 "The Appointed Date" means 1st April, 2016 or such other date as the High Court of Judicature at Mumbai or other competent authority may otherwise direct / fix.
- 3.5 "The Effective Date" means the date on which certified copies of the Order(s) of the Hon'ble High Court of Judicature at Mumbai vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Maharashtra and/or the Ministry of Corporate Affairs, New Delhi after obtaining the necessary consents, approvals, permissions, resolutions, agreements, sanctions and orders in this regard.
- 3.6 "The High Court" shall for the purpose of this Scheme, mean the Hon'ble High Court of Judicature at Mumbai and the expression shall include,

all the powers of the High Court under the Chapter V of the Act being vested on the National Company Law Tribunal constituted under Section 10 FB of the Act, the National Company Law Tribunal and the provisions of the Act as applicable to the Scheme shall be construed accordingly.

3.7 “Undertaking” shall mean and include:

- (a) All the assets and properties and the entire business of the Transferor Company as on the Appointed Date, (hereinafter referred to as “the said assets”)
- (b) All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as “the said liabilities”)
- (c) Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include the Transferor Company reserves, movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, Trade- Receivable, ownership rights, leasehold rights, tenancy rights, occupancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits authorities licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorizations, quota rights, registrations, import / export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory buildings, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plants, tube wells, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, tenancy rights, trademarks, brand names, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, websites, email connections, networking facilities and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.

3.8 “The Scheme” means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Mumbai.

4. SHARE CAPITAL

4.1 The Share Capital of the Transferor Company as at 31st March, 2016 is as under.

| Particulars | Amount in (Rs.) |
|--|---------------------|
| Authorised Capital | |
| 1,50,00,000 Equity Shares of Rs.10/- each | 15,00,00,000 |
| 30,000 11% Cumulative Redeemable Preference share of Rs.100/- each | 30,00,000 |
| Total | 15,30,00,000 |
| Issued, Subscribed and Paid-up | |
| 14,910,000 Equity Shares of Rs.10/- each fully Paid-up | 14,91,00,000 |
| Total | 14,91,00,000 |

4.2 The Share Capital of the Transferee Company as at 31st March, 2016 is as under :

| Particulars | Amount in (Rs.) |
|--|-----------------------|
| Authorised Capital | |
| 2,57,00,00,000 Equity Shares of Re.1/- each. | 2,57,00,00,000 |
| Total | 2,57,00,00,000 |
| Issued, Subscribed and Paid-up | |
| 18,11,19,680 Equity Shares of Re. 1/- each fully paid-up | 18,11,19,680 |
| Total | 18,11,19,680 |

PART-B - AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING

5.1 With effect from the opening of the business as on the Appointed Date (i.e., 1st April, 2016) and subject to the provisions of this Scheme, the entire Undertaking of the Transferor Company including the assets and liabilities as on the Appointed Date, shall pursuant to Section 394 and other applicable provisions of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern subject, however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.

5.2 The entire business of the Transferor Company is as going concerns and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, authorized capital, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, occupancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trade marks, copy rights, all other intellectual property rights, other intangibles of the Transferor Company whether registered or unregistered or any variation thereof as a part of its name or in a style of business otherwise, other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, websites, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued of which may accrue to the Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interest, benefits facilities and advantages of whatsoever nature and where ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provision of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company.

- a. With effect from the Appointed Date, all the equity shares, debentures, bonds, notes or other securities held by the Transferor Company, whether convertible into equity or not and whether quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the movable assets including cash in hand, if any, of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or by endorsement and delivery.
- b. In respect of movable properties of the Transferor Company other than specified in Clause 52 (a) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem

fit and proper to each person, debtor or depositor, as the case may be, that pursuant to the High Court having sanctioned the Scheme, the said debts, loans, advances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize all such debts, deposits and advances (including the debts payable by such persons, debtor or deposit to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 5.3 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provision of Sections 391 to 394 of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 5.4 It is clarified that all debts, loans and liabilities, duties and obligations of the Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 5.5 It is further specifically clarified, admitted, assured and declared by the Transferee company that on this Scheme becoming effective, it will take over, absorb and pay and discharge on due dates all the liabilities including liabilities for income tax, wealth tax, central sales tax, value added tax, service tax, excise duty, custom duty, fringe benefit tax, dividend distribution tax, if any, of the Transferor Company.
- 5.6 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income tax, wealth tax, central sales tax, value added tax, service tax, excise duty, custom duty, fringe benefit tax, dividend distribution tax and other Government and Semi-Government and Statutory liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Company

6. CONTRACTS, BONDS AND OTHER INSTRUMENTS

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

7. LEGAL PROCEEDINGS

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

8. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form with or without any modifications(s) approved or imposed or directed by the High Court or made as per Clause 19 of the Scheme, shall be effective from the Appointed Date but shall become operative from the Effective Date. However, if the Indian Accounting Standard 103 require the amalgamation to be accounted retrospectively (including for periods prior to the appointed date) in the financial statements, the same will be carried out in the financial statements, for accounting purpose, to be compliant with the accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this scheme.

9. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

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

- 9.1 Their respective services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking of the Transferor Company;
- 9.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be

less favourable to them than those applicable to them immediately before the transfer, and

- 9.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation, Fund or other special fund, if any, created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in , relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent of the Scheme herein that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties, and benefits of the employees employed in different units of the Transferor Company under such Funds and Trusts shall remain fully protected.

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

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

- 10.1 Shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee company;
- 10.2 Shall in the ordinary' course of their respective business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or loses of the Transferee Company;
- 10.3 Hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, proper care, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of the Transferor Company business;

10.4 shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business.

10.5 pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.

11. CANCELLATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY

Since the entire equity share capital of the Transferor Company is held by The Transferee Company, upon amalgamation, the, Transferee Company would not be required to issue and allot any shares to the shareholders of the Transferor, Company. The Shares so held by the Transferee Company shall stand cancelled and extinguished pursuant to the implementation of the Scheme of Amalgamation.

12. PROFITS, DIVIDENDS, BONUS / RIGHTS SHARES

12.1 With effect from the Appointed Date, the Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend to its shareholders and shall also not utilize, adjust or claim adjustment of profits/loss/reserves, as the case may be earned / incurred or suffered after the Appointed Date.

12.2 The Transferor Company shall not after the Appointed Date, issue or allot any further securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

13. ACCOUNTING TREATMENT

13.1 The amalgamation will be accounted in accordance with Indian Accounting Standard (Ind AS) 103 - Business Combinations as notified under Section 133 of the Companies Act, 2013, read together with paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015.

13.2 If the Indian Accounting Standard 103 require the amalgamation to be accounted retrospectively (including for periods prior to the appointed date) in the financial statements, the same will be carried out in the financial statements, for accounting purpose, to be compliant with the accounting standards.

13.3 For regulatory and tax purposes, amalgamation would have been deemed to be carried out from the appointed date of this scheme

14. COMBINATION OF AUTHORISED CAPITAL

14.1 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including that of the payment of stamp duty and fees payable to the Registrar of Companies, Maharashtra or to the Ministry of Corporate Affairs, New Delhi by the

authorised share capital of the Transferor Company aggregating to Rs. 153,000,000/- (Rupees Fifteen Crores Thirty Lacs Only) comprising of 15,000,000 (One Crore Fifty Lacs) Equity Shares of Re.10/- each and 30,000 (Thirty Thousand) 11% Cumulative Redeemable Preference Shares of Rs.100/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 391 to 395 and 13,14 and 61 of the Companies Act, 2013 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and the fees paid on the authorised capital of the Transferor Company shall be utilized and applied to the above referred increased authorized share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.

- 14.2 Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be as under:

| Authorised Capital | Amount in Rs. |
|---|-------------------------|
| 2,72,00,00,000 Equity Shares of Re. 1/- each | 2,72,00,00,000/- |
| 30,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each | 30,00,000/- |
| Total | 2,72,30,00,000/- |

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

- 14.3 Clause V of the Memorandum of Association of the Transferee Company stands amended as follows:

The Authorised Share Capital of the Transferee Company is Rs. 2,72,30,00,000/- (Rupees Two Hundred Seventy Crores and Thirty Lacs Only) comprising of 2,72,00,00,000 Equity Shares of Re. 1/- each and 30,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each.

15. DISSOLUTION OF THE TRANSFEROR COMPANY AND VALIDITY OF RESOLUTIONS

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the Parties. The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under the like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the transferee Company.

PART-C - GENERAL

16. APPLICATIONS TO HIGH COURT

The Transferor Company and the Transferee Company herein shall, with all reasonable dispatch, make applications under Sections 391 to 394 of the said Act to the High Court of Judicature at Mumbai for sanctioning this Scheme and for dissolution of the Transferor Company without being wound up.

17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

17.1 The Transferor Company (by their respective Directors) and the Transferee Company (by its Directors) may assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All amendments/modifications to the Scheme shall be subject to approval of High Court.

17.2 The approval to the Scheme by the requisite majorities of such classes of persons of the Transferor as may be directed by the Hon'ble High Court on the applications made for the directions under Section 391 of the Act for calling meetings or for dispensing with their holding.

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

18. NO CHANGE IN MANAGEMENT OF THE TRANSFEE COMPANY

18.1 There shall be no change in the management and control of the Transferee Company pursuant to the Scheme.

19. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional on and subject to:

19.1 The approval to the Scheme by the requisite majorities of the members and creditors of the Transferor Company and of the members and creditors of the Transferee Company.

19.2 The requisite resolution(s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable.

- 19.3 The sanction of the Hon'ble High Court of Judicature at Mumbai under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
- 19.4 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.
- 19.5 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 19.6 The Approval of the Scheme by the public shareholder of the Transferee Company shall be acted upon only, if the number of votes cast by in favour of the proposal are more than the number of votes cast by the public shareholder against it. The terms "Public" shall carry the same meaning as defined under Rule 2 of the Securities Contract (Regulation) Rules, 1957. The voting by the shareholders shall be through "Postal Ballot" as envisaged in section 110 of the Companies Act, 2013 and applicable rules thereunder, including that of the procedures of the e-voting mechanism provided by the concerned depositories from time to time.

20. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the scheme cannot be implemented, the Boards of Director of the Transferee Company and the Transferor Company shall mutually waive such condition as they consider appropriate to give effect as far as possible, to this Scheme and failing such mutual agreement or in case the scheme not being sanctioned by the Hon'ble High Court, the scheme shall become a null and void and each party shall bear & pay their respective costs, charges and expenses in connection with the scheme.

21. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing / completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertakings of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

22. GENERAL

This scheme has been drawn in compliance with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income Tax Act, 1961.

Accordingly, the Undertaking of the Transferor Company shall stand to and vested in or shall be deemed to be transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 or any modification or re-enactment thereof. In case however, any of the terms or provisions of the Scheme are found to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, at a later date, whether as a result of any amendment of law or any other judicial or executive interpretation or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect the other parts of this Scheme.

The transferee Company would be permitted to carry forward the losses of the Transferor Company post the approval of the Scheme.

In case there is delay in sanction of the Scheme then for the Assessment year 2017-18 corresponding to the Financial Year 2016-17, the Transferor Company and the Transferee Company would be filing their Tax Returns independently and post the approval of the Scheme they would be permitted to file a combined Tax Return even though the due date for filing may have been crossed.