



The Companies Act, 1956

Memorandum

and

Articles of Association

of

The Dharamsi Morarji Chemical Company Limited

CIN : L24110MH1919PLC000564



Certificate under Section 103 (2) of the Indian Companies Act,
VII of 1913, that a Company is entitled to commence business.

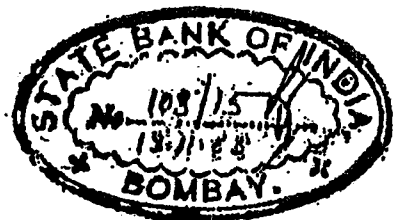
I hereby Certify, That the

Dharamai Morari Chemical Company Limited

which was incorporated under the Indian Companies Act, VII of 1913, on the 25th
 day of September 1919, and which has this day filed a
statutory declaration in the prescribed form that the conditions of Section 103 [1(a) to (d)] of the
said Act have been complied with, is entitled to commence business.

Given under my hand at Bombay this Tenth day of December

One Thousand Nine Hundred and Nineteen.



[Handwritten Signature]
Registrar of Companies.

SECOND CERTIFICATE OF INCORPORATION

CO. NO. 564

I hereby certify that "THE DHARAMSI MORARJI CHEMICAL

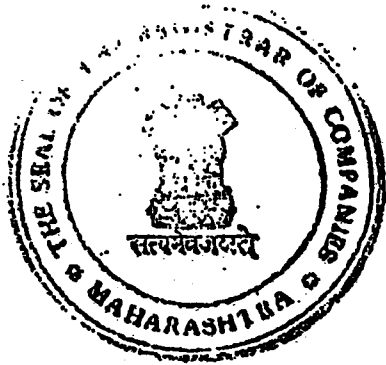
COMPANY LIMITED" was on TWENTY FIFTH day of SEPTEMBER

One thousand nine hundred and NINETEEN incorporated

under the Indian Companies Act, VII of 1913
~~Companies Act, 1930 (No. 1 of 1930)~~ and that the Company
is Limited.

Given under my hand at BOMBAY this SEVENTEENTH

day of AUGUST One thousand nine hundred and SEVENTY SIX



B. B. PAREKH
(B.B. PAREKH)
ASSTT. REGISTRAR OF COMPANIES,
MAHARASHTRA, BOMBAY.

Certificate of Incorporation

I HEREBY CERTIFY THAT THE DHARAMSI MORARJI CHEMICAL COMPANY, LIMITED, is this day incorporated under the Indian Companies Act VII of 1913, and that the Company is Limited.

Given under my hand at Bombay this 25th day of September One Thousand Nine Hundred and Nineteen.



H. C. B. MITCHELL,
Registrar of Companies.

Certificate of Registration

(Pursuant to the provision of Section 61(4) of
Indian Companies Act, 1943)

The Dharamsi Morarji Chemical Company Limited having by Special Resolution altered the provision of its Memorandum of Association with respect to its objects as confirmed by an Order of the High Court of Judicature at Bombay bearing date the 16th December 1943.

I hereby certify the Registration of a certified Copy of the said Order and of the minute (approved by the Court) showing the reduction of share capital.

Given under my hand at Bombay this Twentieth day of December One Thousand Nine Hundred and Forty-three.



Sd/- BEHRAMJI M. MODI,
Registrar of Companies.

No: 11-564.

(Section 391(1) and 394 of the Companies Act, 1956)

**CERTIFICATE OF REGISTRATION OF ORDERS OF COURT
CONFIRMING AMALGAMATION OF COMPANIES**

Certified that the certified copy of the
Hon'ble High Court of Judicature at Bombay
order dated 12.08.99 in
Company Petition No. 494 of 1999 regarding
the amalgamation of Udaipur Phosphates and
Fertilisers Ltd.

WITH
The Dharamsi Morarji Chemical Co. Ltd.
has been registered under the Companies Act,
1956 and has become effective on and from
1.04.1999 upon filing Application in Form No.
21 dated 27.08.99 with the office of the Registrar
of Companies Maharashtra.

Given under my hand at Mumbai this
28th day of sept. one
thousand nine hundred ninety nine.



(H.A. SOJ)

ADDL./ ASSTT REGISTRAR OF COMPANIES
Maharashtra, Mumbai

INDEX

		Page
	MEMORANDUM OF ASSOCIATION	1
	ARTICLES OF ASSOCIATION	7
I.	Table "A" excluded	7
II.	Interpretation	7
III.	Capital and Increase and reduction of Capital	9
IV.	Further issue of capital	11
V.	Underwriting and brokerage	14
VI.	Share Certificates	14
	Nomination	15
	Transmission of Securities by Nominee	15
	Dematerialisation of Securities	16
VII.	Lien	18
VIII.	Calls	19
IX.	Forfeiture	20
X.	Transfer and Transmission of Shares	21
XI.	Borrowing Powers	24
XII.	General Meetings	25
XIII.	Proceedings at General Meetings	29
XIV.	Directors	34
XV.	Proceedings of Directors.	42
XVI.	Powers of Directors	43
XVII.	Managing Director	49
XVIII.	Minutes	50
XIX.	The Seal	51
XX.	Secretary	51
XXI.	Dividends	51
XXII.	Capitalisation of Profits and Reserves	53
XXIII.	Books and Documents	54
XXIV.	Audit	55
XXV.	Notices	55
XXVI.	Registers and Documents	56
XXVII.	Winding up	57
XXVIII.	Indemnity	58
XXIX.	Secrecy Clause	59
	Court Order with DMC	61 to 86

**ABSTRACT
OF THE
ARTICLES OF ASSOCIATION
OF
THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED.**

	Article	Page
TABLE A EXCLUDED		
Table A excluded	1	7
INTERPRETATION		
Interpretation		
"The Company" or "this Company"	2	7
"The Act"	2	7
"These Articles"	2	7
"Auditors"	2	7
"Board of Directors" or "Board"	2	7
"Capital"	2	7
"Charge"	2	7
"Chairman"	2	7
"Debenture"	2	7
"Dividend"	2	7
"Executor" or Administrators	2	7
"Gender"	2	8
"In writing" and "written"	2	8
"Legal Representative"	2	8
"Member"	2	8
"Meeting" or "General Meeting"	2	8
"Annual General Meeting"	2	8
"Month"	2	8
"Office"	2	8
"Paid-up"	2	8
"Persons"	2	8
"Proxy"	2	8
"Register of Members"	2	8
"The Registrar"	2	8
"Secretary"	2	8
"Seal"	2	8
"Share"	2	8
"Singular number"	2	8
"Special Resolution"	2	8
"The Statutes"	2	8
"Year" and "Financial Year"	2	8
"Marginal Notes"	2	8
"Expressions in the Act to bear the same meaning in Articles"	2	8
Business of Company	3	9
CAPITAL AND INCREASE AND REDUCTION OF CAPITAL		
Amount of Capital	4	9
Unclassified shares	5	9
New Capital same as existing capital	6	9
Redeemable Preference Shares	7	9
Provisions to apply on issue of Redeemable Preference Shares	8	9

	Article	Page
Increase of capital by the Company and how carried into effect	9	10
Reduction of Capital	10	10
Consolidation, sub-division and cancellation of shares	11	10
Modification of rights	12	10
Restrictions on allotment	13	11
Funds of Company, may not be applied in purchase of shares of the Company	14	11
FURTHER ISSUE OF CAPITAL		
Further issue of capital	15	11
Shares under control of Directors	16	12
Application of premium received on shares Power also to Company in General Meeting to issue shares	17	12
Shares at a discount	18	12
Instalments on shares as fully paid up	19	13
The Board may issue shares as fully paid up	20	13
Acceptance of shares	21	13
Deposit and calls etc. to be a debt payable immediately	22	13
Liability of Members	23	13
Liability of joint holders of shares	24	14
Trusts not recognised	25	14
UNDERWRITING AND BROKERAGE		
Commission may be paid	26	14
Brokerage	27	14
SHARE CERTIFICATE		
Share Certificates how to be issued	28	14
Member's right to Certificates	29	14
Nomination	30A	15
Transmission of Securities by Nominee	30B	15
Dematerialisation of Securities	30C	16
Beneficial Owner		16
Bye-laws		16
Depositories Act		16
Depository		16
Record		16
Regulations		16
Security		16
Sharholder or member		16
Dematerialisation of Securities		16
Option for Investors		16
Securities in Depositories to be in fungible form		17
Rights of Depositories and Beneficial Owners		17
Service of documents		17
Option to opt in respect of any security		17
Section 83 and 108 of the Act not to apply		17
Distinctive numbers of securities held in a depository		17
Register and Index of Beneficial Owners		17

	Article	Page
Intimation to Depository		17
Stamp duty on securities held in dematerialised form		18
Applicability of the Depositories Act		18
Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository		18
Renewal of Certificate	31	18
LIEN		
Company's lien on shares	32	18
As to enforcing lien by sale	33	18
Application of proceeds of sale	34	19
CALLS		
Directors may make calls	35	19
Call may be postpond or revoked	36	19
Calls to date from Resolution	37	19
Notice of calls	38	19
Directors may extend time	39	19
When interest on call or instalment payable	40	19
Sums deemed to be calls	41	19
Evidence in action for a call	42	19
Payment of calls in advance	43	20
FORFEITURE		
If call or instalment not paid, notice may be given	44	20
Terms of Notice	45	20
If notice not complied with shares may be forfeited	46	20
Notice of forfeiture	47	21
Forfeited shares to become property of the Company	48	21
Powers to annul forfeiture	49	21
Arrears to be paid notwithstanding forfeiture	50	21
Effect of forfeiture	51	21
Evidence of forfeiture	52	21
Validity of sale under Articles 33 and 48	53	21
Cancellation of share certificates in respect of forfeited Shares	54	21
Surrender of Shares	55	21
TRANSFER AND TRANSMISSION OF SHARES		
Form of transfer	56	21
Application for transfer	57	22
Execution of transfer, etc.	58	22
Transfer to be presented with evidence of title	59	22
Transfer by legal representative	60	22
Board may refuse to register transfer	61	22
Notice of refusal to be given to transferor and transferee	62	22
No transfer to minor etc.	63	22
No fee on transfer or transmission	64	22
The Company not liable for disregard of a notice prohibiting registration of a transfer	65	23
When register of members or debenture holders may be closed	66	23
Death of one or more joint holders of shares	67	23
Title to shares of deceased member	68	23

	Article	Page
Compliance with the Estate Duty Act, 1953	69	23
Registration of persons entitled to share otherwise than by transfer	70	24
Person entitled may receive dividends without being registered member	71	24
Refusal to register nominee	72	24
BORROWING POWERS		
Power to borrow	73	24
The payment or repayment of moneys borrowed	74	24
Terms of issue of debentures	75	24
Mortgage of uncalled capital	76	25
GENERAL MEETINGS		
Annual General Meeting	77	25
Report, Statements and Registers to be laid before the Annual General Meeting	78	25
Extraordinary General Meeting	79	25
circulation of Members' Resolution	80	25
Extraordinary General Meeting	81	27
Requisition of Members to state object of Meeting	82	27
On receipt of requisition Directors to call meeting and in default requisitionists may do so	83	27
Meeting called by requisitionists	84	27
When a Director or any two members may call an extraordinary meeting	85	27
Length of notice of meeting	86	27
Contents and manner of service of notice	87	27
Omission to give notice not to invalidate proceedings	88	28
Special and Ordinary business and explanatory statement	89	28
PROCEEDINGS AT GENERAL MEETING		
Notice of business to be given	90	29
Quorum	91	29
Quorum to be present when business commences	92	29
Chairman of General Meeting	93	29
Business confined to election of Chairman whilst chair vacant	94	29
If quorum not present when meeting to be dissolved and when to be adjourned	95	29
Resolution passed at adjourned meeting	96	29
How questions to be decided at meeting	97	30
Chairman to have a casting vote	98	30
Chairman's declaration of result of voting by show of hands conclusive	99	30
Demand for poll	100	30
Time of taking the poll	101	30
Scrutineers at poll	102	31
Chairman may adjourn meeting with consent	103	31
Business may proceed notwithstanding demand for poll	104	31
Resolution requiring special notice	105	31

	Article	Page
Restriction on exercise of voting rights of members who have not paid calls	106	31
Number of votes to which Member entitled	107	31
Vote of member of unsound mind	108	32
Voting in person or by proxy	109	32
Casting of votes by a Member entitled to more than one vote	110	32
Votes in respect of shares of deceased and insolvent members	111	32
Joint Holders	112	32
Representation of body corporate	113	32
Instrument of proxy to be in writing	114	33
Form of Proxy	115	33
No Proxy to vote on a show of hands	116	33
Proxy either for specified meeting or for a period	117	33
Instrument appointing a proxy to be deposited at the office	118	33
When vote by proxy valid though authority revoked etc	119	33
Time for objections to vote	120	33
Chairman of any meeting to be the judge of any vote custody of the instrument	122	33
DIRECTORS		
Number of Directors	123	34
Directors at the date of adoption of Articles	124	34
Directors may fill up vacancies	125	34
Additional Directors	126	34
Debenture Director	127	34
Corporation Director	128	34
Retirement of Debenture and corporation Director	129	34
Company may increase or reduce the number of Directors or may remove any Directors	130	35
Qualifications of Directors	131	35
Directors' Remuneration	132	35
Travelling expenses of a Director	133	35
Remuneration of Directors	134	35
Retirement of Directors by rotation	135	35
Senior Director to retire	136	35
Company to appoint Successors	137	35
Provisions in default of appointment	138	36
Notice of candidature for office of Directors except in certain cases	139	36
Disclosure by director of appointment to or relinquishment from any other body corporate	140	36
Disclosure by a Director of holdings of shares and debentures of the Company etc.	140(b)	36
Alternate Directors	141	36
Directors may act notwithstanding vacancy	142	37
Holding of office of profit by Directors	143	37
Office of Directors to be vacated	144	38
Resignation	144(2)	39
Directors may contract with Company	145	39
Disclosure of Director's interest	146	39

	Article	Page
Board resolution necessary for certain contracts	147	40
Disclosures to members of Directors' interest in contract appointing Manager, Managing Director or Whole-time Director	148	41
Loans to Directors etc	149	41
Loans etc. Companies	150	41
Interested Director not to participate or vote in Board's proceedings	151	41
Directors may be Directors of Companies promoted by the Company	152	42
PROCEEDINGS OF DIRECTORS		
Meetings of Directors	153	42
Notice of meetings and when to be convened	154	42
Quorum	155	42
How questions to be decided	156	42
Procedure when meeting adjourned for want of quorum	157	42
Chairman	158	42
Powers of Board Meeting	159	42
Directors may appoint committees	160	43
Meeting of Committee how to be governed	161	43
When acts of Directors or Committee valid notwithstanding defective appointment etc	162	43
Resolution by Circular	163	43
POWERS OF DIRECTORS		
General powers of management vested in Directors.. ..	164	43
Certain powers to be exercised by the Board only at meeting	165	44
Certain powers of the Board	166	45
Power to appoint Chairman, Managing Directors, Vice-Chairman, Joint Managing Director and / or Whole-time Director(s)	167	49
What provisions they will be subject to	168	49
Remuneration of Managing and/or Whole-time Director(s)	169	49
Powers and duties of Managing and/or Whole time Directors	170	49
MINUTES		
Minutes to be made	171	50
Minutes to be considered evidence	172	50
Presumption to be drawn where Minutes duly drawn and signed	173	50
THE SEAL		
The Seal, its custody and use	174	51
Deeds how executed	175	51
SECRETARY		
Secretary	176	51
DIVIDENDS		
The Company is General Meeting may declare a dividend	177	51
Dividend out of profits only	178	51
Declaration of Directors as to net profits conclusive	179	51

	Article	Page
Interim dividends	180	51
Effect of transfer	181	51
Retention in certain cases	182	52
No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof	183	52
Dividend how remitted	184	52
Unclaimed dividends	185	52
Dividends in proportion to amount paid-up	186	52
Reserves	187	52
Receipts	188	52
No interest on dividends	189	53
Dividends in cash	190	53
Dividend and call together	191	53
CAPITALISATION OF PROFITS AND RESERVES		
Capitalisation	192	53
Fractional certificates	193	53
BOOKS AND DOCUMENTS		
Books to be kept by the Company	194	54
Inspection by members	195	54
Statements of accounts to be furnished to General Meeting	196	55
Right of member to copies of Balance Sheet and Auditors' Report	197	55
AUDIT		
Audit	198	55
Accounts when audited and approved to be conclusive except as to errors discovered within three months	199	55
NOTICES		
Service of documents on members by the Company.. ..	200	55
Service of documents on Company	201	56
Authentication of documents and proceedings	202	56
REGISTERS AND DOCUMENTS		
Registers and documents to be mentioned by the Company	203	56
Registers open for inspection	204	57
WINDING UP		
Distribution of assets	205	57
Distribution in specie, or kind	206	57
Rights of shareholders in case of sale	207	58
INDEMNITY		
Indemnity	208	58
Individual responsibilities of Directors	209	58
SECURITY CLAUSE		
Members not entitled to information	210	59

	Article	Page
Court Order of Udaipur Phosphates & Fertilisers Limited		61 to 63
Schedule Scheme of Amalgamation of Udaipur Phosphates & Fertilisers Limited with The Dharamsi Morarji Chemical Company Limited		64 to 74
Court Order of The Dharamsi Morarji Chemical Company Limited		75 to 77
Schedule Scheme of Amalgamation of Udaipur Phosphates & Fertilisers Limited with The Dharamsi Morarji Chemical Company Limited		78 to 88

MEMORANDUM OF ASSOCIATION
OF
THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

I. The name of the Company is THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED.

II. The Registered Office of the Company will be situated in Bombay.

III. The objects for which the Company is established are :-

(1) To carry on the trade or business of manufacturers of acids, salts, tannin extracts, chemical, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint or other substances or things and to purchase, manufacture, sell and generally deal in all materials, substances and things required for or incidental to the manufacture, preparation, adaptation or use of acids, salts, chemicals and other preparations and articles.

(1A) To carry on the business of manufacturers of, dealers and workers in, sellers, importers and exporters of cement of all types, lime, plasters, clay, granules, sand, artificial stone and all kinds and any products or things which may be manufactured out of or with cement or in which the use of cement may be made.

(1B) To manufacture, buy, sell, refine, manipulate, import, export or otherwise deal in all kinds of disinfectants, insecticides, fungicides, manures, sprayers, as also protectives and preservatives and to investigate all means, devices, inventions and improvements tending to increase the use of fertilizers and manures and advance the interests of agriculture and the fertilizer industry.

- (1C) To carry on business of hiring out computer time and also providing punching and programming services termed 'software' by methods of system analysis or other similar methods and by the use and employment of computer and other electronic devices involving technical data compilation and processing and sale thereof.
- (1D) To carry on the business of shipowners and to purchase, charter, hire ships or vessels.
- (1E) To carry on the business of a leasing and hire purchase finance Company and to provide on lease or on hire purchase all types of industrial and office plant, equipment, machinery, vehicles and buildings.
- (1F) To carry on the business of manufacturers of equipments including equipment for energy saving and pollution control, components, accessories, apparatus and parts thereof required for industries in general and the chemical and fertilizer industry in particular.
- (2) To purchase, take on lease or otherwise acquire and explore, work, exercise, develop, acquire options in and turn to account, any mines, metalliferous land, mining rights, prospectors' or other claims and diggers' licences, either in India or elsewhere.
- (3) To raise, win, get quarry, crush, smelt, refine, amalgamate and prepare for market the produce of any mines, whether the property of the Company or not and whether in India or elsewhere and to carry on any other metallurgical operations which may seem capable of being used fully or profitably carried on in connection with the other businesses of the Company, and to sell, dispose of and deal in such produce, either in a manufactured state or otherwise, and any materials or substances resulting from or to be obtained in the process of smelting, refining or manufacturing the same, and either freed from or in combination with other substances.
- (4) To buy, sell, import, export, manipulate, prepare for market and deal in merchandise of all kinds and generally to carry on business as merchants, importers and exporters.
- (5) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (6) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of this Company.
- (7) To apply for, purchase or otherwise acquire, any patent's brevets d'invention, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop, or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
- (8) To enter into partnership or into any arrangement for sharing profits, union of interests, cooperation, joint adventure, reciprocal concession, or otherwise, with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to

carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of or otherwise assist, any such person or company and to take or otherwise acquire shares and securities of any such company and to sell, hold, reissue, with or without guarantee or otherwise deal with the same.

- (9) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (10) To enter into any arrangements with any Governments or authorities supreme, municipal, local, or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authority, any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (11) To provide for the welfare of persons employed or formerly employed by the Company and the wives, widows and families of such persons by grants of money or other aid or otherwise as the Company shall think fit.
- (12) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (12A) To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist the execution and promotion thereof either directly or through an association or institution or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "Programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under Section 35CC of the Income-tax Act, 1961 or any other Law relating to rural development for the time being in force and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of such association or institution or any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts established under any law for the time being in force or recognized or approved by the Central or State Government or any other authority specified in that behalf.
- (12B) To undertake, carry out promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the

public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, trust etc. having any one or more of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit, subject to the provisions of Companies Act as in force and with the approval of general body and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts established under any law for the time being in force or recognised or approved by the Central or State Government or any other authority specified in that behalf.

- (13) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (14) Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (15) To construct, improve, maintain, develop, work, manage, carry out or control any roadways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electricworks, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.
- (16) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (17) To lend money to such persons 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.
- (18) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem or pay off any such Securities.
- (19) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital, or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (20) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, warrants, debentures and other negotiable or transferable instruments.

ended
75th AGI
7.9.1995

- (21) To undertake and execute any trusts, the undertaking whereof may seem desirable either gratuitously or otherwise.
- (22) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular, for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
- (23) To adopt such means of making known the products of the Company as may seem expedient and in particular, by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (24) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company.
- (25) To amalgamate with any other company having objects altogether or in part similar to those of this Company.
- (26) To distribute any of the property of the Company in specie among the members.
- (27) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees, or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (28) To do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that the word "Company" in this Clause shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in India or elsewhere and the intention is that the objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be in no wise limited or restricted by reference to or inference from the terms of, any other paragraph or the name of the Company.

IV. The liability of the Members is Limited.

V. "The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty crores) consisting of 3,00,00,000 Equity Shares of Rs.10 each and 10,00,000 Preference Shares of Rs. 100 each."

ended
75th AGM
7.9.1995

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

Names, Addresses and Descriptions of Subscribers			Number of Shares taken by each Subscriber
(Sd)	FAZULBHOY CURRIMBOY, Esplanade Road, Bombay.	Merchant	100
(Sd)	PURSHOTAMDAS THAKURDAS, Esplanade Road, Bombay.	Merchant	100
(Sd)	RATANSI D. MORARJI Tamarind Lane, Fort, Bombay.	Merchant	100
(Sd)	MADHAVJI D. MORARJI Tamarind Lane, Fort, Bombay.	Merchant	100
(Sd)	F.E. DINSHAW, Esplanade Road, Bombay.	Solicitor	100
(Sd)	TRIKAMDAS D. MORARJI, Tamarind Lane, Fort, Bombay.	Merchant	One
(Sd)	MANSUKHLAL ATMARAM MASTER, Tamarind Lane, Fort, Bombay.	Merchant	One

Dated the 25th day of September 1919.

Witness to the above signatures :

(sd) S.S. BALSEKAR,
Clerk to Messrs. PAYNE & CO., Solicitors,
Esplanade Road, Bombay.

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

I. TABLE "A" EXCLUDED

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

Table A not to apply but Company to be governed by these Articles.

II. INTERPRETATION

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

Interpretation Clause.

"The Company" or "this Company" means THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED.

"The Company" or "this Company".

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

The Act.

"These Articles" means Articles of Association for the time being or as altered from time to time by Special Resolution.

These Articles.

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

Auditors.

"The Board of Directors" or "Board" means the Board of Directors of the Company or the Directors of the Company collectively.

Board of Directors or Board.

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

Capital.

"Charge" includes a mortgage.

Charge.

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

Chairman.

"Debenture" includes Debenture Stock.

Debenture.

"Dividend" includes bonus.

Dividend.

"Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from the Court of competent jurisdiction and shall include the holder of a Succession Certificate authorising the holder thereof to negotiate or transfer the share or shares of the deceased member and shall also include the holder of a Certificate granted by the Administrator-General under Section 31 of the Administrators-General Act, 1963.

Executor or Administrator.

Gender.	Words importing the masculine gender shall include the feminine gender.
In writing and written.	"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
Legal Representative.	"Legal Representative" means a person who in law represents the estate of a deceased Member.
Member.	"Member" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of the Company.
Meeting or General Meeting.	"Meeting" or "General Meeting" means a meeting of the Members.
Annual General Meeting.	"Annual General Meeting" means a General Meeting of the members held in accordance with the provisions of Section 166 of the Act.
Month.	"Month" means a calendar month.
Office.	"Office" means the Registered Office for the time being of the Company.
Paid-up.	"Paid-up" includes credited as paid up.
Persons.	"Persons" includes corporations.
Proxy.	"Proxy" means an instrument whereby any person is authorised to vote for a member at a General Meeting or poll.
Register of Members.	"Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.
The Registrar.	"The Registrar" means the Registrar of Companies, Maharashtra.
Secretary	"Secretary" includes a temporary or Assistant Secretary and any person or persons appointed by the Board to perform any of the duties of a Secretary.
Seal.	"Seal" means the Common Seal for the time being of the Company.
Share.	"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
Singular number	Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
Special Resolution.	"Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
"The Statutes".	"The Statutes" means the Companies Act, 1956, and every other Act for the time being in force affecting the Company.
Year and Financial Year.	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
Marginal Notes.	The marginal notes used in these Articles shall not affect the construction thereof.
Expressions in the Act to bear the same meaning in Articles.	Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

3. The business of the Company shall comprise of all the businesses mentioned or included in the Memorandum of Association and all incidental matters and may, subject to the Act and subject to the provisions of these presents, be carried on by or under the management of the Directors and according to such regulations as the Directors may from time to time prescribe and any branch or kind of business which the Company is authorised to carry on, may be suffered to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors shall from time to time deem advisable.

Business of Company.

III. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

4. "The Authorised Share Capital of the Company is Rs. 40,00,00,000 (Rupees forty crores) consisting of 3,00,00,000 Equity Shares of Rs. 10 each and 10,00,000 Preference Shares of Rs. 100 each."
5. Any unclassified shares of the Company for the time being (whether forming part of the original capital or for any increased capital of the Company), may be issued either with the sanction of the Company in General Meeting or by the board with such rights and privileges annexed thereto and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct and if no such direction shall be given and in all other cases as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference Shares may be issued on the terms that they are, or at the option of the Company, liable to be redeemed.
6. Except in so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are, or at the option of the Company, liable to be redeemed and the resolution authorising such issue, shall prescribe the manner, terms and conditions of redemption.
8. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof, the following provisions shall take effect :-
- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
 - (b) no such shares shall be redeemed unless they are fully paid;
 - (c) the premium, if any, payable on redemption, must have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Amount of capital.

Unclassified Shares.

New Capital same as existing capital.

Redeemable Preference Shares.

Provisions to apply on issue of Redeemable Preference Shares.

Increase of Capital by the Company and how carried into effect.

9. The Company in General Meeting may, by ordinary resolution from time to time, increase the Capital by the creation of new shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at the General Meetings of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Reduction of Capital.

10. The Company may (subject to the provisions of Section 78, 80 and 100 to 104 inclusive of the Act), from time to time by Special Resolution, reduce its capital and any capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

Consolidation, subdivision and cancellation of shares.

11. Subject to Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows :
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) Sub-divide its shares, or any of them, into shares of smaller amount than fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share, shall be the same as it was in the case of the share from which the reduced share is derived.
 - (c) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall, within one month thereafter, give notice thereof to the Registrar as required by Section 95 of the Act specifying as the case may be, the shares consolidated, divided, converted, sub-divided or cancelled.

Modification of rights.

12. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied 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 General Meeting of the holders of shares of that class, and all the provisions hereafter contained as to General Meeting shall, mutatis mutandis, apply to every such meeting. This Article is not derogate from any power the Company would have if this Article were omitted.

The rights conferred upon the holders of the shares (including preference shares if any), of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares

of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

13. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
14. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

Restrictions on allotment.

Funds of Company may not be applied in purchase of shares of the Company.

IV. FURTHER ISSUE OF CAPITAL

15. (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 Ordinary shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. The offer, aforesaid shall be deemed to include the right exercisable by persons concerned to renounce the shares offered to them in favour of any other person and the notice shall contain statement of this right. Provided, however, that the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose them off in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may :-
- (i) by a Special Resolution; or
- (ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, issue further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
- (c) Nothing in clause (a) hereof shall be deemed :
- (i) to extend the time within which the offer should be accepted, or
- (ii) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the

Further issue of capital.

renunciation was first made, has declined to take the shares comprised in the renunciation.

- (d) Nothing in this article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company –
- (i) to convert such debentures or loans into shares in the Company; or
 - (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise);

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

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

Shares under control of Directors.

16. Subject to provisions of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and with power subject to sanction of the Company in General Meeting, to give any person the option to call for or be allotted shares of any class (as the case may be for the time being) of the Company either at a premium or at par or at a discount (subject to the provisions of Sections 78 and 79 of the Act) and for such time and for such consideration as the Directors may think fit. The Board shall cause to be made the return as to allotment provided for in Section 75 of the Act.

Application of premium received on shares.

17. (1) Where the Company issued shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "THE SHARE PREMIUM ACCOUNT" and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this Article, apply, as if the share premium amount were paid-up share capital of the Company.
- (2) The share premium account may, notwithstanding anything in clause (1) hereof be applied by the Company :-
- (a) in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the Company;
 - (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
 - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Power also to Company in General Meeting to issue shares.

18. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased

capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a Member or not), the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

19. The Company may issue at a discount, shares in the Company of a class already issued, if the following conditions are fulfilled, namely :

Shares at a discount.

- (i) the issue of the shares at a discount is authorised by a resolution passed by the Company in General Meeting and sanctioned by the Court;
- (ii) the resolution specifies the maximum rate of discount (not exceeding ten per cent, or such higher percentage as the Central Government may permit in any special case), at which the shares are to be issued and
- (iii) the shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

20. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the shares or his legal representatives and shall for the purposes of these Articles, be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all the other relevant provisions of these Articles shall apply as if such instalments were a call duly made and notified as hereby provided.

Instalments on shares to be duly paid.

21. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services rendered to the Company in the conduct of its business or in satisfaction of any outstanding debt or obligation of the Company and any shares which may be so issued shall be deemed to be fully paid-up shares.

The Board may issue shares as fully paid-up.

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

Acceptance of shares.

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

Deposit and calls etc. to be a debt payable immediately.

Liability of Members

24. Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

Liability of joint-holders of shares.

25. The joint-holders of shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

Trusts not recognised.

26. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by statute required, be bound to recognise even when having notice thereof any equitable, contingent, future or other claim to or interest in such share on the part of any other person but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

V. UNDERWRITING AND BROKERAGE**Commission may be paid.**

27. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Company; but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment in cash or the allotment of fully or partly paid shares or debentures or partly in one way and partly in the other.

Brokerage.

28. The Company may, on any issue of shares or debentures, pay a reasonable sum for brokerage.

VI. SHARE CERTIFICATES**Share certificates how to be issued.**

29. The Certificates of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within three months after the allotment unless the conditions of issue of shares provide otherwise.

Member's right to certificates.

30. Every Member shall be entitled, without payment, to receive one certificate for all the shares of the same class registered in his name. Every share certificate shall specify the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issue of bonus shares. PROVIDED THAT if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and

the payment of out-of-pocket expenses incurred by the Company in investigating evidence. If any member shall require additional certificates, he shall pay for each such additional certificate (not being in the marketable lot) such sum not exceeding One Rupee as the Directors shall determine. Provided that in the case of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

30A. NOMINATION

- (1) Every shareholder or debentureholder of the Company may, at any time, nominate in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- (2) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.
- (3) 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 or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentureholder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

30B. TRANSMISSION OF SECURITIES BY NOMINEE

- (1) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :
 - (a) to be registered himself as holder of the shares or debentures, as the case may be; or
 - (b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debentureholder, could have made.
- (2) If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, 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 by the death certificate of the deceased shareholder or debentureholder as the case may be.
- (3) 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 shares or debentures except that he shall not, before being registered as a member in respect of his shares or debentures, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, 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 shares or debentures, until the requirements of the notice have been complied with.

30C. DEMATERIALISATION OF SECURITIES

A. Definitions :

For the purposes of this Article, unless the context otherwise requires, the words indicated below shall have the following meanings :

Beneficial Owner	'Beneficial Owner' means a person or persons whose name is recorded as such with a Depository and/or the beneficial owner as defined in clause (a) of sub-section(1) of section 2 of the Depositories Act, 1996;
Bye-laws	'Bye-laws' mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;
Depositories Act	'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force;
Depository	'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a Certificate of Registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
Record	'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;
Regulations	'Regulations' mean the regulations made by SEBI; SEBI: 'SEBI' means the Securities and Exchange Board of India;
Security	'Security' means such security as may be specified by SEBI from time to time;
Shareholder or member	'Shareholder' or 'member' means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;
Dematerialisation of Securities	B. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;
Option for Investors	C. Every existing shareholder and/or person holding/subscribing to securities of the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can, at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of the security held/ subscribed by such person and on receipt of such information, the Depository shall enter in its record the name of the holder/allottee as the beneficial owner of the security;

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| <p>D. All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;</p> | <p>Securities in Depositories to be in fungible form</p> |
| <p>E. i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;</p> <p>ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;</p> <p>iii. 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 a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.</p> | <p>Rights of Depositories and Beneficial Owners</p> |
| <p>F. Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.</p> | <p>Service of documents</p> |
| <p>G. If a beneficial owner seeks to opt out a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.</p> <p>The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.</p> | <p>Option to opt in respect of any security</p> |
| <p>H. Notwithstanding anything to the contrary contained in the Articles :</p> <p>i. Section 83 of the Act shall not apply to the shares with Depository;</p> <p>ii. Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.</p> | <p>Section 83 and 108 of the Act not to apply</p> |
| <p>I. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a depository.</p> | <p>Distinctive numbers of securities held in a depository</p> |
| <p>J. The Register and Index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be the Register and Index of Members and securityholders as the case may be for the purpose of these Articles.</p> | <p>Register and Index of Beneficial Owners</p> |
| <p>K. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details of allotment of securities thereof to the depository within 7 days on allotment of such securities:</p> | <p>Intimation to Depository</p> |

Stamp duty on securities held in dematerialised form

L. No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

Applicability of the Depositories Act

M. In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository

N. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof.

Renewal of Certificate.

31. If a share certificate is old, decrepit, or worn out or if there is no further space on the back of a share certificate for endorsement of transfer, it shall, on request, be replaced by a new certificate, free of cost, but a renewal of certificate in the case of certificates torn, defaced, destroyed or lost shall be made on payment of such charge not exceeding rupee one as may from time to time be prescribed by the Board of Directors; provided however that such new certificates shall not be granted except upon delivery of the worn out or defaced or used up certificate for the purpose of cancellation, or upon proof of destruction or loss, and upon such terms, if any as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board of Directors may think fit in the case of any certificate having been destroyed, lost or defaced beyond identification.

VII. LIEN

Company's lien on shares.

32. (1) The Company shall have a first and paramount lien on every share (not being a fully paid share) and upon the proceeds of the sale thereof, for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share. Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this article.

(2) The Company's lien, if any, on a share shall extend to all dividends from time to time declared in respect of such share.

As to enforcing lien by sale.

33. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf and in the name of such Member. No sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

34. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable and the balance (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 member or the person (if any) entitled to the shares at the date of the sale.

Application of proceeds of sale.

VIII. CALLS

35. Subject to provisions of Section 94 of the Act, the Board of Directors may, from time to time, subject to the terms on which any shares have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by a circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by instalments.
36. A call may be postponed or revoked as the Board may determine.
37. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.
38. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid, provided that before the time for payment of such call, the Board may, by notice in writing to the members revoke the same.
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 to all or any of the Members whom the Board may deem fairly entitled to such extension; but no Member shall be entitled to such extension as of right except as a matter of grace and favour.
40. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 9 percent per annum or at such other rate not exceeding 9 percent per annum as the Directors may determine, from the date appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
41. Any sum, which by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue the same becomes payable, and in case of non-payment 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.
42. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove

Directors may make calls.

Call may be postponed or revoked.

Calls to date from Resolution.

Notice of calls.

Directors may extend time.

When interest on call or instalment payable.

Sums deemed to be calls.

Evidence in action for a call.

that the name of the member in respect of whose shares the money is sought to be recovered, is entered in the Register of Members as the holder or one of the holders at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representative sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid, shall be conclusive evidence of the debt.

Payment of calls in advance.

43. (a) The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Board may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine per cent per annum as the member paying such sum in advance and the Board agree upon. The Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Money so paid in advance of the amount of calls, shall not confer a right to participate in profits or dividend.

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

IX. FORFEITURE

If call or instalment not paid, notice may be given.

44. If any member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any extension thereof the Directors may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. For the purposes of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share, shall be deemed to be a call payable upon such share on the day of allotment.

Terms of Notice.

45. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 9 percent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid, and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at, or before the time, and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

If notice not complied with, shares may be forfeited.

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

47. When any shares 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, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid. **Notice of forfeiture.**
48. Any shares so forfeited, shall be deemed to be the property of the Company, and the Directors may sell, reallocate, or otherwise dispose of, the same either to the original holder thereof or to any other person, upon such terms and in such manner as they think fit. **Forfeited shares to become property of the Company.**
49. The Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit. **Powers to annul forfeiture.**
50. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 per cent per annum, and the Directors may enforce the payment thereof if they think fit, but shall not be under any obligation so to do. **Arrears to be paid notwithstanding forfeiture.**
51. The forfeiture of a share shall involve the extinction, at the time of the forfeiture, of all interest in and also of 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.**
52. A declaration in writing that the declarant is a Director 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 shares. **Evidence of forfeiture.**
53. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchaser money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. **Validity of sale under Articles 33 and 48.**
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 new certificate or certificates in respect of the said shares to the person or persons entitled thereto. **Cancellation of share certificates in respect of forfeited shares.**
55. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous or surrendering on such terms as they think fit. **Surrender of Shares.**
- X. TRANSFER AND TRANSMISSION OF SHARES**
56. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof. **Form of transfer.**

Application for transfer.

57. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of clause (2), the above notice to the transferee shall be deemed to have been duly given if it is despatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Execution of transfer etc.

58. The instrument of transfer of any share shall be duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and attested. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.

Transfer to be presented with evidence of title.

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

Transfer by legal representative.

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

Board may refuse to register transfer.

61. Subject to the provisions of Section 111 of the Act, or any statutory modification of the said provisions for the time being in force, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board and such refusal shall not be affected by the fact that the proposed transferee is already a Member. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee. 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 where the Company has a lien on shares.

Notice of refusal to be given to transferor and transferee.

62. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification or reenactment thereof for the time being in force shall apply.

No transfer to minor etc.

63. The Board shall not issue or register a transfer of any share to a minor or insolvent or person of unsound mind.

No fee on transfer or transmission.

64. No fee shall be payable to the Company, in respect of any transfer or transmission of shares.

65. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.
- The Company not liable for disregard of a notice prohibiting registration of a transfer.
66. The Directors may, on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office is situate, close the register of members and/or register of debenture holders at such time or times and for such period or periods as the Directors think fit, not exceeding in the aggregate, fortyfive days in each year, but not exceeding thirty days at any one time.
- When register of members or debenture holders may be closed.
67. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- Death of one or more joint holders of shares.
68. The executors or administrators or holders of a Succession Certificate or the legal representatives in respect of the shares of a deceased member (not being one or two or more joint holders), shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may decide and under Article 70 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.
- Title to shares of deceased member.
69. If any Member of the Company dies and the Company, through any of its principal officers, within the meaning of Section 2(14A) of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares in the name of the deceased Member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller or Assistant Controller of Estate Duty in India that either the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any Member, the Company shall, within such time as may be prescribed, furnish to the Assistant Controller or the Deputy Controller of Estate Duty who is exercising the functions of the Income-tax Officer in the case of the Company, such particulars as may be prescribed by the Estate Duty Rules, 1953.
- Compliance with the Estate Duty Act, 1953.

Registration of persons entitled to shares otherwise than by transfer.

70. Subject to the provisions of Articles 67 and 68, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the 'Transmission Article'.

Person entitled may receive dividends without being registered as member.

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

Refusal to register nominee.

72. Subject to the provisions of the Act and these Articles, the Director 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 presented for registration.

XI. BORROWING POWERS

Power to borrow.

73. Subject to the provisions of Sections 292 and 293 of the Act, the Board of Directors, may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members (either in advance of calls or otherwise) and from other persons and generally borrow or raise or secure the payment of any sum or sums of money for the purposes of the Company, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such moneys without the sanction of the Company in General Meeting. No debt incurred by the Company in excess of the limit imposed by this Article, shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.

The payment or repayment of moneys borrowed.

74. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit and in particular, in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution), by the issue of bonds, debentures or debenture stock of the Company or any mortgage charge or other security upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debentures.

75. Any debentures debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of

shares attending (but not voting) at General Meetings, right to appoint Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting, by a Special Resolution and also with the sanction of the Central Government.

76. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. Mortgage of uncalled capital.

XII. GENERAL MEETINGS

77. (1) The Company shall, in addition to any other meetings, hold a general meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided however, that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held, by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the case where the Registrar has given an extension of time as aforesaid for holding an Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Annual General Meeting.
- (2) Every Annual General Meeting shall be called for a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city or town in which the Registered Office of the Company is for the time being situate. The Notice calling the meeting shall specify it as the Annual General Meeting.
78. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statements of Account, Auditors' Report (if not already incorporated in the Audited Statements of Account) and the Register of Directors' shareholdings shall remain open and accessible during the continuance of the meeting. Report, Statements and Registers to be laid before the Annual General Meeting.
79. All General Meetings other than Annual General Meetings shall be called "Extraordinary General Meeting". Extraordinary General Meeting.
80. (1) Subject to the provisions of Section 188 of the Act, the Directors shall, on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves), at the expense of the Requisitionists :- Circulation of Members' Resolution.
- (a) give to members of the Company entitled to receive a notice of the next annual general meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.
- (b) Circulate to members entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

(2) The number of members necessary for a requisition under clause (1)

hereof shall be

(a) such number of members as represent not less than one-twentieth of the total voting power of all the members having at the date of the requisition, a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid-up an aggregate sum of not less than rupees one lakh in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served or notice of the effect of the resolution shall be given, as the case may be, in the same manner and so far as practicable, at the same time as notice of the meeting and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless (a) a copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signatures of all the requisitionists), is deposited at the Registered Office of the Company :-

(i) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting; and

(ii) in the case of any other requisition, not less than two weeks before the meeting;

and (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.

(5) The Company shall also not be bound under this Article to circulate any statement if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these presents contained, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of this clause notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it, to one or more members.

**Extraordinary
General
Meeting.**

**Requisition of
Members to
state object of
Meeting.**

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

**Meeting
called by
requisitionists.**

**When a direc-
tor or any two
members may
call an extraor-
dinary meeting.**

**Length of
notice of
meeting.**

**Contents and
manner of
service of
notice.**

81. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date, carries the right of voting in regard to the matter in respect of which the requisition has been made, and upon which all calls or other sums then due have been paid.
82. Any valid requisition so made by Members must set out the matters for the consideration of which the meeting is called and must be signed by the requisitionists and be deposited at the Office, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
83. Upon receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if it does not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
84. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which meetings are called by the Board.
85. If at any time there are not, within India, sufficient directors capable of acting to form a quorum or if the number of directors be reduced in number to less than the minimum number of directors prescribed by these Articles and the continuing directors fail or neglect to increase the number of directors to that number or to convene a general meeting; any director or any two or more members of the Company holding not less than one-tenth of the total paid-up share capital of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.
86. (1) A general meeting of the Company may be called by giving not less than twentyone days' notice in writing.
- (2) A general meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto :
- (i) in the case of annual general meeting, by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety five percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting;
- PROVIDED that where any of the members of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.
87. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
- (iii) to the auditor or auditors for, the time being of the Company, in any manner authorised by Section 53 of the Act in the case of any member or members of the Company;

PROVIDED that where the notice of a meeting is given by advertising the same in the newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of section 53, the statement of material facts referred to in section 173 need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

- (3) Every notice convening a meeting of the Company shall state with reasonable prominence that a member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be member of the Company.

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

Omission to give notice not to invalidate proceedings.

89. (1) (a) In the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to :

Special and Ordinary business and explanatory Statement.

- (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and Auditors;
- (ii) the declaration of a dividend;
- (iii) the appointment of directors in the place of those retiring; and
- (iv) the appointment of and the fixing of the remuneration of the auditors and
- (b) in the case of any other meeting, all business to be transacted thereat shall be deemed special.

- (2) Where any of the items of business to be transacted at any meeting of the Company, is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement, setting out all material facts concerning each such item of business, including in particular, the nature of the concern or interest, if any, therein, of every director.

PROVIDED that where any such item of special business to be transacted at a meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every director of the Company, shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other company.

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

XIII. PROCEEDINGS AT GENERAL MEETING

Notice of business to be given.

90. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.

Quorum.

91. Five members present personally and entitled to vote shall be the quorum for a General Meeting.

Quorum to be present when business commences.

92. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Chairman of General Meeting.

93. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting or if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take the Chair, the Vice-Chairman, if any, shall be entitled to take the Chair. If the Vice-Chairman is also not present or is unwilling to take the Chair, the Directors present shall elect one of them as Chairman and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their members to be Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman whilst chair is vacant.

94. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

If quorum not present when meeting to be dissolved and when to be adjourned.

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

Resolution passed at adjourned meeting.

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

97. Every question submitted to a general meeting shall be decided in the first instance by a show of hands unless a poll is demanded as provided in these Articles. **How questions to be decided at meetings.**
98. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member. **Chairman to have a casting vote.**
99. A declaration by the Chairman of the meeting that on a show of hands, a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution. **Chairman's declaration of result of voting by show of hands conclusive.**
100. At any General Meeting, a resolution put to vote of the Meeting, shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands), demanded by the Chairman of the Meeting or by any member or members present in person or by proxy and holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares, in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum of not less than Rs. 50,000 has been paid-up, and unless poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. **Business may proceed notwithstanding demand for poll.**
100. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by the person or persons specified below, that is to say : - **Resolution requiring special notice.**
- (a) By at least five members having the right to vote on the resolution and present in person or by proxy, or
- (b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution ; or
- (c) by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right; - **Restriction on exercise of voting rights of members who have not paid calls.**
- (2) The demand for a poll may be withdrawn at any time by the person or persons, who made the demand. **Number of votes to which Member entitled.**
101. A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Article 93) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. **Vote of member of unsound mind.**
- Voting in person or by proxy.**

102. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
103. (1) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.
104. 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 a poll has been demanded.
105. Where by any provision contained in the Act, Special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in newspaper having an appropriate circulation or in any other mode allowed by these presents, not less than seven days before the meeting.
106. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
107. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being, forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present; and to speak and vote at such meeting and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by proxy shall have the right to vote in proportion to his share of the paid-up Equity capital of the Company either alone or jointly with any other person or persons, provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Business
may proceed
notwith standing
demand for poll.

Resolution
requiring
special notice.

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

Number of votes
to which Member
entitled.

108. 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. **Vote of member of unsound mind.**
109. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member, may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act. **Voting in person or by proxy.**
110. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. **Casting of votes by a Member entitled to more than one vote.**
111. Any person entitled under Article 70 to transfer any shares, may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that not later than fortyeight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. **Votes in respect of shares of deceased and insolvent members.**
112. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto. If more than one such jointholders be present at any meeting personally or by proxy, the vote of the senior member who tenders a vote, shall be accepted to the exclusion of the votes of other jointholders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Several executors or administrators of a deceased member in whose name any share stands, shall, for the purpose of this Article, be deemed joint holders thereof. **Joint Holders.**
113. (1) (i) A body corporate (whether a company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures), having a right to vote, may, in pursuance of Section 187 of the Act, authorise such person as it thinks fit by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the Company or of any class of members of the company or at any meeting of the creditors of the Company or debenture holders of the Company. **Representation of body corporate.**
- (ii) A person authorised by resolution as aforesaid, shall be entitled to exercise the same rights and powers (including the right to vote by proxy), on behalf of the body corporate which he represents, as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. The production of a copy of the resolution aforesaid certified by a Director or the Secretary of such body corporate before the commencement of the meeting, shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.
113. (2) (i) The President of India or the Governor of a State, if he is a member of the Company, may appoint such person as he thinks fit, to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company. **Representation of body corporate.**

(ii) A person appointed to act as aforesaid shall, for the purpose of this Act, be deemed to be member of the Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy), as the President or as the case may be, the Governor could exercise as a member of the Company.

Instrument of proxy to be in writing.

114. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an Officer or attorney duly authorised by it and any Committee or guardian may appoint such proxy. The proxy so appointed, unless he is a member, shall not have any right to speak at the meetings, provided, however, that the instrument appointing proxy shall be deemed to confer authority to demand or join in demanding poll.

Form of proxy.

115. Every instrument by proxy whether for a specified meeting or otherwise shall, as nearly as circumstances admit, be in any of the forms set out in Schedule IX of the Act.

No Proxy to vote on a show of hands.

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

Proxy either for specified meeting or for a period.

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

Instrument appointing a proxy to be deposited at the office.

118. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not later 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.

When vote by proxy valid though authority revoked etc.

119. A vote given in accordance with the terms of an instrument appointing a proxy, shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of any power of attorney or authority under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided no intimation in writing of such death, insanity, revocation or transfer as aforesaid, shall have been received by the Company at the office before the commencement of the meeting or the adjourned meeting at which a proxy is used. Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence, as he may in his discretion, think fit of the due execution of an instrument of proxy and of the same not having been revoked.

Time for objections to vote.

120. No objection shall be made to the qualification of any voter or the validity of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any such objection made in due time, shall be referred to the Chairman of the meeting.

Chairman of any meeting to be the Judge of any vote.

121. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.

Custody of the instrument.

122. If any such instrument of appointments be confined to the object of appointing any attorney or proxy for voting at meetings of Company, it shall remain permanently or for such time as the Directors may determine, in the

custody of the company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company so as to remain in the custody of the Company.

XIV. DIRECTORS

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| <p>123. Unless and until otherwise determined by a General Meeting and subject to Section 252 of the Act, the number of Directors (excluding debenture, alternate and corporation Directors), shall not be less than three or more than sixteen.</p> | <p>Number of Directors.</p> |
| <p>124. The Directors at the date of the adoption of these Articles are :</p> <ol style="list-style-type: none"> 1. MR. PRATAPSIKH R. MORARJI 2. MR. CHANDRAKANT M. KHATAU 3. MR. RANCHOADDAS M. GOCULDAS 4. MR. VIRENDRAKUMAR K. NANAVATY 5. MR. MADHUKANT M. THAKORE 6. MR. RAJENDRA A. SHAH 7. MR. INDRAVADAN M. DESAI 8. MR. DEVAPPA B. KOTIAN 9. MR. JAYSINH L. THAKKAR | <p>Directors at the date of adoption of Articles.</p> |
| <p>125. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board and such Director shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as afore said, but he shall then be eligible for election.</p> | <p>Directors may fill up vacancies.</p> |
| <p>126. The Directors shall also have power at any time and from time to time to appoint any other person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board, shall hold his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting.</p> | <p>Additional Directors.</p> |
| <p>127. Any trust deed securing and covering the issue of any debentures or debenture stock of the Company, may provide for the appointment of a Director (in these presents referred to as "The Debenture Director"), for and on behalf of the debenture holders, for such period as may therein be provided for, not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for the appointment of another Debenture Director in the vacant place.</p> | <p>Debenture Director.</p> |
| <p>128. Any bond or any other writing giving security issued or executed by the Company in favour of any credit corporation or any agreement executed by the Company in favour of a credit corporation, may provide for the appointment of a Director (in these presents referred to as "the Corporation Director"), for and on behalf of the holder of such bond or such creditor for such period as therein provided for, not exceeding the period for which any amount may be outstanding under such bond or writing or agreement and for removal from office of such Director and on a casual vacancy being caused whether by resignation, death, removal or otherwise, for the appointment of another Director in the vacant place.</p> | <p>Corporation Director.</p> |
| <p>129. The Debenture Director and the Corporation Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.</p> | <p>Retirement of Debenture and Corporation Director.</p> |

- Company may increase or reduce the number of Directors or may remove any Director.**
130. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors and may alter their qualifications and the Company may (Subject to the provisions of Section 284 of the Act), remove any Director before the expiration of his period of office and appoint another suitable and competent person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed, would have held the same if he had not been removed.
- Qualifications of Directors.**
131. A Director need not hold any qualification Shares.
- Directors' Remuneration.**
132. Subject to the provisions of Section 309 of the Companies Act, 1956, the Directors may be paid such remuneration as the Company in general meeting shall, from time to time determine and such remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.
- Directors' Fees.**
- 132A. Each Director other than the Managing Director or Whole-time Director, shall be paid such sum towards sitting fees as may be decided by the Board of Directors, but not exceeding the amount as may be prescribed by the Act or by the Central Government from time to time, for each meeting of the Board or of a Committee of the Board attended.
- Travelling expenses of a Director.**
133. The Board may allow and pay to any Director who travels for the purpose of attending and returning from a Meeting of the Board of Directors or any Committee thereof or general meetings of the Company or in connection with the business of the Company or for the purposes of the Company, such sum as the Board may consider fair compensation for travelling, boarding, lodging and/or other expenses, in addition to any fee for attending such meeting as specified in Article 132 or other remuneration payable to him.
- Remuneration of Directors.**
134. Subject to the provisions of Section 198, 309 to 311 and 314 of the Act and in the case of the Managing Director, subject to the provisions of Article 168, the Board shall have power to pay such remuneration and/or commission to a Director for his services, whole-time or part-time, to the Company or for services of a professional or other nature rendered by him as may be determined by the Board. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going to or residing at a place other than the place where the Office of the Company is situated or where such Director usually resides or otherwise for the Company's business for any of the purposes of the Company then, subject to provisions of Sections 309 to 311 of the Act, the Board shall have power to pay to such Director such remuneration as may be determined by the Board.
- Retirement of Directors by rotation.**
135. At every Annual General Meeting in each year, one third of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office but shall be eligible for re-election.
- Senior Director to retire.**
136. The Directors to retire by rotation under Article 135 at every Annual General Meeting, shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves), be determined by lot.
- Company to appoint successors.**
137. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

138. (1) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place;
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting; unless
- (i) at that meeting or at the previous meeting, a resolution for the reappointment of such director has been put to the meeting and lost;
 - (ii) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act; or
 - (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.
139. No person, not being a retiring Director, shall be eligible for election to the Office of Director at any General Meeting, unless he or some other member intending to propose him, has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a Director for that office as the case may be, provided such notice is in accordance with the provisions of Section 257 of the Companies Act, 1956, as amended from time to time. On receiving such a notice, the Company shall comply with the requirements under Section 257 of the Act.
140. (a) Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Section 303 of the The Act) or Secretary of the Company who is appointed to or relinquishes office of Directors, Managing Director, Manager or Secretary of any other body as the case may be, shall, within prescribed time, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
141. (1) The Board may appoint an alternate Director recommended for such appointment by the Director (hereinafter in this clause called "the original Director"), to act for him during his absence for a period of not less than three months from the State in which meetings of Board are ordinarily held.

Provisions in default of appointment.

Notice of candidature for office of Directors except in certain cases.

Disclosure by Director of appointment to or relinquishment from any other body corporate.

Disclosure by a Director of holdings of shares and debentures of the company etc.

Alternate Directors.

(2) An alternate Director appointed under sub-clause (1) of this Article shall 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 the said State.

(3) If the term of office of the original Director is determined before he returns to the State aforesaid any provision of the Act or these presents for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

Directors
may act
notwithstanding
vacancy.

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

Holding of
office of profit
by Directors.

143. (1) Except with the consent of the Company accorded by a special resolution :-

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

except that of Managing Director, whole-time Director, Manager, legal or technical adviser, banker or trustee for the holders of debentures of the Company:-

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

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

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

(2) Nothing in sub-clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner, holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company.

- (3) If any office or place of profit is held in contravention of the provisions of sub-clause (1) hereof, the Director, partner, relative, firm, private company or the Manager concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to sub-clause (1) hereof or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that sub-clause and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.
- (4) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this clause applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in sub-clause (1) hereof.
- (5) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of sub-clause(1) hereof :-
- (a) In case the office or place is held by a Director, if the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise;
- (b) In case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence, or otherwise.
- 144.(1) Subject to the provisions of Section 283 (2) and 314 of the Act, the office of a Director shall be vacated if :
- (a) he is found to be of unsound mind by Court of competent jurisdiction; or
- (b) he applies to be adjudged an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette removed the disqualifications incurred by such failure; or
- (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or

Office of
Directors to
be vacated.

- (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- (h) he acts in contravention of Section 299 of the Act; or
- (i) he becomes disqualified by an Order of Court under Section 203 of the Act; or
- (j) he is removed in pursuance of Section 284 of the Act; or
- (k) he is deemed to have vacated office under the provisions of Section 314 by any place of profit being held in contravention thereof; or
- (l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

resignation.

- (2) Subject to the provisions of the Act, a Director may resign from his office at any time by notice in writing addressed to the Board of Directors.

Directors may contract with company.

145. Subject to compliance with the provisions of Section 297, 299, 300 and 314 of the Act and save as therein provided, no Director or his relative, a firm in which such Director or relative is a partner, any other partner in such firm or a private company of which the Director is a member or a Director shall be disqualified by his office from contracting with the Company either as a vendor, purchaser, agent, broker, underwriter or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director, relative, firm, partner or a private company aforesaid shall be in any way interested be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

Disclosure of Directors' interest.

146. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under Sub-Clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
 - (b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
 - (3) (a) For the purposes of Clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

- (b) Any such general notice, shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.
- (c) No such notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (d) Nothing in this article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company or shall apply to any contract or arrangement entered into or to be entered into between two companies where one of the Directors of the one Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.

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

Board
resolution
necessary for
certain contracts.

- (a) for the sale, purchase or supply of any goods, materials or services; or
- (b) for underwriting the subscription of any shares in or debentures of the Company;

(2) Nothing contained in clause (a) of sub-clause (1) hereof shall effect -

- (a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid, for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business;

provided that such contract or contracts do not relate to goods and materials the value of which are services, the cost of which exceeds Rs. 5000 in the aggregate in any year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in sub-clauses (1) and (2) hereof, a Director, relative, firm, partner or private company as aforesaid, may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds Rs. 5000 in the aggregate, in any year comprised in the period of the contract but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

- (4) Every consent of the Board required under this article, shall be accorded by a resolution passed at a meeting of the Board and not otherwise and the consent of the Board required under sub-clause (1) hereof, shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If consent is not accorded to any contract under this article, anything done in pursuance of the contract, shall be voidable at the option of the Board.

Disclosures to
members of
Directors'
interest in
contract
appointing
manager,
managing
director or
whole-time
Director.

148. When the Company :-

- (a) enters into a contract for the appointment of a Manager, Managing Director or Whole-time Director in which contract any Director of the Company is in any way, whether directly or indirectly concerned or interested; or
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid;

the provisions of Section 302 of the Act shall be complied with.

Loans to
Directors etc.

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

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

Loans etc. to
Companies

150. The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 370 of the Act.

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

151. No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void, provided that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or any one or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public company or a private company, which is a subsidiary of a public company in which the interest of the Director aforesaid consists solely;

(1) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

(2) in his being a member holding not more than two percent of its paid-up share capital.

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

Directors may be Directors of Companies promoted by the Company.

XV. PROCEEDINGS OF DIRECTORS

153. A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held every year. The Board may adjourn or otherwise regulate their meetings and proceedings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.

Meetings of Directors.

154. A Director may at any time and the Secretary upon the request of a Director, shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director.

Notice of meetings and when to be convened.

155. Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher.

Quorum.

PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested, present at the meeting not less than two shall be the quorum during such time.

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

How questions to be decided.

157. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

Procedure when meeting adjourned for want of quorum

158. The Directors from among their number, may elect a Chairman and a Vice-Chairman of the Board of Directors. The Chairman and in his absence the Vice Chairman, if any, shall preside at all meetings. If no such Chairman or Vice-Chairman is elected, or if at any meeting the Chairman as well as the Vice-chairman are present at the time appointed for holding the same, the Directors present shall choose one of their members to be Chairman of such meeting.

Chairman.

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

Powers of Board Meeting.

Directors
may appoint
committees.

160. The Board of Directors may subject to the provisions of Section 292 of the Act delegate any of their powers, to committees of the Board consisting of such member or members of its body as it thinks fit to Managing Director or any other Principal Officer of the Company and it may from time to time revoke the powers so delegated 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 of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Meeting of
committee how
to be governed.

161. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and not superseded by any regulations made by the Directors, under the last preceding Article.

When acts of
Directors or
committee valid
notwithstanding
defective
appointment etc.

162. All acts done by any meeting of the Directors or by Committee of Directors or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or that the appointment of any of them was deemed to be terminated by virtue of any provision contained in the Act or these presents, be as valid as if every such person had been duly appointed and was qualified to be a Director, 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.

Resolution by
circular.

163. (1) A resolution passed by circular, without a meeting of the Board or a Committee of the Board appointed under Article 160, shall, subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a committee duly called and held.

(2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation if the resolution has been circulated in draft together with 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 for a meeting of the Board or committee as the case may be), and to all other Directors or members of the committee at their usual address in India and has been approved by such of the Directors or members of the committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

XVI. POWERS OF DIRECTORS

General powers
of management
vested in
Directors.

164. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the Act and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made, provided that the Board of Directors shall not, except with the consent of Company in General Meeting :-

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director;
- (c) invest, otherwise than in trust securities, the sale proceeds resulting from the acquisition, by Government or by any local authority, of any such undertaking as is referred to in Clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys where the money to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Provided that the Company in general meeting or its Board of Directors shall not contribute any amount to any political party or for any political purpose to any individual or body.

165. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board :-

Certain powers to be exercised by the Board only at meeting.

- (a) The power to make calls on shareholders in respect of money unpaid on their shares;
- (b) The power to issue debentures;
- (c) The power to borrow moneys otherwise than on debentures;
- (d) The power to invest the funds of the Company;
- (e) The power to make loans;

Provided that the Board may, by resolution passed at a meeting, delegate to any committee of Directors or the Managing Director, Manager or any other principal officer of the Company, the powers specified in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1) (c), shall specify the total amount upto which moneys may be borrowed by the delegate.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d), shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.

- (4) Every resolution delegating the power referred to in sub-clause (1) (e), shall specify the total amount upto which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

**Certain powers
to the Board**

166. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers that is to say, power :-
- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act.
 - (2) Subject to Section 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
 - (3) To purchase or otherwise acquire any lands, building, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorised to carry on in any part of India.
 - (4) To purchase, take on lease, for any term or terms of years or otherwise acquire any factories or any land or lands with or without buildings and out-houses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit, and in any such purchase lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
 - (5) At their discretion and subject to the provisions of the Act, to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital not so charged.
 - (6) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company, either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
 - (7) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

- (8) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (9) To purchase or otherwise acquire or obtain licence for the use of and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how.
- (10) To appoint any person to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trustee or trustees.
- (11) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration and observe the terms of any awards made therein.
- (12) To act on behalf of the Company in all matters relating to bankrupts, insolvents and winding-up and liquidation of companies.
- (13) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (14) Subject to the provisions of Section 292, 293 (1), 295, 370 and 372 and other applicable provisions of the Act and these Articles, to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security, (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property, (present and future), as they think fit and such mortgage may contain a power of sale and such other powers, provisions covenants and agreements as shall be agreed upon.
- (16) To open and operate upon bank accounts and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (17) To distribute by way of bonus amongst the staff of the Company, a share or shares in the profits of the Company and to give to any Director, Officer or other person employed by the Company, a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (18) To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or

trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reasons of locality of operation or of public and general utility or otherwise.

- (19) Before recommending any dividend, to set aside, out of the profits of the Company such sum as they may think proper, for depreciation or to depreciation fund or to an insurance fund, as general reserve or reserve fund or a sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company or for such other purposes (including the purposes referred to in the preceding article) as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as the Board may think fit upon such investments, (other than shares of the Company) and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board, in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the reserve, general reserve or reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds and accounts including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares, debentures or debenture stock and without being bound to keep the same separate from the other assets with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- (20) To erect, construct and build any factories, warehouses, godowns, engine house, tanks, wells or other constructions, adapted to the objects of the Company as may be considered expedient or desirable for the objects or purposes of the Company or any of them.
- (21) To sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- (22) From time to time extend the business and undertaking of the Company by adding to, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property or in the possession of the Company or by erecting new or additional buildings and to expend such sums of money for the purposes aforesaid or any of them as may be thought necessary or expedient.

- (23) To undertake on behalf of the Company and payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire the free-hold-fee-simple of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.
- (24) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose of, deal with or otherwise turn to account, any property (moveable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (25) To appoint and at their discretion, remove or suspend such general managers, managers, secretaries, stenographers, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit.
- (26) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles, any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.
- (27) To comply with the requirements of any local law which in its opinion, it shall, in the interest of the Company, be necessary or expedient to comply with.
- (28) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be Members of such Local Boards or Managers and Agents and to fix their remuneration.
- (29) Subject to Section 292 of the Act, from time to time and at any time to delegate to any Local Boards or any Member or Members thereof or any Managers or Agents so appointed any of the powers, authorities and discretions for the time being vested in the Board and to authorise the members for the time being of any such Local Board, or any of them to appoint persons to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation under the preceding and this article may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time, remove any person or persons so appointed and may annul or vary any such delegation.
- (30) At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers which may, under the Act or these Articles, be exercised only by the Board) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may, (if the Board thinks fit), be made in favour of the members or any of the Members of any Local Board established as aforesaid or in favour of any Company or the shareholders, directors, nominees or

managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid, to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

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

XVII. MANAGING DIRECTOR

Power to appoint Chairman, Managing Director, Vice Chairman, Joint Managing Director and/or Whole-time Director(s).

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

What provisions they will be subject to.

168. Subject to the provisions of the Act and of these Articles, the Managing Director and the Joint Managing Director shall not, while he continues to hold that office be subject to retirement by rotation under Article 135 but he shall subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately, cease to be Managing Director and Joint Managing Director, respectively, if he ceases to hold the office of Director from any cause.

Remuneration of Managing and/or Whole-time Director(s).

169. The remuneration of Chairman, Managing Director, Vice Chairman, Joint Managing Director and/or Whole-time Director(s) shall (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company), be fixed by the Directors from time to time and may be by way of fixed salary or commission on profits of the Company or by participation in such profits or by any or all of those and/or other modes.

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

170. Subject to the superintendence, control and direction of the Board of Directors, the day-to-day management of the Company shall be in the hands of the Directors appointed under Article 167, with power to the Board of Directors to distribute such day-to-day management functions among such Directors in any manner as deemed fit by the Board or to delegate such power of distribution to any one of them. The Directors may, from time to time, entrust to and confer upon the Directors appointed under Article 167 save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

XVIII. MINUTES

- 171.(1) The Company shall cause minutes of all proceedings of General Meetings and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :-
- (a) in the case of minutes or proceedings of a meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
- (b) in the case of minutes of proceedings of the General meeting, by the Chairman of the said 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.
- (3) In no case, the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain :
- (a) The names of the Directors present at the meeting.
- (b) All resolutions and proceedings of the Board.
- (c) In the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in Clauses (1) to (6) hereof, shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :
- (a) is or could reasonably be regarded as defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.

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

172. Any such minutes, if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.
173. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or a Committee of the Directors have been made and signed in accordance with the provisions of Article 171, then until the contrary is proved, the meeting shall be deemed to have been duly

Minutes to be made

Minutes to be considered evidence.

Presumption to be drawn where Minutes duly drawn and signed.

called and held and all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

XIX. THE SEAL

The Seal, its custody and use.

174. (a) The Board shall provide a Common Seal for the purposes 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 and in the presence of one Director of the Company.

(b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district and place outside India.

Deeds how executed.

① 175. Every deed or other instrument to which the seal of the Company is required to be affixed, shall be affixed only under the authority of the Directors previously given and in the presence of one Director or Company Secretary or such other person as may be authorized in that behalf by the Board of Directors, provided nevertheless, that certificates of share shall be sealed as provided as per the Articles in that regard hereinbefore contained and in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force".



XX. SECRETARY

Secretary.

176. The Board may, from time to time, appoint any person as Secretary of the Company to perform any function which by the Act or these Articles for the time being of the Company, are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed, any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some person (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

XXI. DIVIDENDS

The Company in General Meeting may declare a dividend.

177. The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and the Company shall comply with the provisions of Section 207 of the Act. No dividends shall exceed the amount recommended by the Board of Directors, but the Company in General Meeting may declare a smaller dividend.

Dividend out of profits only.

178. No dividend shall be payable except out of the profits of the Company, arrived at in the manner provided for in Section 205 of the Act.

Declaration of Directors as to net profits conclusive.

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

Interim dividends.

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

Effect of transfer.

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

① As altered at the Annual General meeting held on 18.9.2014

182. The Directors may retain the dividends payable upon shares in respect of which any person is, under Article 70, entitled to become member or which any person under that Article is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same. **Retention in certain cases.**
183. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such shares or share and the Board of Directors may deduct from the interest or dividend payable to any member all such sums or money so due from him to the Company. **No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof.**
184. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant, sent through post to the registered address of the member or person entitled or in the case of joint holders, to that one of them first named in the register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means. **Dividend how remitted.**
185. Dividends unclaimed for one year after having been declared, may be invested or otherwise used by the Board of Directors for the benefit of the Company until claimed. All dividends unclaimed, on becoming barred by law, may be forfeited by the Board for the benefit of the Company. The Board may remit the forfeiture whenever they may think proper and pay any such dividend. **Unclaimed dividends.**
186. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid up on any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. **Dividends in proportion to amount paid-up**
- (2) No amount paid or credited as paid on a share in advance of calls, shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
187. The Directors may, before recommending or declaring any dividend, set aside out of the profits of the Company, such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purpose to which the profits of the Company may be properly applied 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 Directors may from time to time think fit. **Reserves.**
188. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend or other moneys payable in respect of such share. **Receipts.**

No interest on Dividends.

189. No dividends shall bear interest against the Company.

Dividends in cash.

190. No dividend shall be payable except in cash; Provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for time being unpaid on any shares held by members of the Company.

Dividend and call together.

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

XXII. CAPITALISATION OF PROFITS AND RESERVES

Capitalisation.

192. (1) The Company in General meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid, shall not be paid in cash, but shall be applied subject to the provision contained in clause (3), either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly in the way specified in sub-clause (ii).

(3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Fractional certificates.

193. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares; and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full power :

- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions; and also**
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require), for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares**

(3) Any agreement made under such authority shall be effective and binding on all such members.

(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

XXIII BOOKS AND DOCUMENTS

- 194. (a) The Company shall keep proper books of account in accordance with Section 209 of the Act at the Registered Office of the Company or at such other place in India as the Board of Directors think fit with respect to :**
- (i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;**
 - (ii) all sales and purchases of goods by the Company;**
 - (iii) the assets and liabilities of the Company;**
 - (iv) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by that Government.**
- (b) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (a) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns made upto dates at intervals of not more than three months are sent by the branch offices to the Company at its registered office or other place referred to in Clause (a).**
- (c) The books of account and other books and papers shall be open to inspection by any Director during business hours.**
- 195. Subject to the Act the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors.**

Books to be kept by the Company.

Inspection by members.

Statements of accounts to be furnished to General Meeting.

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

Right of member to copies of Balance Sheet and Auditors' Report.

197. Subject to the provisions of Section 219 of the Act, a copy of every Balance Sheet (including the Profit and loss Account, the Auditors' Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet), which is to be laid before the Company in General Meeting, shall not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every holder of debentures, if any issued by the Company (not being debentures which ex-facie are payable to the bearer thereof), to every trustee for the holders of any debentures issued by the Company (whether such member, holder or trustee is or is not entitled to have notice of general meetings of the Company sent to him), and to all persons entitled to receive notice of General Meetings of the Company.

XXIV. AUDIT

Audit.

198. Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 229 and 231 of the Act.

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

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

XXV. NOTICES

Service of documents on members by the Company.

200. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notices to him.

(2) Where a document or notice is sent by post :

(a) service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the documents or the notice, provided that where a member has intimated to the Company in advance, that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) such service shall be deemed to have been effected :

(i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

- (3) A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company, shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address, in India and has not supplied to the Company an address within India for giving of notices to him.
- (4) A document or notice may be served by the Company on the joint-holders of a share by serving it on the joint-holder named first in the Register in respect of the shares.
- (5) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a period letter addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (6) The signature to any document or notice to be given by the Company, may be written or printed or lithographed.
201. A document may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office. **Service of documents on Company.**
202. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Secretary or other authorised officer of the Company and need not be under the Common seal of the Company. **Authentication of documents and proceedings.**

XXVI. REGISTERS AND DOCUMENTS

203. The Company shall keep and maintain the following Registers :
- (1) Register of Investments made by the Company but not held in its own name, as required by Section 49(7) of the Act.
- (2) Register of Mortgages and Charges as required by Section 143 of the Act and copies of Instruments creating any charge requiring registration according to Section 136 of the Act.
- (3) The Company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of members and Debentureholders in accordance with Sections 150, 151 and 152 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of shares/debentures held in physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The same shall be kept open for inspection of any member or debentureholder without fee and any other person on a fee of Re. 1/- for each inspection.

The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any State or country outside India, Register of Members of the residents in that State or country.

Registers and documents to be maintained by the Company.

- (4) Foreign Register, if thought fit, as required by Section 157 of the Act.
- (5) Register of Contracts with companies and firms in which Directors are interested, as required by Section 301 of the Act.
- (6) Register of Directors, Managing Directors and Secretary, as required by Section 303 of the Act.
- (7) Register as to holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act.
- (8) Register of loans, guarantee or security given to other companies under the same management as required by Section 370(1-C) of the Act.
- (9) Register of investments made by the Company in shares and debentures of the bodies corporate in the same group, as required by Section 372(7) of the Act.
- (10) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

204. The Register mentioned in the foregoing Article, shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the Company in the same manner, to the same extent and on payment of the same fees, as in the case of Register of Members of the Company, as provided for in item (3) thereof. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of thirty seven paise for every hundred words or fractional part thereof required to be copied; the Company shall give inspection of the said Registers to the persons entitled to the same on such and during such business hours, as may consistent with the provisions of the Act in that behalf be determined by the Company in general meeting.

XXVII. WINDING UP

Distribution
of assets.

205. 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 amongst the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares, held by them respectively. But this Article is to be, without prejudice to the rights of the holders of shares, issued upon special terms and conditions.

Distribution in
specie, or kind

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

(2) If thought expedient any such division may be, otherwise than in accordance with the legal rights of the contributories, (except where unalterably fixed by the Memorandum of Association) and in particular, any class may be given preferential or special rights or may be excluded altogether or in part, but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudiced thereby, shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) in case of the 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 direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator, shall, if practicable, act accordingly.

207. A special resolution sanctioning a sale to any other company duly passed, pursuant to Section 494 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 liquidators, be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said Section.

Rights of
share-holders
in case of sale.

XXVIII. INDEMNITY

208. Subject to provisions of Section 201 of the Act, every Director, or officer or servant of the Company or any person (whether an officer of the Company or not), employed by the Company as auditor, shall be indemnified out of the funds of the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act, thing done, concurred in or omitted to be done by him, in any way in or about the execution or discharge of his duties or supposed duties (except such if any, as he shall incur or sustain through or by his own wrongful act, neglect or default), including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, officer or auditor in defending any proceedings whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Indemnity.

209. Subject to the provisions of Section 201 of the Act, no Director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of another Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the 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 the bankruptcy, insolvency or tortuous act of any person firm or company with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error or judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

Individual
responsibilities
of Directors

XXIX. SECRECY CLAUSE

**Members not
entitled to
information.**

- 210. No member shall be entitled, except to the extent expressly permitted by the Act or these Articles, to visit or inspect the Company's works or to enter upon the property of the Company, without the permission of the Board of Directors or the Managing Director or to require discovery of or any information respecting any details 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 Directors, it will be inexpedient in the interest of the Company to communicate to the public.**
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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 494 OF 1999
CONNECTED WITH
COMPANY APPLICATION NO. 156 OF 1999**

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

AND

In the matter of the Scheme of Amalgamation of
Udaipur Phosphates & Fertilisers Limited

With

The Dharamsi Morarji Chemical Company Limited

....

The Dharamsi Morarji Chemical)
Company Limited, a Company deemed)
to be registered under the)
provisions of the Companies Act,)
1956 and having its Registered)
office at Prospect Chambers,)
317/21, Dr.D.N. Road, Fort,)
Mumbai 400 001) .. Petitioner

CORAM : S. RADHAKRISHNAN J.
DATE : 12TH AUGUST, 1999

UPON READING the Petition of The Dharamsi Morarji Chemical Company Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 29th day of April, 1999 for sanction of the Scheme of Amalgamation of the Udaipur Phosphates & Fertilisers Limited (hereinafter referred to as "the Transferor Company") with The Dharamsi Morarji Chemical Company Limited (hereinafter referred to as the "Petitioner Company" or "the Transferee Company") and for other consequential reliefs as mentioned in the Petition and the said Petition being this day called on for final hearing and disposal AND UPON READING the said Petition and the Affidavit dated 29th day of April, 1999 of Mr. D.T. Gokhale, Company Secretary of the Transferee Company, verifying the said Petition AND UPON READING the Affidavit dated 3rd day of June 1999 of Pandurang G. Mate, Clerk in the office of the Advocates for Petitioner Company proving the publication of the notice for the hearing of this Petition in the issue of Free Press Journal, Mumbai dated 10th day of May, 1999 and Navshakti Mumbai dated 10th day of May, 1999 AND UPON READING the Affidavit of Mr. Pandurang G. Mate dated 3rd day of June, 1999 proving service of notice of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the order dated 26th day of March 1999, made by this Hon'ble Court in Company Application No 156 of 1999 whereby the Transferee Company was directed to convene and hold meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation of the Transferor Company with the Transferee Company annexed as Exhibit "E" to the Petition and in the Schedule hereto AND UPON READING the Affidavit of Mr. D.T.Gokhale, the Company Secretary of the Transferee Company, dated 19th day of April, 1999 proving publication of notices convening the said meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors in the issue of Free Press Journal, Mumbai dated 31st March 1999, Navshakti Mumbai dated 31st March, 1999 and Maharashtra Government Gazette dated 31st March, 1999 and also proving despatch of notice convening meetings to individual Equity Shareholders, Secured Creditors and Unsecured Creditors AND UPON READING the reports dated 29th day of April, 1999 of Mr. Ranchoddas M. Goculdas, the Chairman of the said meetings of the

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Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company as to the results of the said meeting AND UPON READING the Affidavit of Mr. R.M. Goculdas dated 29th day of April, 1999 verifying the Chairman's reports AND IT APPEARS from the said Reports of the Chairman that the proposed Scheme of Amalgamation has been approved by the requisite majority of Equity Shareholders, Secured Creditors and Unsecured Creditors representing more than three-fourth in value of the Transferee Company present at the said meetings and voting in favour of the Scheme of Amalgamation AND UPON HEARING Mr. Kumar Desai with Mr. Ramesh Chandra, Counsel instructed by M/s. Bhalshanker Kanga & Girdharial, Advocates for the Transferee Company and Mr. M.M. Goswamy, Panel Counsel for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who submit to the order of the Court and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the said Petition THIS COURT HEREBY SANCTION the Scheme of Amalgamation of Udaipur Phosphates & Fertilisers Limited, the Transferor Company, with The Dharamsi Morarji Chemical Company Limited, the Transferee Company, as set forth in Exhibit "F" to the said Petition and also in the Schedule annexed hereto AND THIS COURT DOTH HEREBY DECLARE that the Scheme shall be binding upon all the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company and also on the Transferor Company AND THIS COURT DOTH ORDER that with effect from 1st day of April 1999 (hereinafter called "the Appointed Day") the entire undertaking of the Transferor Company including all the properties, assets and interest more particularly described in the Scheme of Amalgamation being Exhibit "F" to the Petition and set out in the Schedule hereto shall without any further act or deed stand transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company subject to changes in any, now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Day all the debts, liabilities, duties and obligations of the Transferor Company shall without any further act or deed stand transferred to the Transferee Company so as to become debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that immediately preceding the Effective Date all the staff and employees in the service of the Transferor Company shall become the staff and employees of the Transferee Company without any interruption or break in their services AND THIS COURT DOTH FURTHER ORDER that all suits, appeals or other legal proceedings of whatever nature by or against the Transferor Company pending on the Appointed Day shall be continued and be enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of assets and liabilities of the Transferor Company in the Transferee Company, the Transferee Company shall without any further application or deed issue and allot to the Equity Shareholders of the Transferor Company 2 (two) Equity Shares of Rs 10/- each credited as fully paid-up in the Transferee Company; for every 7 (seven) Equity Shares of Rs. 10/- each credited as fully paid-up of Transferor Company held by the said Shareholder in the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the Transferee Company do within 30 days from the date of the sealing of the Order cause a certified copy of the Order to be delivered to the Registrar of Companies Maharashtra, Mumbai for registration and on such certified copy of order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall transfer all documents relating to the Transferor Company and registered with him on files kept by him in relation to the Transferee Company and the files relating to the Transferor Company and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary with regard to the working of the arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT

DO THIS LASTLY ORDER that the Petitioner Company do pay the sum of Rs. 1000/- (Rupees One Thousand only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, towards the costs of the said Petition. WITNESS SHRI YOGESH KUMAR SABHARWAL, Chief Justice at Bombay aforesaid this 12th day of August, 1999.

BY THE COURT.

FOR PROTHONOTARY & SENIOR MASTER

**ORDER SANCTIONING the Scheme)
of Amalgamation drawn on the)
Application of M/s. Bhaishanker)
Kanga & Girdharlal, Advocates)
for the Petitioner Company)
having office at Maneckji)
Wadia Building, 3rd Floor,)
Nanik Motwane Marg, Fort,)
Mumbai - 400 001.)**

SCHEDULE

SCHEME OF AMALGAMATION OF UDAIPUR PHOSPHATES & FERTILISERS LIMITED WITH THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

1. PREAMBLE

This Scheme of Arrangement between The Dharamsi Morarji Chemical Company Limited and its members and Udaipur Phosphates & Fertilisers Limited and its members is presented for the amalgamation of Udaipur Phosphates & Fertilisers Limited with The Dharamsi Morarji Chemical Company Limited pursuant to the relevant provisions of the Companies Act 1956.

2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following expressions shall have the following meanings :

- 2.1 THE ACT : "The Act" means the Companies Act 1956 including any statutory modifications, reenactments or amendments thereof.
- 2.2 THE APPOINTED DATE : "The Appointed Date" means 1st April, 1999.
- 2.3 THE BOARD : "The Board" means the Board of Directors of the Transferor Company or Transferee Company as the case may be.
- 2.4 THE COURT : "The Court" means the Hon'ble High Court of Judicature at Mumbai.
- 2.5 THE EFFECTIVE DATE : "The Effective Date" means the last of the following dates or such other dates as the Court may direct, namely :
 - (a) the date on which the last of all the necessary approvals, consents, orders, premissions, resolutions and sanctions as are hereinafter referred to in Clause 17 have been obtained or passed; and
 - (b) the date on which certified copies of the Order of the Court under Sections 391, 392 and 394 of the Act sanctioning the Scheme and vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Mumbai.
- 2.6 THE SCHEME : "The Scheme" means this Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Mumbai for sanction and includes any modification(s), approved or imposed or directed by the Court.
- 2.7 THE TRANSFEROR COMPANY : "The Transferor Company" means Udaipur Phosphates & Fertilisers Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 53/57 Laxmi Insurance Building, Sir P.M.Road, Fort, Mumbai - 400 001.
- 2.8 THE TRANSFEE COMPANY : "The Transferee Company" means The Dharamsi Morarji Chemical Company Limited, a company deemed to be registered under the Companies Act, 1956 and having its Registered Office at Prospect Chambers, 317/21, Dr. D.N. Road, Fort, Mumbai-400 001.

2.9 THE UNDERTAKING :

2.9.1 "The Undertaking" shall mean :

(a) all the assets, claims, estates, interests, powers, properties and rights of every description of or relating to, the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Assets").

(b) all the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor Company as on the Appointed Date, whether provided for or not in the books of accounts and whether disclosed or not disclosed in their balance sheets (hereinafter referred to as "the said Liabilities").

2.9.2 Without prejudice to the generality of Clause 2.9.1 (a) above, the Undertaking of the Transferor Company shall include agreements, allotments, approvals, arrangements, authorizations, benefits, concessions, licences, permits, rights and benefits of all contracts, easements, leasehold rights, tenancy rights, electricity and other services, engagements, exemptions, fixed and current assets, work-in-progress, investments, deposits, privileges, agency rights, quota rights, trademarks, patents and other industrial and intellectual properties, registrations, reserves right to use and avail of telephones, telexes, facsimile connections, installations and other communicating facilities and equipments, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present, future or contingent of whatsoever nature and wheresoever situated, and all other interests wheresoever situate, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Company and all books of accounts and records relating thereto.

3. NATURE OF BUSINESS

3.1 NATURE OF BUSINESS OF TRANSFEROR COMPANY: The Transferor Company is, inter-alia, primarily engaged in the business of manufacture and sale of Single Super Phosphate (SSP), Sulphuric Acid and other chemicals.

3.2 NATURE OF BUSINESS OF TRANSFEREE COMPANY: The Transferee Company is, inter-alia, primarily engaged in the business of manufacture and sale of Single Super Phosphate (SSP), Sulphuric Acid and other chemicals.

4. REASONS FOR AMALGAMATION

4.1 As aforesaid both the Transferor and Transferee Companies are engaged in and are carrying on similar business. Moreover the SSP manufactured by the Transferor Company using the technical know-how received from the Transferee Company is sold under the trade mark "Ship Brand" which belongs to the Transferee Company. In the circumstances the proposed Scheme will result in economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work, better and more productive utilisation of various resources and will enable the undertakings concerned to effect internal economies and optimise productivity. The combined business can be carried out more economically and efficiently resulting into optimum utilisation of management and other resources.

4.2 The amalgamation would enable each of the Companies to have direct access to the financial, technical and marketing support of each other.

4.3 The amalgamation will enable the establishment of a larger company with larger resources and a larger capital base enabling further development of the business. The amalgamation will enable the undertakings of both companies to obtain greater facilities possessed and enjoyed by one large company compared with two small companies, for raising capital, increasing market share and other benefits.

4.4 The amalgamation will enable to rationalise and streamline their management, marketing and finances and to eliminate duplication of work to their common advantage.

5. SHARE CAPITAL

The capital structure of the Transferor Company and the Transferee Company as on 31st March, 1998 were as follows :

5.1 SHARE CAPITAL OF TRANSFEROR COMPANY : The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 31st March, 1998 was as follows :

	(Rs. in lakhs)
<u>Authorised</u>	
i) 58,00,000 Equity Shares of Rs. 10/- each.	580.00
ii) 4,20,000 Preference Shares of Rs. 100/- each.	420.00
Total :	<u><u>1000.00</u></u>

Issued and Subscribed and Paid-up

i) 35,20,700 Equity Shares of Rs. 10/- each fully paid up.	352.07
Total :	<u><u>352.07</u></u>

5.2 SHARE CAPITAL OF TRANSFEREE COMPANY : The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 31st March, 1998 was as follows :

	(Rs. in lakhs)
<u>Authorised</u>	
i) 300,00,00 Equity Shares of Rs. 10/- each.	3000.00
ii) 10,00,000 Preference Shares of Rs. 100/- each.	1000.00
Total:	<u><u>4000.00</u></u>

Issued

i) 1,25,21,770 Equity Shares of Rs. 10/- each	1252.18
Total:	<u><u>1252.18</u></u>

Subscribed and Paid-up

i) 1,25,20,960 Equity Shares of Rs. 10/- each.	1252.10
Less : Calls in Arrears	00.02
Paid-up	<u><u>1252.08</u></u>

6. TRANSFER OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

6.1 TRANSFER OF THE UNDERTAKING : With effect from the appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the entire Undertaking of the Transferor Company including the said Assets and the said liabilities as on the Appointed Date shall, pursuant to the provisions of section 394 and other applicable provisions of the Act, without any further act, deed, instrument, matter or thing, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company so as to become the Undertaking of the Transferee Company.

6.2 TRANSFER OF ASSETS SUBJECT TO CHARGES : The transfer/ vesting of the said Assets as aforesaid shall be subject to charges/ hypothecation/mortgage, if any, subsisting over or in respect of the said Assets or any part thereof on the Appointed Date. Provided however; any reference in any security documents or arrangements to which the Transferor Company is a party and under which any assets of the Transferor Company are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company which is vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, or be applicable to the assets of any other unit, undertaking, division or to other properties of the Transferee Company, unless specifically agreed to by the Transferee Company and subject to the consent and approval of the persons entitled to the charge on any assets or properties of the Transferee Company.

6.3 MODE OF TRANSFER OF ASSETS

It is expressly provided that :

- a) such of the said assets as are movable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, including cash on hand, shall be so transferred by the Transferor Company to the Transferee Company to the end and intent that the property therein passes to the Transferee Company pursuant to the provisions of the Section 394 of the Act as an integral part of the Undertaking;
- b) the assets other than those referred to above shall without any further act, instrument, deed matter or thing, be transferred to and vested in and/ or deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of section 394 of the Act.

6.4 TRANSFER OF LIABILITIES

6.4.1 Pursuant to the transfer of the Undertaking as provided in clause 6.1 above, and subject to the provisions in the Scheme in relation to the mode of transfer and vesting, the said Liabilities of the Transferor Company, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date, the debts, duties, liabilities and obligations of the Transferee Company and further that for the purpose of giving effect to the provisions of this clause, 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.

6.4.2 It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties.

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

7.1 TRANSFEROR COMPANY AS TRUSTEE: With effect from the Appointed Date and till the Effective Date, the Transferor Company :

- i) shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire Undertaking for and on account of and for the benefit of and in trust for the Transferee Company; and
- ii) shall carry on and be deemed to be carrying on all their business and activities for and on account of and for the benefit of and in trust for the Transferee Company.

7.2 TRANSFER OF PROFITS OR LOSSES : With effect from the Appointed Date, all the profits including taxes, if any, thereon or income arising to the Transferor Company or any costs and charges, expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits, taxes or incomes, or costs, charges, expenditure or losses of the Transferee Company, as the case may be.

7.3 TRANSFEROR COMPANY TO CARRY ON ITS BUSINESS WITH DUE DILIGENCE :

with effect from the Appointed Date and till the Effective Date, the Transferor Company undertakes to carry on its business with diligence, and utmost business prudence and shall not sell, transfer, alienate, charge, encumber mortgage or otherwise deal with its Undertaking or any part thereof, without the prior written consent of the Transferee Company, save and except in the ordinary course of business, or pursuant to any preexisting obligation undertaken by the Transferor Company prior to the Appointed Date. Provided however that the Transferor Company shall, in the ordinary course, be entitled to borrow monies required in connection with its business and operations and create security for such borrowings and further consent of the Transferee Company shall not be required in this behalf.

7.4 TRANSFEROR COMPANY NOT PERMITTED TO UNDERTAKE NEW BUSINESS :

The Transferor Company shall not without the prior written consent of the Transferee Company, undertake any new business or activity specified in the "Other Objects" Clause of its Memorandum of Association.

7.5 NO CHANGE TO BE EFFECTED IN THE CAPITAL STRUCTURE OF TRANSFEROR COMPANY AND TRANSFEREE COMPANY :

Save as specifically provided in this Scheme, and except by mutual consent of the Boards, neither the Transferor Company nor the Transferee Company shall make any change in their respective capital structures, by way of increase reduction, reclassification, sub-division, consolidation, re-organization or in any other manner which may in any way affect the Share Allotment Ratio prescribed in clause 13.1.

7.6 NO CHANGE IN THE TERMS AND CONDITIONS OF EMPLOYMENT OF THE TRANSFEROR COMPANY'S PERMANENT EMPLOYEES :

Except with the prior approval of the Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its permanent employees except in the ordinary course of business.

8. ENFORCEMENT OF LEGAL PROCEEDINGS

All proceedings of whatsoever nature (including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company 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 this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company if this Scheme had not been made. The Transferee Company shall take steps to have the abovementioned proceedings continued in its name.

9. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all lawful agreements, arrangements, bonds, debentures, contracts, deeds and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectually the Scheme had not been made and thereafter shall be 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 effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary.

10. NO EFFECT OF TRANSFER OF UNDERTAKING ON THE TRANSACTIONS/ CONTRACTS ALREADY CONCLUDED BY THE TRANSFEROR COMPANY.

The transfer and vesting of the said Assets and the said Liabilities of the Transferor Company under Clause 6.1 and 6.4 respectively and the continuance of all the legal proceedings and the contracts under clauses 8 and 9 respectively by or against the Transferor Company after the Appointed Date shall not affect any transaction, contract or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself and adopts all acts, deeds and things executed lawfully by or on behalf of the Transferor Company as acts, deeds and things done and executed lawfully by or on behalf of the Transferee Company.

11. TRANSFEROR COMPANY'S PERMANENT EMPLOYEES

11.1 TAKEOVER OF ALL THE PERMANENT EMPLOYEES : The Transferee Company will takeover all the permanent employees in the service of the Transferor Company immediately preceding the Effective Date, and they shall become the permanent employees of the Transferee Company.

11.2 SERVICES OF PERMANENT EMPLOYEES TO BE CONTINUED UNINTERRUPTEDLY: The services of all the permanent employees shall, for all purposes, including accrued leave benefits, gratuity, provident fund, retirement benefits, retrenchment compensation, superannuation and so on, be regarded as continuous without any break or interruption of service by reason of the transfer of the Undertaking to the Transferee Company.

11.3 TERMS AND CONDITIONS OF SERVICE SHALL BE THE SAME : The terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favorable to them than those applicable to them immediately before the Effective Date. The position, rank and designation

of the employees would, however, be decided by the Board of the Transferee Company, which shall also have the right to exercise an option, if warranted, to transfer such employees to any unit of the Transferee Company as may be deemed necessary.

11.4 TRANSFER OF ALL RIGHTS, DUTIES POWERS AND OBLIGATIONS REGARDING ANY FUNDS : It is expressly provided that as far as the Gratuity Fund, Provident Fund, Superannuation Fund or any other Special Fund including any surplus in such funds (hereinafter collectively referred to as "Funds") created or existing for the benefit of the permanent employees of the the Transferor Company are concerned upon the Scheme becoming finally effective, the Transferor Company shall stand replaced by the Transferee Company for all purposes whatsoever related to the administration or operation of such "Funds" or in relation to the obligation to make contributions to such Funds as per the terms provided in the respective Trust Deeds or other documents, It is the aim and intent of the Scheme that all the duties, obligations powers and rights of the Transferor Company in relation to such Funds shall become those of the Transferee Company.

12. ACCOUNTING TREATMENT

12.1 ACCOUNTING TREATMENT OF VARIOUS RESERVES : Upon the Scheme coming into effect, the excess of the value of the net assets of the Transferor Company as on 31st March, 1999 as appearing in the books of accounts of the Transferor Company, (subject to the adjustments for differences in accounting policies in terms of clause 12.3 below) over the paid-up value of the shares of the Transferee Company to be issued and allotted pursuant to the terms of clause 13.1 below, shall be accounted for and dealt with in the books of accounts of the Transferee Company on the Appointed Date as follows :

- a) The amounts equal to the balances lying to the credit of "Share Premium", "Capital Reserve", "Debenture Redemption Reserve", "Subsidy from Government of Rajasthan" and "Profit & loss Account" in the books of accounts of the Transferor Company as on 31st March, 1999 shall be credited by the Transferee Company to its corresponding respective accounts and shall constitute the Transferee Company's reserves as effectively as if these were created by the Transferee Company out of its own earned and distributable profits;
- b) The balance shall be credited by the Transferee Company to an account to be styled a 'Amalgamation Reserve Account'. The said account shall be considered as a reserve and shall form part of the net worth of the Transferee Company.

12.2 BOARD AUTHORISED TO ADOPT DIFFERENT ACCOUNTING TREATMENT : Notwithstanding the above, the Board of Directors of the Transferee Company is authorised in consultation with its Auditors to account any of these balances in any other manner whatsoever as may be deemed fit.

12.3 ADJUSTMENT FOR DIFFERENCES IN ACCOUNTING POLICIES : In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the impact of the same as on 31st March, 1999 will be quantified and adjusted in the Amalgamation Reserve Account as provided in clause 12.1(b) above to ensure that the financial statements of the Transferee Company reflect the financial position on the basis on the accounting policies consistently followed by the Transferee Company.

12.4 PROCEDURE TO DEAL WITH BALANCES AS BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY : To the extent that there are inter-company loans, deposits, balances or debenture holding as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end w.e.f. the appointed date and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of

doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed Date.

13. SHARES TO SHAREHOLDERS IN TRANSFEROR COMPANY

13.1 RATIO OF ALLOTMENT

- a) Subject to the provisions of this scheme in consideration of the transfer of the Undertaking of the Transferor Company to the Transferee Company and the vesting of the said Assets and the said liabilities, the Transferee Company shall, without any further act, application and deed, issue and allot to the Equity Shareholders of the Transferor Company, whose names are shown in the Register of Members, on a date ("Record Date") to be fixed by the Board of the Transferee Company, 2 (two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up in the capital of the Transferee Company, for every 7 (seven) Equity Shares of Rs. 10/- each held by the Equity Shareholders in the Transferor Company.
- b) No Fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such Equity Shares be allotted, shall sell the same in the market at the best available price and pay the net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.
- c) For the purposes aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India or other appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective shareholders of the Transferor Company, of the Equity Shares in the said reorganised Share Capital of the Transferee Company in the ratio aforesaid.

13.2 SURRENDER OF SHARE CERTIFICATES BY THE SHAREHOLDER OF TRANSFEROR COMPANY : At the time of allotment of shares in the Transferee Company as mentioned above, the Shareholders of the Transferor Company shall, surrender their share certificates to the Transferee Company and the Transferee Company shall thereafter issue its share certificate(s) to such shareholders for their respective entitlement of shares as per clause 13.1.

13.3 RANKING OF NEW SHARES : The Equity Shares so allotted by the Transferee Company to the shareholders of the Transferor Company shall be subject to provisions of the Memorandum and Articles of Association of the Transferee Company and shall with effect from the date of allotment rank *pari passu* with the then existing Equity Shares of the Transferee Company in all respects and accordingly, such Equity Shares shall be entitled to the dividend which may be declared/distributed by the Transferee Company in respect of the accounting period commencing from the Appointed Date. However, Equity Shares so allotted shall not be entitled to the dividend which may be declared/distributed by the Transferee Company in respect of the accounting period prior to the Appointed Date.

14. DIVIDENDS

The Transferor Company and the Transferee Company shall each, with mutual agreement of the Boards, be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Appointed Date.

15. APPLICATION TO THE HIGH COURT FOR SANCTIONING SCHEME

On the Scheme being approved by the requisite majorities of the members and creditors of the Transferor Company and the members and creditors of the Transferee Company, the Transferor Company as well as Transferee Company shall respectively with all reasonable dispatch, make applications/petitions to the High Court for sanctioning this Scheme of Amalgamation under Section 391 of the Act and for an order or orders under Sections 392 and 394 and other applicable provisions of the said Act for carrying this Scheme into effect.

16. CONSENT OF TRANSFEROR COMPANY AND TRANSFEE COMPANY TO ANY MODIFICATIONS TO THE SCHEME

The Transferor Company and the Transferee Company may in their full and absolute discretion, assent from time to time, on behalf of all persons concerned, to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable or appropriate by them in the best interests of the members for settling any question or doubt or difficulty that may arise, whether by reason of any order of the Court or of any directive or order of the court or of any directive or orders of any other authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and for the implementation and/or carrying out of the Scheme or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective companies) and do all acts, deeds and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect on/upon or after dissolution of the Transferor Company. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards, a committee or committees of the concerned Board or any director authorised in that behalf by the concerned Board.

In the event that any conditions imposed by the Court are found unacceptable for any reason whatsoever by the Transferor Company or the Transferee Company, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to the following approvals/sanctions and the amalgamation shall be deemed to be complete on the date on which the last of such approvals/permission shall have been obtained :

17.1 APPROVAL OF THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY : The approval of the Scheme by the requisite majorities of the members and such other classes of persons of the Transferor Company and of the Transferee Company, as may be directed by the Court on the applications made for directions under Section 391 of the said Act.

17.2 SANCTION OF THE HIGH COURT OF JUDICATURE : The sanctions of the Court under Sections 391 and 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act.

17.3 APPROVAL OF THE CENTRAL GOVERNMENT OR ANY OTHER AUTHORITY :

The sanction or approval under any law of the Central Government or any other agency, department or authorities concerned in respect of any of the matters in respect of which such sanction or approval is required.

17.4 REQUISITE RESOLUTIONS TO BE PASSED BY THE SHAREHOLDERS OF THE TRANSFEROR COMPANY AND TRANSFEREE COMPANY :

The requisite resolutions passed by the shareholders of the Transferor Company and the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary.

18. SCHEME SUBJECT TO MODIFICATIONS OF THE HIGH COURT :

The Scheme shall be subject to such modifications as the Court while sanctioning such amalgamation of the Transferor Company with the Transferee Company may direct and which the Boards of the Transferor Company and the Transferee Company may consent and agree to.

19. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme being sanctioned and an Order being made by the Court under Section 394 of the said Act, the Transferor Company shall stand dissolved without winding up.

20. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the clause 17 above not being obtained and/or the Scheme nor being sanctioned by the court and/or the order or orders not being passed as aforesaid on or before 31.3.2000 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company (and which the Boards of both companies are hereby empowered and authorised to agree to and extend from time to time without any limitations), the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or may otherwise arise in law. In such event each party shall bear its respective costs, charges and expenses in connection with the Scheme of Amalgamation.

21. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses, including legal expenses, if any, (save where expressly provided otherwise) of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme including the negotiations leading up to this Scheme and for carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company alone.

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL
JURISDICTION
COMPANY PETITION NO. 494 OF 1999
Connected with
COMPANY APPLICATION NO.156 OF 1999

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

And

In the matter of the Scheme of
Amalgamation of Udaipur
Phosphates & Fertilisers Limited;
With

The Dharamsi Morarji Chemical
Company Limited.

The Dharamsi Morarji Chemical
Company Limited --- Petitioner.

**ORDER SANCTIONING THE SCHEME OF
AMALGAMATION**

Dated this 12th day of August, 1999

Filed this 19th day of August 1999.

Ms. Bhaishanker Kanga & Girdharlal,
Advocates for the Petitioner,
Maneckji Wadia Building,
3rd Floor,
Nanik Motwane Marg,
Fort, Mumbai - 400 001.

~~639.371~~

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 493 OF 1999
CONNECTED WITH
COMPANY APPLICATION NO. 155 OF 1999**

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

AND

In the matter of the Scheme of Amalgamation of
Udaipur Phosphates & Fertilisers Limited;

With

The Dharamsi Morarji Chemical Company Limited

....

Udaipur Phosphates & Fertilisers)
Limited, a Company Incorporated)
under the Companies Act, 1956 and)
having its Registered Office at)
53/57 Laxmi Insurance Building,)
Sir P.M. Road, Fort, Mumbai-400 001.) .. Petitioner

CORAM : S. RADHAKRISHNAN J.
DATE : 12TH AUGUST, 1999

UPON READING the Petition of Udaipur Phosphates & Fertilizers Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 29th day of April, 1999 for sanction of the Scheme of Amalgamation of Udaipur Phosphates & Fertilisers Limited (hereinafter referred to as "the Petitioner Company" or "the Transferor Company") with The Dharamsi Morarji Chemical Company Limited (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the petition and the said petition being this day called on for final hearing and disposal AND UPON READING the said Petition and the Affidavit dated 29th day of April, 1999 of Ms. Maria E. Monserrate, Company Secretary of the Transferor Company, verifying the said Petition AND UPON READING the Affidavit dated 3rd day of June, 1999 of Pandurang G. Mate, Clerk in the office of the Advocates for Petitioner Company proving the publication of the notice of the hearing of this Petition in the issue of Free Press Journal, Mumbai dated 10th day of May, 1999 and Navshakti Mumbai dated 10th day of May, 1999 AND UPON READING the two Affidavits of Mr. Pandurang G. Mate both dated 3rd day of June, 1999 proving service of notice of hearing of the petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and the Official Liquidator, High Court, Bombay respectively AND UPON READING the Order dated 26th day of March 1999, made by this Hon'ble Court in Company Application No 155 of 1999 whereby the Transferor Company was directed to convene and hold meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation of the Transferor Company with the Transferee Company being Exhibit "E" to the Petition and in the Schedule hereto AND UPON READING the Affidavit of Ms. Maria E. Monserrate, the Company Secretary of the Transferor Company dated 19th day of April, 1999 proving publication of the notice convening meeting of the Equity Shareholders, Secured Creditors, and Unsecured Creditors of Transferor Company in the issue of "Free Press Journal" dated 31st day of March, 1999 and "NAVSHAKTI" dated 31st day of March, 1999 and Maharashtra Government Gazette dated

31st day of March, 1999 and also proving the despatch of the notice convening the said Meetings to individual Equity Shareholders, Secured Creditors and Unsecured Creditors AND UPON READING the Reports dated 29th day of April, 1999 of Mr. Ranchoddas M. Goculdas, Chairman of the said meetings of the Equity Shareholder, Secured Creditors and Unsecured Creditors of the Transferor Company as to the results of the said meetings AND UPON READING the Affidavit of Mr. Ranchoddas M. Goculdas dated 29th day of April, 1999 verifying the said reports AND IT APPEARS from the said Reports of the Chairman that the proposed Scheme of Amalgamation has been approved by the requisite majority of Equity Shareholders, Secured Creditors and Unsecured Creditors representing more than three-fourth in value of the Transferor Company present at the respective meetings and voting in favour of the Scheme of Amalgamation AND UPON READING the report dated 4th day of August, 1999 of the Official Liquidator High Court, Bombay, wherein he has opined that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING Mr. Kumar Desai with Mr. Ramesh Chandra, Counsel instructed by M/s Bhaishanker Kanga & Girdharial, Advocates for the Transferor Company and Mr. M. M. Goswamy, Panel Counsel for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who submits to the order of the Court and Mr. S.C. Gupta, Deputy Official Liquidator, High Court, Bombay who also submits to the order of the Court and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the said Petition THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of Udaipur Phosphates & Fertilisers Limited, the Transferor Company, with The Dharamsi Morarji Chemical Company Limited the Transferee Company, as set forth in Exhibit "E" to the said Petition and also in the Schedule annexed hereto AND THIS COURT DOTH HEREBY DECLARE that the Scheme shall be binding upon all the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company and also on the Transferee Company AND THIS COURT DOTH ORDER that with effect from 1st day of April 1999 (hereinafter called "the Appointed Day") the entire undertaking of the Transferor Company including all the properties, assets and interest more particularly described in the Scheme of Amalgamation being Exhibit "E" to the Petition and set out in Schedule hereto shall without any further act or deed stand transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company subject to charges, if any, now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Day all the debts, liabilities, duties and obligations of the Transferor Company shall without any further act or deed stand transferred to the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that immediately preceding the effective date all the staff and employees in the service of the Transferor Company shall become the staff and employees of the Transferee Company without any interruption or break in their services AND THIS COURT DOTH FURTHER ORDER that all suits, appeals or other legal proceedings of whatever nature by or against the Transferor Company pending on the Appointed Day shall be continued and be enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of assets and liabilities of the Transferor Company in the Transferee Company, the Transferee Company shall without any further application or deed issue and allot to the Equity Shareholders of the Transferor Company 2 (Two) Equity Shares of Rs. 10/- each credited as fully paid-up in the Transferee Company, for every 7 (seven) Equity Shares of Rs. 10/- each credited as fully paid-up of the Transferor Company held by the said Shareholder in the Transferor

Company AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that the Transferor Company do within 30 days from the date of the sealing of the Order cause a certified copy of the Order to be delivered to the Registrar of Companies Maharashtra, Mumbai for registration and on such certified copy of order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies Maharashtra, Mumbai shall transfer all documents relating to the Transferor Company and registered with him on the files kept by him in relation to the Transferee Company and the files relating to the Transferor Company and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary with regard to the working of the arrangement embodied in the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay the sum of Rs. 1000/- (Rupees One Thousand only) each to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and the Official Liquidator, High Court, Bombay towards the costs of the said Petition WITNESS SHRI YOGESH KUMAR SABHARWAL, Chief Justice at Bombay aforesaid this 12th day of August, 1999.

BY THE COURT.

FOR PROTHONOTARY & SENIOR MASTER

ORDER SANCTIONING the Scheme)
of Amalgamation drawn on the)
Application of M/s. Bhalshanker)
Kanga & Girdharlal, Advocates)
for the Petitioner Company)
having office at Maneckji)
Wadia Building, 3rd Floor,)
Nanik Motwane Marg, Fort,)
Mumbai - 400 001.)

SCHEDULE

SCHEME OF AMALGAMATION OF UDAIPUR PHOSPHATES & FERTILISERS LIMITED WITH THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

1. PREAMBLE

This Scheme of Arrangement between The Dharamsi Morarji Chemical Company Limited and its members and Udaipur Phosphates & Fertilisers Limited and its members is presented for the amalgamation of Udaipur Phosphates & Fertilisers Limited with The Dharamsi Morarji Chemical Company Limited pursuant to the relevant provisions of the Companies Act 1956.

2. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following expressions shall have the following meanings :

- 2.1 THE ACT : "The Act" means the Companies Act 1956 including any statutory modifications, reenactments or amendments thereof.
- 2.2 THE APPOINTED DATE : "The Appointed Date" means 1st April, 1999.
- 2.3 THE BOARD : "The Board" means the Board of Directors of the Transferor Company or Transferee Company as the case may be.
- 2.4 THE COURT : "The Court" means the Hon'ble High Court of Judicature at Mumbai.
- 2.5 THE EFFECTIVE DATE : "The Effective Date" means the last of the following dates or such other dates as the Court may direct, namely :
 - (a) the date on which the last of all the necessary approvals, consents, orders, premissions, resolutions and sanctions as are hereinafter referred to in Clause 17 have been obtained or passed; and
 - (b) the date on which certified copies of the Order of the Court under Sections 391, 392 and 394 of the Act sanctioning the Scheme and vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Mumbai.
- 2.6 THE SCHEME : "The Scheme" means this Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Mumbai for sanction and includes any modification(s), approved or imposed or directed by the Court.
- 2.7 THE TRANSFEROR COMPANY : "The Transferor Company" means Udaipur Phosphates & Fertilisers Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 53/57 Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai-400 001.
- 2.8 THE TRANSFEE COMPANY : "The Transferee Company" means The Dharamsi Morarji Chemical Company Limited, a company deemed to be registered under the Companies Act, 1956 and having its Registered office at Prospect Chambers, 317/21; Dr. D.N. Road, Fort, Mumbai-400 001.

2.9 THE UNDERTAKING :

2.9.1 "The Undertaking" Shall mean :

(a) all the assets, claims, estates, interests, powers, properties and rights of every description of or relating to, the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Assets").

(b) all the debts, duties, liabilities and obligations of every description of, or pertaining to, the Transferor Company as on the Appointed Date, whether provided for or not in the books of accounts and whether disclosed or not disclosed in their balance sheets (hereinafter referred to as "the said liabilities").

2.9.2 Without prejudice to the generality of Clause 2.9.1 (a) above, the Undertaking of the Transferor Company shall include agreements, allotments, approvals, arrangements, authorizations, benefits, concessions, licences, permits, rights and benefits of all contracts, easements, leasehold rights, tenancy rights, electricity and other services, engagements, exemptions, fixed and current assets, work-in-progress, investments, deposits, privileges, agency rights, quota rights, trademarks, patents and other industrial and intellectual properties, registrations, reserves right to use and avail of telephones, telexes, facsimile connections, installations and other communicating facilities and equipments, and all properties, movable and immovable, real, corporeal or incorporeal, in possession or reversion, present, future or contingent of whatsoever nature and wheresoever situated, and all other interests wheresoever situated, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Transferor Company and all books of accounts and records relating thereto.

3. NATURE OF BUSINESS

3.1 **NATURE OF BUSINESS OF TRANSFEROR COMPANY:** The Transferor Company is, inter-alia primarily engaged in the business of manufacture and sale of Single Super Phosphate (SSP), Sulphuric Acid and other chemicals.

3.2 **NATURE OF BUSINESS OF TRANSFEREE COMPANY:** The Transferee Company is, inter-alia, primarily engaged in the business of manufacture and sale of Single Super Phosphate (SSP), Sulphuric Acid and other chemicals.

4. REASONS FOR AMALGAMATION

4.1 As aforesaid both the Transferor and Transferee Companies are engaged in and are carrying on similar business. Moreover the SSP manufactured by the Transferor Company using the technical know-how received from the Transferee Company is sold under the trade mark "Ship Brand" which belongs to the Transferee Company. In the circumstances the proposed Scheme will result in economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work, better and more productive utilisation of various resources and will enable the undertakings concerned to effect internal economies and optimise productivity. The combined business can be carried out more economically and efficiently resulting into optimum utilisation of management and other resources.

4.2 The amalgamation will enable each of the Companies to have direct access to the financial, technical and marketing support of each other.

4.3 The amalgamation will enable the establishment of a larger company with larger resources and a larger capital base enabling further development of

the business. The amalgamation will enable the undertakings of both companies to obtain greater facilities possessed and enjoyed by one large company compared with two small companies, for raising capital, increasing market share and other benefits.

- 4.4 The amalgamation will enable to rationalise and streamline their management, marketing and finances and to eliminate duplication of work to their common advantage.

5. SHARE CAPITAL

The capital structure of the Transferor Company and the Transferee Company as on 31st March, 1998 were as follows :

- 5.1 **SHARE CAPITAL OF TRANSFEROR COMPANY : The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 31st March, 1998 was as follows :**

	(Rs. in lakhs)
<u>Authorised</u>	
i) 58,00,000 Equity Shares of Rs. 10/- each.	580.00
ii) 4,20,000 Preference Shares of Rs. 100/- each.	420.00
Total :	1000.00
<u>Issued and Subscribed and Paid-up</u>	
i) 35,20,700 Equity Shares of Rs. 10/- each fully paid up.	352.07
Total :	352.07

- 5.2 **SHARE CAPITAL OF TRANSFEE COMPANY : The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 31st March, 1998 was as follows :**

	(Rs. in lakhs)
<u>Authorised</u>	
i) 300,00,00 Equity Shares of Rs. 10/- each.	3000.00
ii) 10,00,000 Preference Shares of Rs. 100/- each.	1000.00
Total:	4000.00
<u>Issued</u>	
i) 1,25,21,770 Equity Shares of Rs. 10/- each	1252.18
Total:	1252.18
<u>Subscribed and Paid-up</u>	
i) 1,25,20,960 Equity Shares of Rs. 10/- each.	1252.10
Less : Calls in Arrears	0.02
Paid-up	1252.08

6. TRANSFER OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

6.1 TRANSFER OF THE UNDERTAKING : With effect from the appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the entire Undertaking of the Transferor Company including the said Assets and the said liabilities as on the Appointed Date shall, pursuant to the provisions of section 394 and other applicable provisions of the Act, without any further act, deed, instrument, matter or thing, be and shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company so as to become the Undertaking of the Transferee Company.

6.2 TRANSFER OF ASSETS SUBJECT TO CHARGES : The transfer/vesting of the said Assets as aforesaid shall be subject to charges/hypothecation/mortgage, if any, subsisting over or in respect of the said Assets or any part thereof on the Appointed Date. Provided however; any reference in any security documents or arrangements to which the Transferor Company is a party and under which any assets of the Transferor Company are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company which is vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, or be applicable to the assets of any other unit, undertaking, division or to other properties of the Transferee Company, unless specifically agreed to by the Transferee Company and subject to the consent and approval of the persons entitled to the charge on any assets or properties of the Transferee Company.

6.3 MODE OF TRANSFER OF ASSETS

It is expressly provided that :

- a) such of the said assets as are movable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, including cash on hand, shall be so transferred by the Transferor Company to the Transferee Company to the end and intent that the property therein passes to the Transferee Company pursuant to the provisions of the Section 394 of the Act as an integral part of the Undertaking;
- b) the assets other than those referred to above shall without any further act, instrument, deed matter or thing, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of section 394 of the Act.

6.4 TRANSFER OF LIABILITIES

6.4.1 Pursuant to the transfer of the Undertaking as provided in clause 6.1 above, and subject to the provisions in the Scheme in relation to the mode of transfer and vesting, the said Liabilities of the Transferor Company, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date, the debts, duties, liabilities and obligations of the Transferee Company and further that for the purpose of giving effect to the provisions of this clause, 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.

6.4.2 It is clarified that the Scheme shall not in any manner affect the rights and interests of the creditors of the Transferor Company or be deemed to be prejudicial to their interests and in particular the creditors of the Transferor Company shall continue to enjoy and hold charge upon their respective securities and properties.

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

7.1 TRANSFEROR COMPANY AS TRUSTEE : With effect from the Appointed Date and till the Effective Date, the Transferor Company :

- i) shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire Undertaking for and on account of and for the benefit of and in trust for the Transferee Company; and
- ii) shall carry on and be deemed to be carrying on all their business and activities for and on account of and for the benefit of and in trust for the Transferee Company.

7.2 TRANSFER OF PROFITS OR LOSSES : With effect from the Appointed Date, all the profits including taxes, if any, thereon or income arising to the Transferor Company or any costs and charges, expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits, taxes or incomes, or costs, charges, expenditure or losses of the Transferee Company, as the case may be.

7.3 TRANSFEROR COMPANY TO CARRY ON ITS BUSINESS WITH DUE DILIGENCE : With effect from the Appointed Date and till the Effective Date, the Transferor Company undertakes to carry on its business with diligence, and utmost business prudence and shall not sell, transfer, alienate, charge, encumber mortgage or otherwise deal with its Undertaking or any part thereof, without the prior written consent of the Transferee Company, save and except in the ordinary course of business, or pursuant to any preexisting obligation undertaken by the Transferor Company prior to the Appointed Date. Provided however that the Transferor Company shall, in the ordinary course, be entitled to borrow monies required in connection with its business and operations and create security for such borrowings and further consent of the Transferee Company shall not be required in this behalf.

7.4 TRANSFEROR COMPANY NOT PERMITTED TO UNDERTAKE NEW BUSINESS : The Transferor Company shall not without the prior written consent of the Transferee Company, undertake any new business or activity specified in the "Other Objects" Clause of its Memorandum of Association.

7.5 NO CHANGE TO BE EFFECTED IN THE CAPITAL STRUCTURE OF TRANSFEROR COMPANY AND TRANSFEE COMPANY.
Save as specifically provided in this Scheme, and except by mutual consent of the Boards, neither the Transferor Company nor the Transferee Company shall make any change in their respective capital structures, by way of increase reduction, reclassification, sub-division, consolidation, reorganization or in any other manner which may in any way affect the Share Allotment Ratio prescribed in clause 13.1.

7.6 NO CHANGE IN THE TERMS AND CONDITIONS OF EMPLOYMENT OF THE TRANSFEROR COMPANY'S PERMANENT EMPLOYEES
Except with the prior approval of the Transferee Company, the Transferor Company shall not vary the terms and conditions of the employment of its permanent employees except in the ordinary course of business.

8. ENFORCEMENT OF LEGAL PROCEEDINGS

All proceedings of whatsoever nature (including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company 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 this Scheme but the said proceedings, shall till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made and thereafter be continued, prosecuted and enforced by or against Transferee Company in the same

manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company if this Scheme had not been made. The Transferee Company shall take steps to have the abovementioned proceedings continued in its name.

9. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all lawful agreements, arrangements, bonds, debentures, contracts, deeds and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which it may be eligible and which are subsisting or operative or having effect, shall till the Effective Date, be in full force and effect and may be enforced as fully and effectually as if, thereafter, shall be 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 effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferee Company and other parties thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement, confirmations or novations in order to give formal effect to the provisions of this clause, if so required or if it becomes necessary.

10. NO EFFECT OF TRANSFER OF UNDERTAKING ON THE TRANSACTIONS/ CONTRACTS ALREADY CONCLUDED BY THE TRANSFEROR COMPANY.

The transfer and vesting of the said Assets and the said Liabilities of the Transferor Company under Clause 6.1 and 6.4 respectively and the continuance of all the legal proceedings and the contracts under clauses 8 and 9 respectively by or against the Transferor Company after the Appointed Date shall not affect any transaction, contract or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself and adopts all acts, deeds and things executed lawfully by or on behalf of the Transferor Company as acts, deeds and things done and executed lawfully by or on behalf of the Transferee Company.

11. TRANSFEROR COMPANY'S PERMANENT EMPLOYEES

11.1 TAKEOVER OF ALL THE PERMANENT EMPLOYEES :

The Transferee Company will takeover all the permanent employees in the service of the Transferor Company immediately preceding the Effective Date, and they shall become the permanent employees of the Transferee Company.

11.2 SERVICES OF PERMANENT EMPLOYEES TO BE CONTINUED UNINTERRUPTEDLY :

The services of the all the permanent employees shall, for all purposes, including accrued leave benefits, gratuity, provident fund, retirement benefits, retrenchment compensation, superannuation and so on, be regarded as continuous without any break or interruption of service by reason of the transfer of the Undertaking to the Transferee Company.

11.3 TERMS AND CONDITIONS OF SERVICE SHALL BE THE SAME :

The terms and conditions of service, applicable to such employees on the Effective Date will not in any way be less favorable to them than those applicable to them immediately before the Effective Date. The position, rank and designation of the employees would, however, be decided by the Board of the Transferee Company, which shall also have the right to exercise an option, if warranted, to transfer such employees to any unit of the Transferee Company as may be deemed necessary.

11.4 TRANSFER OF ALL RIGHTS, DUTIES POWERS AND OBLIGATIONS REGARDING ANY FUNDS :

It is expressly provided that as far as the Gratuity Fund, Provident Fund, Superannuation Fund or any other Special Fund including any surplus in such funds (hereinafter collectively referred to as "Funds") created or existing for the benefit of the permanent employees of the Transferor Company are concerned upon the Scheme becoming finally effective, the Transferor Company shall stand replaced by the Transferee Company for all purposes whatsoever related to the administration or operation of such "Funds" or in relation to the obligation to make contributions to such Funds as per the terms provided in the respective Trust Deeds or other documents, It is the aim and intent of the Scheme that all the duties, obligations, powers and rights of the Transferor Company in relation to such Funds shall become those of the Transferee Company.

12. ACCOUNTING TREATMENT

12.1 ACCOUNTING TREATMENT OF VARIOUS RESERVES :

Upon the Scheme coming into effect, the excess of the value of the net assets of the Transferor Company as on 31st March, 1999 as appearing in the books of accounts of the Transferor Company, (subject to the adjustments for differences in accounting policies in terms of clause 12.3 below) over the paid-up value of the shares of the Transferee Company to be issued and allotted pursuant to the terms of clause 13.1 below, shall be accounted for and dealt with in the books of accounts of the Transferee Company on the Appointed Date as follows :

- a) The amounts equal to the balances lying to the credit of "Share Premium", "Capital Reserve", "Debenture Redemption Reserve", "Subsidy from Government of Rajasthan" and "Profit & loss Account" in the books of accounts of the Transferor Company as on 31st March, 1999 shall be credited by the Transferee Company to its corresponding respective accounts and shall constitute the Transferee Company's reserves as effectively as if these were created by the Transferee Company out of its own earned and distributable profits;
- (b) The balance shall be credited by the Transferee Company to an account to be styled as "Amalgamation Reserve Account". The said account shall be considered as a reserve and shall form part of the net worth of the Transferee Company.

12.2 BOARD AUTHORISED TO ADOPT DIFFERENT ACCOUNTING TREATMENT :

Notwithstanding the above, the Board of Directors of the Transferee Company is authorised in consultation with its Auditors to account any of these balances in any other manner whatsoever as may be deemed fit.

12.3 ADJUSTMENT FOR DIFFERENCES IN ACCOUNTING POLICIES :

In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the impact of the same as on 31st March, 1999 will be quantified and adjusted in the Amalgamation Reserve Account as provided in clause 12.1(b) above to ensure that the financial statements of the Transferee Company reflect the financial position on the basis on the accounting policies consistently followed by the Transferee Company.

12.4 PROCEDURE TO DEAL WITH BALANCES AS BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY :

To the extent that there are intercompany loans, deposits, balances or debenture holding as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end w.e.f. the appointed date and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities as the case may be. For the removal of doubt, it is

clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such inter-company loans, deposits or balances, with effect from the Appointed Date.

13. SHARES TO SHAREHOLDERS IN TRANSFEROR COMPANY

13.1 RATIO OF ALLOTMENT

- a) Subject to the provisions of this scheme in consideration of the transfer of the Undertaking of the Transferor Company to the Transferee Company and the vesting of the said Assets and the said Liabilities, the Transferee Company shall, without any further act, application and deed, issue and allot to the Equity Shareholders of the Transferor Company, whose names are shown in the Register of Members, on a date ("Record Date") to be fixed by the Board of the Transferee Company, 2 (two) Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid-up in the capital of the Transferee Company, for every 7 (seven) Equity Shares of Rs. 10/- each held by the Equity Shareholders in the Transferor Company.
- b) No Fractional Certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an officer of the Transferee Company with the express understanding that such Director or officer to whom such Equity Shares be allotted, shall sell the same in the market at the best available price and pay the net sale proceeds to the shareholders of the Transferor Company in proportion to their fractional entitlements.
- c) For the purposes aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India or other appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective shareholders of the Transferor Company, of the Equity Shares in the said reorganised Share Capital of the Transferee Company in the ratio aforesaid.

13.2 SURRENDER OF SHARES CERTIFICATES BY THE SHAREHOLDER OF TRANSFEROR COMPANY :

At the time of allotment of shares in the Transferee Company as mentioned above, the Shareholders of the Transferor Company shall, surrender their share certificates to the Transferee Company and the Transferee Company shall thereafter issue its share certificate(s) to such shareholders for their respective entitlement of shares as per clause 13.1.

13.3 RANKING OF NEW SHARES :

The Equity Shares so allotted by the Transferee Company to the shareholders of the Transferor Company shall be subject to provisions of the Memorandum and Articles of Association of the Transferee Company and shall, with effect from the date of allotment rank *pari passu* with the then existing Equity Shares of the Transferee Company in all respects and accordingly, such Equity Shares shall be entitled to the dividend which may be declared/distributed by the Transferee Company in respect of the accounting period commencing from the Appointed Date. However, Equity Shares so allotted shall not be entitled to the dividend which may be declared/distributed by the Transferee Company in respect of the accounting period prior to the Appointed Date.

14. DIVIDENDS

The Transferor Company and the Transferee Company shall each, with mutual agreement of the Boards, be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Appointed Date.

15. APPLICATION TO THE HIGH COURT FOR SANCTIONING SCHEME

On the Scheme being approved by the requisite majorities of the members and creditors of the Transferor Company and the members and creditors of the Transferee Company, the Transferor Company as well as the Transferee Company shall respectively with all reasonable dispatch, make applications/petitions to the High Court for sanctioning this Scheme of Amalgamation under Section 391 of the Act and for an order or orders under Sections 392 and 394 and other applicable provisions of the said Act for carrying this Scheme into effect.

16. CONSENT OF TRANSFEROR COMPANY AND TRANSFEE COMPANY TO ANY MODIFICATIONS TO THE SCHEME

The Transferor Company and the Transferee Company may in their full and absolute discretion, assent from time to time, on behalf of all persons concerned, to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable or appropriate by them in the best interests of the members for settling any question or doubt or difficulty that may arise, whether by reason of any order of the Court or of any directive or orders of any other authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and for the implementation and/or carrying out of the Scheme or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective companies) and do all acts, deeds and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect on/upon or after dissolution of the Transferor Company. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards, a committee or committees of the concerned Board or any director authorised in that behalf by the concerned Board.

In the event that any conditions imposed by the Court are found unacceptable for any reason whatsoever by the Transferor Company or the Transferee Company, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to the following approvals/sanctions and the amalgamation shall be deemed to be complete on the date on which the last of such approvals/permission shall have been obtained :

17.1 APPROVAL OF THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY :

The approval of the Scheme by the requisite majorities of the members and such other classes of persons of the Transferor Company and of the Transferee Company, as may be directed by the Court on the applications made for directions under Section 391 of the said Act.

17.2 SANCTION OF THE HIGH COURT OF JUDICATURE :

The sanctions of the Court under Sections 391 and 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act.

17.3 APPROVAL OF THE CENTRAL GOVERNMENT OR ANY OTHER AUTHORITY :

The sanction or approval under any law of the Central Government or any other agency, department or authorities concerned in respect of any of the matters in respect of which such sanction or approval is required.

17.4 REQUISITE RESOLUTIONS TO BE PASSED BY THE SHAREHOLDERS OF THE TRANSFEROR COMPANY AND TRANSFEREE COMPANY

The requisite resolutions passed by the shareholders of the Transferor Company and the Transferee Company under the applicable provisions of the said Act, for any of the matters provided for or relating to the Scheme as may be required or be necessary.

18. SCHEME SUBJECT TO MODIFICATIONS OF THE HIGH COURT :

The Scheme shall be subject to such modifications as the Court while sanctioning such amalgamation of the Transferor Company with the Transferee Company may direct and which the Boards of the Transferor Company and the Transferee Company may consent and agree to.

19. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme being sanctioned and an Order being made by the Court under Section 394 of the said Act, the Transferor Company shall stand dissolved without winding up.

20. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the clause 17 above not being obtained and/or the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid on or before 31.3.2000 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company (and which the Boards of both companies are hereby empowered and authorised to agree to and extend from time to time without any limitations), the Scheme of Amalgamation shall become null and void and shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or may otherwise arise in law. In such event each party shall bear its respective costs, charges and expenses in connection with the Scheme of Amalgamation.

21. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses, including legal expenses, if any, (save where expressly provided otherwise) of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme including the negotiations leading up to this Scheme and for carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company alone.

**IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL
JURISDICTION
COMPANY PETITION NO. 493 OF 1999
Connected with
COMPANY APPLICATION NO.155 OF 1999**

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

And

**In the matter of the Scheme of
Amalgamation of Udaipur
Phosphates & Fertilisers Limited;
With**

**The Dharamsi Morarji Chemical
Company Limited.**

**Udaipur Phosphates & Fertilisers
Limited - - - Petitioner**

**ORDER SANCTIONING THE SCHEME OF
AMALGAMATION**

Dated this 12th day of August, 1999

Filed this 19th day of August 1999.

**M/s. Bhaishanker Kanga & Girdharlal,
Advocates for the Petitioner,
Maneckji Wadia Building,
3rd Floor,
Nanik Motwane Marg,
Fort, Mumbai - 400 001.**

d638.smt

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CSP No. 852/230-232/NCLT/MB/MAH/2017

CSP No. 853/230-232/NCLT/MB/MAH/2017

Under section 230-232 of the Companies Act, 2013

In the matter of

M/s. Borax Morarji Limited

.....Petitioner in CSP 852/2017

(Transferor Company)

M/s. The Dharamsi Morarji Chemical Company
Limited

.....Petitioner in CSP 853/2017

(Transferee Company)

Order delivered on: 18.10.2017

Coram :

Hon'ble M. K. Shrawat, Member (J)

Hon'ble Bhaskara Pantula Mohan, Member (J)

For the Petitioner :

Adv. Hemant Sethi, i/b. Hemant Sethi & Co., Advocates for the Petitioners

For the Regional Director :

Mr. Ramesh Gholap – Asst. Director (WR).

Per : Bhaskara Pantula Mohan, Member (J)

COMMON ORDER

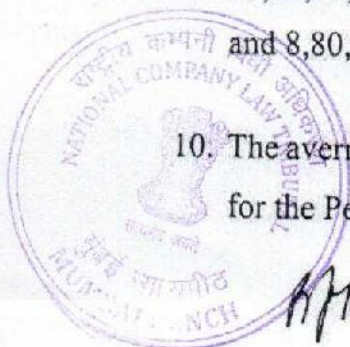
1. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, for Scheme of Amalgamation of M/s. Borax Morarji Limited (Transferor Company) with M/s. The Dharamsi Morarji Chemical Company Limited (Transferee Company).

2. The Transferor Company and the Transferee Company have approved the said Scheme of Amalgamation by passing the Board Resolutions which are annexed to the respective Company Scheme Petitions.

H. Pantula Mohan:



3. The Transferor Company is currently engaged in the business of manufacturing and trading of Borax and Boric acid.
4. The Transferee Company is engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dye-ware paint and others
5. The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
 - a) Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
 - b) Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
 - c) Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
 - d) Greater administrative efficiency.
6. The Authorised Share Capital of the Transferor Company is ₹ 20,00,00,000/- comprising of 1,00,00,000 equity shares of ₹ 10/- each and 1,00,00,000 preference shares of ₹ 10/- each.
7. The Issued Share capital of the Transferor Company is ₹ 13,51,97,000/- comprising of 45,19,698 equity shares of ₹ 10/- each, fully paid up and 90,00,000 8% cumulative non-convertible preference shares of ₹ 10/- each, fully paid up.
8. The Authorised Share Capital of the Transferee Company is ₹ 40,00,00,000/- comprising of 3,00,00,000 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 100/- each.
9. The Issued, Subscribed and Paid- up Share Capital of the Transferee Company is ₹ 30,05,78,000/- comprising of 2,12,57,821 equity shares of ₹ 10/- each, fully paid up and 8,80,000 preference shares of ₹ 100/- each, fully paid up.
10. The averments made in the petitions and the submissions made by the Learned Counsel for the Petitioners are:



[Handwritten Signature]

a) The Petitioner Companies had complied with all requirements as per directions of the Tribunal and they have filed necessary Affidavits of compliance in this Tribunal. Moreover, the Petitioner Companies undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable.

b) The Regional Director has filed his Report on 13th October, 2017 inter alia stating therein that, save and except as stated in paragraph IV of the said report, 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 (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 (IND AS-8) etc.

b) As per existing practice, this Directorate has also issued a letter dated 10/10/2017 to IT Department requesting them to file their objections / comments, if any, directly to the Hon'ble NCLT, Mumbai.

c) 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 Tribunal may not deter the Income Tax Authority to scrutinize the tax return filed by the Petitioner Companies after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.

d) Para 10 of the scheme speaks about Reduction of Securities Premium Account and adjustment of Capital Reserve.

e) Para 8 of the scheme speaks about aggregation of Authorized Capital. In this regard Hon 'b/e NCLT may direct Transferee Company to comply with provisions of Section 232 3(i) of the Companies Act, 2013.

f) In Para 23 of the ROC Report it has been stated that the transferee company was inspected u/s 209 A of the Companies

[Signature]

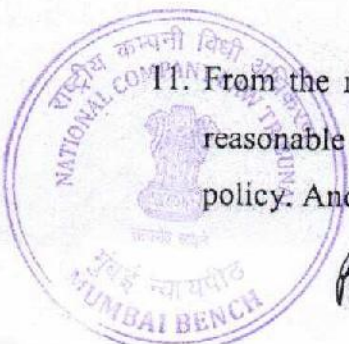


Act, 2013 in the year 2013 and supplementary Inspection is under process.

- c) Apropos observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Learned Counsel for the Petitioners submits that, the Petitioner Companies undertakes to pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.
- d) Apropos observations made in paragraph IV (c) of the Report of Regional Director is concerned, it is submitted that, the Petitioner Companies undertake to comply with all applicable provisions of the Income-tax Act 1961 and all tax issue arising out of the Scheme will be met and answered in accordance of law.
- e) Apropos observations made in paragraph IV (e) of the Report of Regional Director is concerned, it is submitted that, the Petitioner Transferee Company undertakes to comply with all applicable provisions of section 232 (3) (i) of the Companies Act, 2013.
- f) Apropos observations made in paragraph IV (f) of the Report of Regional Director is concerned, it is submitted that, the Transferee Company will continue to be in existence and shall not be dissolved on the amalgamation. Hence, the Transferee Company will fully support and comply with the procedure required to complete the inspection under section 209A of the Companies Act, 2013.
- g) The Official Liquidator has filed report inter alia, stating therein that, the affairs of the Transferor Companies have been conducted in a proper manner and the said Scheme is not prejudicial to the interest of Public. It is further stated that the Transferor Companies may be ordered to be dissolved without winding up.
- h) Further the Learned Counsel for the Petitioners submitted that, neither the Petitioners nor the Tribunal has received any objection to the said Scheme of Amalgamation between the Transferor Company and Transferee Company.

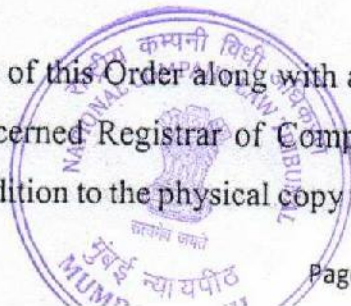
11. From the material on record, the Scheme of Amalgamation appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. And hereby this Bench, to the Petitioner Companies, **do Order that:**

[Signature]



- a) All the liabilities including taxes and charges, if any, and duties of the Transferor Company, shall, pursuant to S. 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
- b) The clarifications and undertakings given by the Learned Counsel for the Petitioners to the observations made in the Report of the Regional Director are considered by this Bench and those are hereby accepted. Subsequently, this bench hereby directs petitioners to comply with the provisions/statements which the Petitioners undertakes herein.
- c) Further that, the Transferee Company shall comply with the ongoing supplementary inspection by RoC u/S. 209 A of the Companies Act, 2013.
- d) Transferor Company to be dissolved without winding up from the date of this Scheme becomes effective.
- e) In lieu of consideration of this Scheme, 1 fully paid up Equity Share of ₹ 10/- each of the Transferee Company shall be issued and allotted for every 2 fully paid up equity shares of ₹ 10/- each held in the Transferor Company.
- f) And further, 10 fully paid up Equity Share of ₹ 10/- each of the Transferee Company shall be issued and allotted for every 108 fully paid up preference shares of ₹ 10/- each held in the Transferor Company.
- g) The Authorised Share Capital of the Transferee Company shall stand increased after this Scheme becomes effective.
- h) Further, as the present Authorised Share Capital of the Transferee Company is not meeting up with the requirements after the Amalgamation, hence, the Transferee Company shall, on or before the allotment of shares in the Scheme of Amalgamation, increase its Authorised Share Capital by creation of such number of Equity Shares or Preference Shares of such value as may be necessary to fulfil its obligations under the Scheme. And the Transferee Company shall comply with the applicable provisions of the Act and Rules therein, for raising of its Authorised Share Capital.
- a) Petitioner Companies 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 INC-28, in addition to the physical copy within

APK/...



30 days from the date of issuance of the Order by the Registry, duly Certified by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.

- b) The Petitioner Companies to lodge a copy of this Order and the Scheme duly Certified by the Deputy Director or the Assistant Registrar, as the case may be, National Company Law Tribunal, Mumbai Bench, 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 receipt of the Order.
- c) Each Petitioner Companies to pay cost of ₹ 25,000/- (₹ Twenty Five Thousand only) to the Regional Director, Western Region, Mumbai to be paid within four weeks from the date of receipt of the duly Certified Copy of this Order.
- d) The Transferor Company i.e. Petitioner in CSP 852/2017, to pay cost of ₹ 25,000/- (₹ Twenty Five Thousand only) to the Official Liquidator, Mumbai to be paid within four weeks from the date of receipt of the duly Certified Copy of this Order.
- e) All authorities concerned to act on a copy of this Order along with Scheme duly Certified by the Deputy Director or Assistant Registrar, as the case may be, National Company Law Tribunal, Mumbai Bench.
- f) Any person interested is at liberty to apply to the Tribunal in these matters for any directions or modification that may be necessary.
- g) The Scheme is hereby sanctioned and the appointed date of the Scheme is fixed as 1st April, 2016.

12. Ordered accordingly. Consigned to Records.

sd/-

BHASKARA PANTULA MOHAN
MEMBER (JUDICIAL)

sd/-

M. K. SHRAWAT
MEMBER (JUDICIAL)

Dated : 18th October, 2017

Certified True Copy
Copy issued "free of cost"
On 10/11/2017


Deputy Director

National Company Law Tribunal, Mumbai Bench



**SCHEME OF ARRANGEMENT
BETWEEN
BORAX MORARJI LIMITED
(AS THE TRANSFEROR COMPANY)
AND
THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED
(AS THE TRANSFEREE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND ALL CONCERNED

UNDER SECTION 230 TO 232 READ WITH SECTION 52 OF THE
COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER**

(A) PREAMBLE

This Scheme of Arrangement (“Scheme”) is presented under Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of Borax Morarji Limited (“BML” or “the Transferor Company”) into The Dharamsi Morarji Chemical Company Limited (“DMCC” or “the Transferee Company”) on a going concern basis, and matters incidental thereto

(B) Parts of the Scheme

This Scheme of Arrangement is divided into the following parts:

- Part I** – Deals with preliminary of the Scheme, definitions of the terms used in this Scheme, objects and rationale of the Scheme and share capital
- Part II** – Deals with amalgamation of the Transferor Company into the Transferee Company; and
- Part III** – Deals with General Clauses, Terms and Conditions



PART I – PRELIMINARY, DEFINITIONS AND INTERPRETATIONS

1. PRELIMINARY

- 1.1 **Borax Morarji Limited, (“BML” or “the Transferor Company”)**, was originally incorporated as a public limited company under the name and style of “Borax Morarji Limited” on August 27, 1963 under the Companies Act, 1956 vide Corporate Identity Number L24100MH1963PLC012706 with having its registered office at Prospect Chambers, 317-321, Dr D N Road, Mumbai 400001, Maharashtra

The Dharamsi Morarji Chemical Company Limited, (“DMCC” or “the Transferee Company”), was originally incorporated as a public limited company under the name and style of “The Dharamsi Morarji Chemical Company Limited” on September 25, 1919 vide Corporate Identity Number L24110MH1919PLC000564 under the Indian Companies Act, VII of 1913 and having its registered office at Prospect Chambers, 317/21, D N Road, Fort, Mumbai 400001.

- 1.2 The Transferor Company is primarily engaged in the business of manufacturing and dealing in Borax and Boric Acid. The main objects are set out in the Memorandum of Association. Some of them are as under:

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION:

1. *To carry on the business as manufacturers, producers, importers, exporters, merchants, distributors, commission agents, and brokers of, and wholesale and retail dealers in Borax and Boric Acid, their derivatives, by-products and compounds, and other heavy chemicals and fine chemicals, and of and in all kinds of chemicals, chemical preparations or substances industrial,*



agricultural, medicinal, pharmaceutical, toilet or otherwise, and allied and auxiliary products and intermediates thereof.

2. *To manufacture, produce, import, export, buy, sell, and deal in acids, alkalies, oleum and all residual products resulting from the manufacture or use of such acids and alkalies.*
3. *To carry on the business manufacturers, producers, importers, exporters, merchants, distributors, commission agents, brokers of and wholesale and retail dealers in paints, pigments, varnishes, lacquers, plastics, paper, rubber goods, artificial leather, soap, cosmetics, metals and alloys.*
4. *To carry on the business of chemists, analytical chemists, metallurgists, oil and colourmen, ye makers, gas makers, and makers of and dealers in proprietary articles of all kinds including chemical materials and apparatus.*

- 1.3 The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others. The main objects are set out in the Memorandum of Association. Some of them are as under:

A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. *To carry the trade or business of manufacture of acids, salts, tannin extracts, chemical, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint or other substances or things and to purchase, manufacture, sell and generally deal in all materials, substances and things required for or incidental to the manufacture, preparation, adaption or use of acids, salts, chemicals and other preparations and articles.*



- (1A) To carry on the business of manufacturing of, dealers and workers in, sellers, Importers and exporters of cement of all types, lime, plasters, clay, gramules, sand, artificial stone and all kinds and products or things which may be manufactures out or with cement or in which the use of cement may be made.
- (1B) To manufacture., buy, sell, refine, manipulate, import, export or otherwise deal in all kinds of disinfectants, insecticides, fungicides, manures, sprayers, as also protectives and preservatives and to investigate all means, devices, inventions and improvements tending to increase the use of fertilizers and manures and advance the interests of agriculture and the fertilizer industry.
- (1C) To carry on business of hiring out computer time and also providing punching and programming services termed 'software' by methods of system analysis or other similar methods and by the use and employment of computer and other electronic devices involving technical data compilation and processing and sale thereof.
- (1D) To carry on the business of shipowners and to purchase, charter, hire ships or vessels.
- (1E) To carry on the business of leading and hire purchase finance Company and to provide on lease or on hire purchase all types of industrial and office plant, equipment, machinery, vehicles and buildings
- (1F) To carry on the business of manufacture of equipments including equipment for energy saving and pollution control, components, accessories, apparatus and parts thereof required for industries in general and the chemical and fertilizer industry in particular.

1.4 The Transferor Company and the Transferee Company are promoted by the same Group.

1.5 The Promoters (shareholders) of the Transferor Company as on December 31, 2016 are:



Sr. No.	Name of the Promoters	Address of Promoters
1	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
5	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
6	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
7	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
8	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
9	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
10	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

There has been no change in the list of promoters since the above mentioned date till the date of approval by the Board to the scheme.

- 1.6 The Promoters (shareholders) of the Transferee Company as on December 31, 2016 are:

Sr No.	Name of the Promoters	Address of Promoters
1	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.



2	Harisingh Narottamdas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
5	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
6	Mulraj Dwarkadas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
7	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
8	Kosan Industries Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
9	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
10	L. P. Gas Equipment Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
11	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
12	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
13	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
14	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

There has been no change in the list of promoters since the above mentioned date till the date of approval by the Board to the scheme.



1.7 The present Directors of the Transferor Company as on December 31, 2016 are:

Sr No	Name of the Directors	Address
1	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Bimal Lalitsingh Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Sanjeev Vishwanath Joshi	602, Shivkripa CHS, Nanda Parkar Marg, Vileparle – East, Mumbai 400 057.
5	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400 042.
6	Dilip Trimbak Gokhale	6, Parvati Niwas, Veer Savarkar Road, Dombivali (East) – 421 201.

There has been no change in the Directors since the above mentioned date till the date of approval by the Board to the scheme.

1.8 The present Directors of the Transferee Company as on December 31, 2016 are:

Sr No	Name of the Directors	Address
1	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Haridas Tricumdas Kapadia	Shree Satyam CHS Ltd., Shivaji Road, Sai Section, Ambarnath, 421501.
3	Madhu Thakorlal Ankleshwaria	7, Gocul Niwas, Bajaj Road, Vile Parle (West) Mumbai 400 056.
4	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400 042.



5	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
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There has been no change in the Directors since the above mentioned date till the date of approval by the Board to the scheme.

- 1.9 The proposed amalgamation would enable the Transferee Company to focus on the businesses of both the companies in a more professional manner and to create a more competitive business both in scale and operations. The Transferee Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.
- 1.10 The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.
- 1.11 The members of the Transferor Company shall be allotted shares in the Transferee Company as per the exchange ratio stated in Clause 7 of this Scheme.
- 1.12 The Board of the Transferor Company and Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and the Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.
- 1.13 There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013.



2. **DEFINITIONS**

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

- 2.1 **“Act”** means the Companies Act, 2013 and the rules and regulations made thereunder shall include any statutory modifications, alterations, re-enactment or amendments thereof for the time being in force and Companies Act, 1956 and the rules and regulations made thereunder to the extent provisions of Companies Act, 2013 are not notified.
- 2.2 **“Appointed Date”** means 1st April, 2016 or such other date as the Board of Directors of the Transferor Company or the Transferee Company or as the Tribunal may direct.
- 2.3 **“BML”** or **“the Transferor Company”** means Borax Morarji Limited, (E-mail id: info@boraxmorarji.com), (CIN L24100MH1963PLC012706), PAN:AAACB0507E) a public limited company incorporated on August 27, 1963 under the Companies Act, 1956, listed on the Bombay Stock Exchange and having its registered office at Prospect Chambers, 317-21, Dr D N Road, Mumbai 400001.
- 2.4 **“Board of Directors”** or **“Board”** means the board of directors of Borax Morarji Limited or The Dharamsi Morarji Chemical Company Limited, as the case may be, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the board of directors or by any such committee.
- 2.5 **“DMCC”** or **“the Transferee Company”** means The Dharamsi Morarji Chemical Company Limited, (E-mail id: info@dmcc.com), (CIN



L24110MH1919PLC000564), (PAN: AA ACT5000E), a public limited company incorporated on September 25, 1919 under the Indian Companies Act, VII of 1913, listed on the Bombay Stock Exchange and having its registered office at Prospect Chambers, 317/21, D N Road, Fort, Mumbai 400001.

- 2.6 **“Effective Date”** or **“coming into effect of this Scheme”** or **“upon the scheme becoming effective”** or **“effectiveness of the scheme”** means the date on which the certified copies of the orders of Tribunal under Sections 230 to 232 read with Sections 52 of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Mumbai.
- 2.7 **“Record Date”** means in respect of amalgamation of the Transferor Company into the Transferee Company, the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the shareholders of the Transferor Company to whom shares would be issued in accordance with Clause 7.1 of this Scheme.
- 2.8 **“Scheme”** or **“the Scheme”** or **“this Scheme”** or **“this Scheme of Arrangement”** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 18 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws.
- 2.9 **“Transition period”** means period starting from the date immediately after the Appointed Date till the Effective Date



2.10 **“Tribunal”** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provision of this Scheme;
- (iii) any phrase introduced by the terms “including”, “include” or any similar expression shall be construed without limitation;
- (iv) references to one gender includes all genders; and
- (v) words in the singular shall include the plural and *vice versa*.

3. OBJECT AND RATIONALE FOR THE SCHEME OF ARRANGEMENT

3.1 Currently, the Transferor Company is, inter alia, engaged in the business of manufacturing and dealing in Borax and Boric Acid. The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others



3.2 The proposed amalgamation would enable the Transferee Company to focus and create a more competitive business both in scale and operations. The Transferee Company would develop long-term corporate strategies and financial policies with respect to the combined business and harness synergies on consolidation of business, thus enabling better management and accelerated growth of the Transferor Company.

3.3 The proposed amalgamation and restructuring would result in the following benefits:

- (a) Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
- (b) Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
- (c) Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
- (d) Greater administrative efficiency

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority or made as per Clause 18 of the Scheme shall be effective from the Appointed Date respectively.

5. SHARE CAPITAL



- 5.1 The share capital of the Transferor Company as on its latest audited Balance Sheet dated 31st March, 2016 is as under:

Particulars	Amount (in Rs.)
<u>Authorized share capital</u>	
10,000,000 equity shares of Rs.10/- each	100,000,000
10,000,000 preference shares of Rs.10/- each	100,000,000
TOTAL	200,000,000
<u>Issued, subscribed and paid-up share capital</u>	
4,519,698 equity shares of Rs.10/- each fully paid up	45,196,980
9,000,000 8% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid up	90,000,000
TOTAL	135,196,980

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

- 5.2 The share capital of the Transferee Company as on its latest audited Balance Sheet dated 31st March, 2016 is as under:

Particulars	Amount (in Rs.)
<u>Authorized share capital</u>	
30,000,000 equity shares of Rs.10/- each	300,000,000
1,000,000 preference shares of Rs.100/- each	100,000,000
TOTAL	400,000,000
<u>Issued, subscribed and paid-up share capital</u>	
21,257,821 equity shares of Rs.10/- each	212,578,210
880,000 preference shares of Rs.100/- each	88,000,000



TOTAL	300,578,210
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As on the date of approval of the Scheme by the Board of Directors of the Transferee Company, authorized, issued, subscribed and paid-up share capital of the Transferee Company stands as follows:

Particulars	Amount (in Rs.)
<u>Authorized share capital</u>	
30,000,000 equity shares of Rs.10/- each	300,000,000
1,000,000 preference shares of Rs.100/- each	100,000,000
TOTAL	400,000,000
<u>Issued, subscribed and paid-up share capital</u>	
21,846,751 equity shares of Rs.10/- each	218,467,510
280,000 preference shares of Rs.100/- each	28,000,000
TOTAL	246,467,510

The shares of both the Transferor Company and the Transferee Company are listed on the BSE Limited.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY

6. TRANSFER AND VESTING OF TRANSFEROR COMPANY OF THE TRANSFEROR COMPANY INTO TRANSFEREE COMPANY

- 6.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company together with all the respective properties,



assets, investments, liabilities, rights, benefits, interests, title or power of every kind, nature, description and obligations therein shall, pursuant to the provisions of Section 230 to 232 of the Act and in accordance with Section 2(1B) of the Income-tax Act, 1961, without any further act, deed, matter or thing, be and stand merged and transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis in the manner described hereunder, and shall become the property of and an integral part of the Transferee Company.

- 6.2. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 6.3. Without prejudice to the generality of Clause 6.1, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets of or used for the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, or by vesting and recorded pursuant to this Scheme including without limitation plant and machinery, whether leased or otherwise, other fixed assets, vehicles, furniture, fixtures and appliances, computers and office equipment pertaining to the Transferor Company, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the asset or property being vested, and the title to such asset or property shall be deemed to have transferred and vested accordingly.



- 6.4. In respect of movables other than those dealt with in Clause 6.3 above including all current assets, investments in shares and any other securities, sundry debts, receivables, bills, credits, loans and advances related to Transferor Company, if any, whether recoverable in cash or in kind or for value to be received, deposits including accrued interest, bank balances, cash balances, development rights, advances paid to any parties for any business purpose, earnest money, security deposits, retention monies and any deposits with any Government, quasi government, local or other authority or body or with customers or any company or other person, upon the coming into effect of this Scheme and with effect from Appointed Date, the same shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- 6.5. All immovable properties in connection with the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold (including any right to use) or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in /or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company, and without any approval or acknowledgement of any third party. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent, charges, and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in



accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Transferor Company is given to the Transferee Company in accordance with the terms hereof.

- 6.6. Without prejudice to the generality of paragraphs above, upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all intellectual property rights, know-how, patents, trademarks and confidential information which is owned by or licensed to the Transferor Company, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world including any and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Transferor Company, if any, shall stand transferred to and vested in the Transferee Company. The Transferee Company and the Transferor Company shall, on the Effective Date, intimate the relevant authorities in relation to the transfer of these intellectual property rights from the Transferor Company to the Transferee Company pursuant to the merger.
- 6.7. In so far as loans and borrowings of the Transferor Company pertaining to the general or multipurpose loans and liabilities, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company.



6.8. In so far as the existing Encumbrance, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in Transferor Company which have been Encumbered in respect of the transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

6.9. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of the Transferor Company.

The Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

6.10. In so far as the existing security in respect of the loans or borrowings of the Transferor Company and other liabilities of the Transferor Company are concerned, such security shall, without any further act, instrument or deed be continued with the Transferee Company. The Transferor Company and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

6.11. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever



arising, raised or incurred or utilised for the Transferor Company shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing. The Transferee Company shall, and does hereby undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. 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 in order to give effect to the provisions of this Clause [6.11.]

- 6.12. Where any of the liabilities and obligations attributed to the Transferor Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 6.13. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all records, files, papers, engineering and process information, product and service information (including documentation, designs, formulae, drawings, data, specifications, manuals, and instructions), computer programs, software, manuals, data catalogues, quotations, sales and advertising materials, business plans, budgets, forecasts and estimates, list of present and former customers and suppliers, customers credit information, customers pricing information, tax records, records to be maintained under any law, rule or regulation, and other records, whether in physical, electronic, machine readable or other form, in connection with or relating to the Transferor Company, shall stand transferred to or vested in the Transferee Company.
- 6.14. Pursuant to the coming into effect of this Scheme, the Transferee Company shall, if so required under any law or otherwise, execute deeds of



confirmation, assignment or novation or other writings or arrangement with any party to any contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements in relation to the Transferor Company and any offers, tenders, permits, rights, subsidies, concessions, entitlements, clearances, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) or the like and other instruments of whatsoever nature to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.

6.15. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefits, advantages, privileges, remissions, reductions of carried forward tax losses (including depreciation) and other statutory benefits, including in respect of income tax (including and not limited to advance income tax, taxes deducted at source, MAT credits), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company. The Transferor Company and the Transferee Company shall be entitled, wherever necessary, to revise their returns filed under various laws, as may be applicable, including returns filed under the Income Tax, Wealth Tax, Commercial Tax/ Trade Tax/ Sales Tax/ VAT, Entry Tax, Central Excise laws, and also, without limitation, the TDS/TCS certificates.

6.16. Upon coming into effect of the Scheme, and with effect from the Appointed Date, the Transferee Company is also expressly permitted to revise its income tax returns and other returns filed under the Tax Laws and to claim refunds,



advance tax including MAT and withholding tax credits, etc., pursuant to the provisions of this Scheme

- 6.17. It is clarified that the taxes paid by the Transferor Company relating to the period on or after the Appointed Date including by way of deduction at source, which pertain to the Transferor Company, will be deemed to be the taxes paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax liabilities notwithstanding that the certificates / challans or other documents for payment of such taxes are in the name of the Transferor Company.
- 6.18. Pursuant to the coming into effect of this Scheme with effect from Appointed Date, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.
- 6.19. All the licenses, permits, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred



to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations, incentives, accumulated tax losses, tax deferrals and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

7. ISSUE OF SHARES

- 7.1. Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company into the Transferee Company pursuant to merger, the Transferee Company shall issue and allot at fair values, credited as fully paid up, to the 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 Transferor Company and approved by them whose names appear in the Register of Members on the Record Date as under:

"1 ("One") Equity Share in Transferee Company of INR 10 ("Indian Rupees Ten") each fully paid up for every 2 ("Two") fully paid up equity shares of INR 10 ("Indian Rupees Ten") each in the Transferor Company".

"10 ("Ten") Equity Shares in Transferee Company of INR 10 ("Indian Rupees Ten") each fully paid up for every 108 ("One Hundred and Eight") fully paid up Preference shares of INR 10 ("Indian Rupees Ten") each in the Transferor Company".



- 7.2. The Preference shares in the Transferor Company shall not be entitled to any consideration in respect of the total cumulative dividend accrued and unpaid on such Preference shares of the Transferor Company.
- 7.3. The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.
- 7.4. The consideration in the form of equity shares shall be issued and allotted by the Transferee Company in dematerialized form to all the shareholders of the Transferor Company holding such shares in dematerialized form and in physical form to all those shareholders of the Transferor Company holding such shares in physical form. Further, the Transferee Company shall ensure that the shares so allotted pursuant to this clause are listed on the stock exchanges where existing shares of the Transferee Company are listed.
- 7.5. No shares shall be allotted in respect of fractional entitlements, by DMCC to which the members of BML may be entitled on allotment of shares as per Clause 7.1. The Board of Directors of DMCC shall, instead consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person authorized by the Board of Directors of DMCC in this behalf who shall hold the shares in trust on behalf of the members of BML entitled to fractional entitlements with the express understanding that person shall sell the same in the market at such time or times and at such price or prices in the market and to such person, as he deems fit, and pay to DMCC, the net sale proceeds thereof, whereupon DMCC shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of BML in proportion to their respective fractional entitlements.



- 7.6. The equity shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Transferee Company.
- 7.7. The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.
- 7.8. It is clarified that no special resolution under Section 42, Section 62 or any other applicable provisions of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue and allotment of equity shares to the Shareholders of the Transferor Company. The Securities Premium recorded by the Transferee Company on issue of shares under this clause, shall be considered by the Transferee Company for giving effect to provisions of Clause 10 of the Scheme.

8. AGGREGATION OF AUTHORISED CAPITAL

- 8.1. The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 8.2. Upon this Scheme becoming effective, 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 payment of stamp duty and fees payable to Registrar of Companies, Maharashtra, Mumbai by the authorised share capital of the Transferor Company as on the Effective Date 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 the provisions of the Act would be required to be separately passed. For this purpose, the filing fees and stamp duty, if any already paid by the Transferor Company on its authorized share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

- 8.3. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

Share Capital	Amount in INR
Authorized Capital	
40,000,000 equity shares of Rs.10/- each	400,000,000
2,000,000 preference shares of Rs.100/- each	200,000,000
Total	600,000,000

- 8.4. It is clarified that no special resolution under Section 13, 14, 61 of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for increase in authorised share capital or for issue and allotment of equity shares to the shareholders of the Transferor Company pursuant to the Scheme and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows



V. The Authorized Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores Only) consisting of 4,00,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 100 each

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

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY ON AMALGAMATION

With effect from the Effective Date, the Transferee Company shall follow the accounting treatment for the amalgamation in accordance with provisions of applicable Accounting Standards such that:

Upon the coming into effect of this Scheme, the Transferee Company shall on the Appointed Date record the assets and liabilities of the Transferor Company at their fair values as determined by the Board of Directors of the Transferee Company. As considered appropriate for the purpose of reflecting the fair value of assets and liabilities of the Transferor Company taken over by the Transferee Company, suitable effect may be given including, but not restricted to, application of relevant accounting policies and methods followed by the Transferee Company.

9.1. The Transferee Company shall credit to its equity share capital account, the face value of equity shares issued as per Clause 7.1 of this Scheme.



- 9.2. The inter-company balances, if any, appearing in the books of accounts of the Transferee Company and the Transferor Company, will stand cancelled.
- 9.3. The difference being the excess of the fair value of assets and liabilities of the Transferor Company transferred to the Transferee Company, over the fair value of equity shares allotted as per Clause 7.1 and after considering the adjustment mentioned in Clause 9.2 above, would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill.

10. REDUCTION OF SECURITIES PREMIUM ACCOUNT AND ADJUSTMENT OF CAPITAL RESERVE

- 10.1. On the Scheme becoming effective and after giving effect to the provisions of Clause 9, accumulated losses and Deferred Tax Assets as on the Appointed Date in the books of the Transferee Company shall be adjusted against the Capital Reserve (not exceeding Rs.33.63 Crores) and balance against the amount lying in Securities Premium Account.
- 10.2. The application and reduction of Securities Premium account as per Clause 10.1 above shall be effected as an integral part of the Scheme itself and in accordance with the provisions of Section 66 read with Section 52 and other applicable provisions of the Companies Act 2013 and the order of the Tribunal or any appropriate authority sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction of capital. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Act will not be applicable.



11. EMPLOYEES

- 11.1. On the Scheme becoming effective, all staff and employees of the Transferor Company, in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment in the Transferor Company.
- 11.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Transferor Company or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.
- 11.3. With effect from the date of filing of the Scheme with the Tribunal and up to and including the effective date, the Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company except in the ordinary course of business or without the prior consent of Board of Directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company.



12. CONDUCT OF BUSINESS DURING THE TRANSITION PERIOD

12.1. During the Transition Period:

- (a) The Transferor Company shall carry on, and be deemed to have carried on the business, operations or activities of the Transferor Company and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, properties, rights, title, interest, liabilities, authorities, contracts, investments and decisions relating to Transferor Company for and on account of, on behalf of and / or in trust for, the Transferee Company.
- (b) All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to the Transferor Company, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Transferee Company. The Transferor Company shall not incur any expenditure except in the normal course of business.
- (c) Any of the rights, powers, authorities, privileges attached, exercised by the Transferor Company shall be deemed to have been exercised by it for and on behalf of, and in trust for and as an agent of the Transferee Company.
- (d) The Transferor Company shall carry on the business of the Transferor Company with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except (i) when the same is expressly



- provided in this Scheme; or (ii) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the Hon'ble Tribunals; or (iii) when a written consent of the Transferee Company has been obtained in this regard.
- (e) All assets howsoever acquired by the Transferor Company for carrying on the business, operations or activities and the liabilities shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company; however no onerous or extraordinary asset shall have been acquired by, or onerous liability be incurred by the Transferor Company after the Appointed Date without prior written consent of the Transferee Company.
- (f) The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.

12.2. The Transferor Company shall, pending sanction of the Scheme, apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals, sanctions, registration, exemptions as may be required / granted under any law for the time being in force which the Transferor Company and the Transferee Company require in relation to the amalgamation of the Transferor Company into the Transferee Company or which the Transferee Company requires to own the Transferor Company and carrying on the Transferor Company on a going concern basis.

12.3. The transfer of assets, properties and liabilities of Transferor Company and the continuance of proceedings relating thereto by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intend



that the Transferee Company accepts and adopts all acts, deeds things done and duly executed by the Transferor Company, in regard thereto as done executed by the Transferee Company on behalf of itself.

- 12.4. For the sake of clarity, it is confirmed that all assets or investments, properties, right, title or interest acquired by the Transferor Company after the Appointed Date but prior to the Effective Date in relation to the Transferor Company shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Section 230 to 232 of the Act.

13. LEGAL PROCEEDINGS

- 13.1. If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this merger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, Transferee Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Transferor Company or not, a certificate issued by the Board of Directors of the Transferor Company as to whether such proceeding relates to Transferor Company or not, shall be conclusive evidence of the matter.



- 13.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of Transferor Company.
- 13.3. On and from the Effective Date, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

14. CONTRACTS, DEEDS OTHER INSTRUMENTS

- 14.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements and any offers, tenders or the like and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, of this Scheme entered into by the Transferor Company prior to the Appointed Date and which are in effect (in whole or in part) as at the Appointed Date in accordance with the terms and conditions thereof, and those which are not listed therein but entered into by the Transferor Company between the Appointed Date and the Effective Date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.



- 14.2. Further, without prejudice to the transfer and vesting of the Transferor Company to and in the Transferee Company, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings, assignment and /or novation's or enter into any tripartite arrangements, confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme or at any time after this Scheme becomes effective, if so required or becomes necessary. The contracts entered into by the Transferor Company till the Effective Date shall be vested in the Transferee Company and unless required under such contract, the Transferee Company would not be required to carry out assignment of such contracts with any party whatsoever.
- 14.3. Pursuant to merger, the Transferee Company shall be deemed to be authorised to bid for any tender of any private entity or any Government or public sector undertaking and to implement to the same extent as it would or might have been carried on by the Transferor Company. For calculating any pre-qualification criteria such as financial, technical, etc. for the Transferor Company, the track record and qualifications of the Transferor Company shall be considered and shall deemed to automatically vest in the Transferee Company pursuant to the Scheme for purpose of such tenders.
- 14.4. It is hereby clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company. To the extent permitted under the terms of such contracts, the Transferor Company shall subcontract the same to the Transferee Company. Further, the Transferor Company shall, at its cost



and expense, provide such reasonable assistance as is requested by the Transferee Company to enable it, so far as possible, to make independent arrangements with the other party to such contract including introducing the Transferee Company to the relevant third party.

- 14.5. If at any time it is identified that the Transferor Company is a party to a contract in respect of any intellectual property right related to the Transferor Company, owned by a third party, which by its terms cannot be assigned to the Transferee Company, the Transferor Company shall (whether and to the extent permitted by the terms of such contract) grant or procure the grant to the Transferee Company of a sub-licence to use and exploit such intellectual property right. When the Transferor Company is not permitted by the terms of such contract to grant a sub-licence to the Transferee Company, the Transferor Company shall, at its cost and expense, provide such reasonable assistance as is requested by the Transferee Company to enable it, so far as possible, to make independent arrangements with the other party to such contract including introducing the Transferee Company to the relevant third party.
- 14.6. As a consequence of the merger of the Transferor Company into the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether relating to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

15. SAVING OF CONCLUDED TRANSACTIONS



The transfer and vesting of businesses and the continuance of proceedings by or against the Transferor Company, to the extent it relates to the Transferor Company above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

16. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up. Further, on and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Maharashtra, Mumbai.

PART III

GENERAL CLAUSES, TERMS AND CONDITIONS

17. APPLICATION TO THE TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY

17.1. The Transferor Company and the Transferee Company shall make all necessary applications / petitions under Sections 230 to 232 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the said Act to the



Tribunal of Mumbai for sanction of this Scheme under the provisions of the law.

18. MODIFICATION / AMENDMENT TO THE SCHEME

- 18.1. Subject to approval of Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the Tribunal.
- 18.2. The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Honourable Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 18.3. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in



any matter whatsoever connected therewith (including in case of issue and allotment of shares), 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 the Scheme.

19. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) The Scheme being approved by the respective requisite majorities of the members and/or creditors of the Transferor Company and the Transferee Company as required under the Act and as may be directed by the Honorable Tribunal and / or any other competent authority and it being sanctioned by the Honorable Tribunal and/or any other competent authority, as may be applicable.
- (b) The requisite sanctions, approvals, no-objections or consents of any governmental or regulatory authority, as may be required by law,
- (c) The certified copy of the order of the NCLT sanctioning the Scheme, being filed with the Registrar of Companies, Maharashtra at Mumbai, by the Transferor Company and the Transferee Company.

20. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

(i) In the event of any of the said sanctions and approvals referred to in the preceding Clause 19 not being obtained, or in the event of this Scheme failing to take effect, before March 31, 2018, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.



21. BINDING EFFECT:

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

22. EXECUTING DEEDS OR ARRANGEMENTS TO GIVE EFFECT TO THE SCHEME :

The Transferee Company, at any time after the Transition period in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Company to which any of the Transferor Company is a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

23. COSTS

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

24. SEVERABILITY



If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Transferor Company and the Transferee Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.

Certified True Copy
Copy Issued "free of cost"
On 10/11/2017



Deputy Director
National Company Law Tribunal, Mumbai Bench



BEFORE THE NATIONAL KENYAN LAW SOCIETY
MOMBASA BRANCH
COMPLAINT OF BREACH SECTION 103 OF 2017
CONSTITUTED WITH
COMPANY SCHEME APPLICATION NO. 107 OF 2017

In the matter of the Companies Act 2015

AND

In the matter of Section 103 read with Section 104 of the Companies Act 2015 and
other applicable provisions of the Companies Act 2015

AND

that a matter of substance of management of a company has arisen under the Companies
Act 2015 and the National Council of Company Law Practitioners
Company 1 and its respective shareholders

CERTIFIED COPY OF THE ORDER DATED 14
OCTOBER 2017 AND THE SCHEME ANNEXED
THEREON

The District Magistrate, Mombasa, Kenya

The Registrar, Companies



REMIANT SETHI & CO
ADVOCATES FOR THE PETITIONER

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME PETITION NO 853 OF 2017
CONNECTED WITH
COMPANY SCHEME APPLICATION NO 730 OF 2017

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 read with Section 232 of the Companies Act, 2013 and
other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between Borax Morarji Limited ('the Transferor
Company') and The Dharamsi Morarji Chemical Company Limited ('the Transferee
Company') and their respective shareholders

CERTIFIED COPY OF THE ORDER DATED 18th
OCTOBER 2017 AND THE SCHEME ANNEXUED
TO THE PETITION

The Dharamsi Morarji Chemical Company Limited

..... **The Petitioner Company**



HEMANT SETHI & Co
ADVOCATES FOR THE PETITIONER