
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

HIKAL LTD.

No. 11- 48028

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,
MUMBAI.

In the matter of HIKAL CHEMICAL INDUSTRIES LIMITED

I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507E dated the 24th June 1985 the change of name of the Company.

from HIKAL CHEMICAL INDUSTRIES LIMITED

to HIKAL LIMITED

and I hereby certify that

HIKAL CHEMICAL INDUSTRIES LIMITED

which was originally incorporated on JULY- 1988 EIGHTH day of under the Companies Act, 1956 and under the name HIKAL CHEMICAL INDUSTRIES PRIVATE LIMITED having duly passed the necessary resolution in terms of section 21(1) of the Companies Act, 1956 the name of the said Company is this day changed to HIKAL LIMITED and this

certificate is issued pursuant to Section 23(1) of the said Act/

Given under my hand at MUMBAI this NINETEENTH SEPTEMBER

TWO THOUSAND.

(M.S.KARAMBE)
DY. Registrar of Companies
Maharashtra, Mumbai.



No. JJ-48028

**CERTIFICATE OF CHANGE OF NAME
UNDER THE COMPANIES ACT, 1956.**

In the matter of HIKAL CHEMICAL INDUSTRIES LIMITED
(PUBLIC COMPANY UNDER SEC.43A) ***

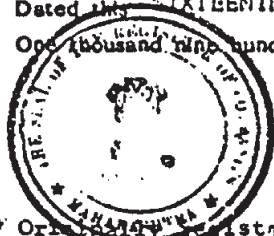
I do hereby certify that pursuant to the provisions of section 23 /²¹ Companies Act, 1956 and the Special Resolution passed by the Company at its ~~XXXXX~~ Extra-Ordinary General Meeting on the 7TH JULY, 1994

the name of " HIKAL CHEMICAL
INDUSTRIES LIMITED (PUBLIC COMPANY UNDER SEC.43A)

has this day been changed to " HIKAL CHEMICAL INDUSTRIES
LIMITED "

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated the SIXTEENTH day of SEPTEMBER
One thousand nine hundred and ninety four.



G. Srinivasan
(G. SRINIVASAN)
Registrar of Companies
Maharashtra, Bombay.

*** Original registered as a private limited company on 8.7.88 and the word 'Private' deleted under sec.43A(2).



भारत
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता. No. 11-48028 का सं. of 19 88

मैं एतद्वारा प्रमाणित करता हूँ कि आज

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

I hereby certify that HIKAL CHEMICAL INDUSTRIES
PRIVATE LIMITED

Registered 4/5434 (2) 1988
24/2/88

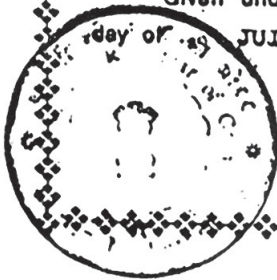
is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited:

मेरे हस्ताक्षर से आज ता. को दिया गया।

Given under my hand at BOMBAY this EIGHTH
day of JULY One thousand nine hundred and EIGHTY EIGHT

(V. RADHAKRISHNAN)

कम्पनियों का रजिस्ट्रार
ADDL. Registrar of Companies
Maharashtra





Form I. R.

CERTIFICATE OF INCORPORATION

No. 11-48028 of 1988

I hereby certify that HIKAL CHEMICAL INDUSTRIES PRIVATE LIMITED is this day incorporated under the Companies Act, 1956, (No. 1 of 1956) and that the Company is Limited.

Given under my hand at BOMBAY this EIGHTH day of JULY One thousand nine hundred and EIGHTYEIGHT.



Sd/-
(V. RADIAKRISHNAN)
A/dl. Registrar of Companies
Maharashtra.

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF

HIKAL LIMITED

Name of the company changed from Hikal Chemical Industries Limited to Hikal Limited as approved by the shareholders at the Annual General Meeting held on 4th July, 2000 and by Register of Companies, Maharashtra, w.e.f. 19th September, 2000.

- I. The name of the Company is HIKAL LIMITED.
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. The objects for which the Company is established are:

(A) THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

1. To carry on the business of producers, manufacturers, processors, converters, importers, exporters, buyers and sellers of and dealers in Chemicals and pharmaceutical together with preparations and by-products thereof, and of dyes, dyestuffs and dyes intermediates, pigments, and colours and of pharmaceuticals, intermediates, chemical products, heavy chemicals, alkalies, acids, drugs, tannins, essences, plasticisers, pharmaceuticals, industrial chemicals, insecticides, pesticides, weedicides and agro chemical petroleum products and reprocessing of used chemical wastes, petroleum's etc.

High Court at Judicature at Bombay has confirmed the alteration in the object clause III (A) by way of insertion of new sub clauses 1A and 1B after clause 1 vide order dated 30th March 2012 in Company Petition No.138 dated 4th February 2012.

“1A To establish a well equipped state-of-art Research And Development centre to carry on Formulations and Analytical Development and preparative experimental and research work for promoting and developing drugs, pharmaceuticals and fine chemicals healthcare preparation of all kinds including Allopathym, Ayurvedic, Homeopathic, Unani, Siddha & Biochemic Products & also to improve the existing products, patents, rights in connection with the activities of the company to work, develop, license, sell or otherwise deal with any inventions in which the company is interested as owner licensor or otherwise.

1B To apply for, purchase or otherwise acquire and protect, prolong and renew trade marks, trade names, designs, secret processes, patent rights, “ Brevets d’invention”, licenses, protections and concessions which may appear likely to be advantageous or useful for the Company and to spend money in experimenting and testing, improving or seeking to improve any patents, inventions or rights, which the Company may be acquire or propose to acquire or develop.”

(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

2. To carry on business as consultants and advisers for technical know-how: chemical, petro chemical, fertilizer, pharmaceutical, textile, food processing and other industrial and manufacturing works.
3. To carry on business as agents and establish an agency or agencies for and on behalf of local or foreign suppliers and/or manufacturers of chemicals, chemical products and preparations, compounds and ingredients relating thereto.
4. To enter into contracts, agreements and arrangements with any other Company, firm or person for the carrying out by such other Company, firm or person on behalf of the Company of the objects for which the Company is formed.
5. To apply for and to obtain assistance financial, technical or of any other type from Government and other organisations, companies, firms or individuals, national or international for developing all or any of the business or businesses of the Company.

6. To borrow, to raise money or receive money in deposit either with or without security at interest or otherwise in such manner as the Company may think fit and in particular by the issue of debenture-stock perpetual or otherwise including debentures or debenture-stock convertible into shares of this Company or perpetual annuities and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future by special assignment or otherwise to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or payoff any such securities provided the Company shall not carry on the business of Banking, as per provisions of Section 58-A and directives of R.B.I.
7. To carry on the business as manufacturers of and dealers in all defined in the Banking Regulation Act, 1949, subject to the kinds of equipments, machinery accessories required to convert all classes and kinds of chemicals including laboratory and scientific chemicals, chemicals of any nature used and capable of being used in to pharmaceutical industry, into medicine and pharmaceutical products.
8. To carry on business as laboratory proprietors and to act as analytical and consulting chemists and to undertake analytical and research work of any.
9. To enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint venture, 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 and to lend money to guarantee the contracts of or otherwise acquire shares or securities of any such Company and to sell, hold, reissue, with or without guarantee or otherwise deal with the same, provided the Company shall not carry on the business of Banking as defined in the Banking Regulation Act, 1949.
10. To amalgamate, enter into partnership or into any arrangement for sharing profits or losses, union of interests, co-operation, joint venture or reciprocal

concession, or for limiting competition with any person or Company carrying on or engaged in, or about to carry on or engage, in any business or transaction which the Company is authorised to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly to benefit the Company; and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage, and deal with any shares, debentures, debenture-stock or securities so received.

11. To open retail stores for selling goods manufactured by the Company and goods of other manufacturers which the Company may purchase or deal in as principals, agents, distributors, commission agents or merchants.
12. To open branches in India and/or outside India, and to appoint agents, distributors or traveling agents for the marketing of the goods dealt with, or distributed by the Company or for which the Company may secure agency or distribution rights.
13. To repair, alter, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the Company.
14. To buy, sell, manufacture, refine, manipulate, import, export and deal in substances, apparatus and things capable of being used in any business of the Company.
15. To enter into collaboration with foreign firms, companies, or persons on such terms and conditions including payment of royalty and exchange ratio as the Directors may think fit.
16. To invest and deal with the surplus monies of the Company in any manner and in particular to accumulate funds or to acquire or take by subscription, purchase or otherwise howsoever or to hold shares or stock-in-trade or security of any Company, association or undertaking in India or abroad.
17. To lend and advance money or give credit to such persons, companies, corporations or firms and on

such terms as may seem expedient and in particular to customers and others having dealing with the Company and to release or discharge any debt or obligation owing to the Company.

18. Subject to the provisions of the Act, to vest any movable or immovable property, rights or interest acquired by, received or belonging to the Company in any person or persons or Company on behalf of as for the benefit of the Company and with or without any declared Trust in favour of the Company.
19. To sell or dispose off the undertaking of the Company or any part thereof in such manner and for such considerations as the Company may think fit, and in particular for shares (fully or partly paid up) debentures, debenture-stock or securities of any other Company, whether promoted by this Company for the purpose or not, and to improve develop, exchange, lease dispose off, turn to account or otherwise deal with all or any part of the property and rights of the Company.
20. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commissions for obtaining applications for or taking, placing or undertaking or producing the underwriting of shares. debentures or other securities of the Company.
21. To pay for any rights or property acquired by the Company and to remunerate any person of Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
22. To acquire or hold any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
23. To take part in the formation, management. subsidising supervision or control of the business

or operations of any Company or undertaking and for that purpose to act as trustees, administrators or in any part other capacity and to appoint and remunerate any directors, administrators, managers or accountants or other experts or agents.

24. To give and guarantee in relation to the payment of any loan, debentures, debenture-stock, bonds, obligations, or securities and to guarantee the payment of interest thereon or of dividends on any stock or shares of any Company.
25. To buy, sell, barter, exchange, pledge, mortgage, make, advance, upon receive or otherwise deal in goods, lands, buildings, bullion, produce, debentures, shares, stock and other securities.
26. To acquire any other business and to promote any other manufacturing concern, commercial concern which in the opinion of the Company is calculated to benefit the Company.
27. To subsidise or assist other Companies and to guarantee the debentures of another Company.
28. To appoint engineers, contractors, managers, brokers, underwriters, canvassers, agents and other persons and to establish and maintain agencies or branches in any part of India or elsewhere of the Company and to discharge and to discontinue the same.
29. To procure the Company to be registered, incorporated or recognised in or under the laws of place outside India and to do all acts necessary for carrying on in any foreign country any business or profession of the Company.
30. To become members of any other bodies of persons, associations, institutions, clubs, societies and bodies corporate including Companies limited by guarantee.
31. To accept gifts, bequests, devises or donations of any movable or immovable property or any rights or interest from members or others.

32. To open bank accounts of any type including overdraft account and to operate the same in the ordinary course of business.
33. To train or to pay for training in India or abroad for any of the Company's employees or any candidate in the interest of furtherance of the Company's objects.
34. To expend money on experimentation upon and testing and improving and securing any process, patent or patents or protecting any invention or inventions which the Company may acquire or propose to acquire or deal with.
35. To take part in the management, supervision or control of the business or operation of any Company or undertakings and for that purpose to appoint and remunerate any Directors, accountants, other experts or agents.
36. To create any depreciation fund, reserve fund, sinking fund or any other special fund whether for depreciation or for repairing, improving extending or maintaining any of the properties of the Company or for any purposes conducive to the interest of the Company.
37. 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 or art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
38. To issue any shares of the Company at par at a premium or at a discount.
39. To subsidise or assist other Companies and to guarantee the debentures of another Company.
40. To carry on the business of manufacturing, selling, buying, importing, exporting and generally dealing in any and all kinds of chemicals, drugs, oils, paints, dyestuffs, insecticides, weedicides, pesticides, herbicides and pharmaceuticals, medicinal, industrial chemicals and other preparations, compounds and articles and all kinds of products and by-products arising there from on in connection therewith and all implements, materials and things incidental to or useful in connection with any such business and to carry on business (whether manufacturing or otherwise) which may be

conveniently conducted in connection with any of the business aforesaid.

41. To open branches in India or outside India and to appoint agents, distributors or travelling agents for the marketing of the goods dealt with or distributed by the Company or for which the Company may secure agency or distribution rights.

C. OTHER OBJECTS :

42. To carry on the business of manufacturers of electronic goods, computers and allied products.
43. To carry on business as manufacturers of and dealers in dyes, dyestuffs, dyewares, gases, gypsum plasters, salts, alkalies, tannins, essences, cordials, oils, paints, colors, glues, gums; pasters, pigments, varnishes, organic or mineral intermediates, compositions and laboratory reagents.
44. To underwrite shares, stocks, debentures or securities and generally to do all kinds of financial business.
45. To carry on the business as electro platers, nickel platers, chromium platers, bronzers, oxidisers and metal platers, painters, varnishers, enamellers, polishers and anodisers.
46. To undertake and execute any contracts for works involving the supply or use of any machinery and to carry out an ancillary or other works comprised in such contracts.
47. To clean, restore, manipulate and prepare for the market and sell or otherwise deal with waste, metals and materials of any kind and to recondition the same or make such other use of the same as may be thought fit.
48. To undertake the custody and warehousing of mechandize goods and materials and to provide cold storage and other special storage facilities.
49. To carry on the business as financiers, capitalists, commercial agents, mortgagers, brokers, financial agents and advisors.

50. To carry on the business of consultants and advisors to individuals, bodies corporate, societies, undertakings, institutions, associations, Government, local authorities and other relating to the administration, organisation and management of industry and business and generally to carry on marketing business of industrial and business consultants.
51. To deal in and carry on travel, transport and tour business (Road, Rail, Water and Air) catering business, inn-keepers.
52. To carry on business as consultants, market research consultants, business transfer agents, valuers and estate agents and to act as intermediaries in the introduction of seller, purchasers, partners and employees.
53. To carry on business as manufactures, buyers, sellers and dealers in packing materials of all kinds including paper, board, glass, tin, plastic, polystyrene, aluminum and polyglycine foils and laminated packing materials.
54. To land, clear and forward cargoes and goods and carry on business as muccadums and landing and forwarding agents ware-housemen, and bonded warehousemen.
55. To carry on the business as manufacturers, exporters and importers of and dealers in caustic soda ash, soda ash, bleaching powder, chlorine, derivatives, hydrosulphite of soda, sulphuric acid, hydrochloric acid, nitric acid and all kinds of other heavy chemicals, mineral acids and salts.
56. To carry on the business of manufacturers, exporters and importers of and dealers in synthetic and natural organic chemicals, inorganic chemicals, vat dyes, dyestuffs, pigment colours, colouring materials and all organic and inorganic intermediates, products used in the manufacture of any of the aforesaid chemical products, by products to make therefrom including medicines, pharmaceuticals and flavour and perfume materials.
57. The Company to subscribe or to contribute or otherwise assist or to grant money to charitable, benevolent, scientific, religious, national, public or any other useful Institutions.

58. To carry on business of trading by way of buying and selling in domestic and international markets and/or canning / packing of the following products / items.
- Raw/Semi Processed/Processed foods, vegetables
 - Agro Commodities and Marine Products
 - Handicrafts
 - Readymade Garments
 - Leather and Leather goods / Leather Chemicals
 - Minerals such as Barytes, Bentonite, Bauxite etc.
 - Engineering items
 - Plastic & Linoleum products
59. (a) To design, develop, alter, make, manufacture, process, assemble, buy, sell, lease, export, import, hire, market / distribute, carry on research & development, impart training, provide consultancy services or otherwise deal in computers, computer machinery, spare parts, hardware, software, computer stationery, peripherals, line printers, monitors, modems, hard discs, plotters, digitisers, electronic / electrical machines, controllers for machines, technical know how to offer desk top solution in the field of computer aided designs and related software and computer programmes & accessories, telecommunication instruments and systems, with or without foreign collaboration, association or alliance
- (b) To design, develop, sell, distribute, export, import, hire, provide consultancy services on the electronic media including global internet, portals, website, B-2-B, B-2-C, E-Commerce & M-Commerce solutions.

IV. The liability of the members is limited.

V. The Authorised Share Capital of the Company is ₹75,00,00,000 (Rupees Seventy Five Crores) comprising of ₹ 50,00,00,000 (Rupees Fifty Crores) divided into 25,00,00,000 (Twenty Five Crores) Equity shares of ₹2/- (Rupees Two Only) each and ₹ 25,00,00,000 (Rupees Twenty Five Crores) divided into 25,00,000 (Twenty Five Lacs) cumulative redeemable preference shares of ₹100/- (Rupees One Hundred Only) each (at a fixed dividend rate to be determined by the Board at the time of issue which shall not exceed 16%), with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach

Substituted by special resolution passed at the Extra Ordinary General Meeting held on 11th June, 2018.

thereto respectively such preferential, deferred, qualified or special rights and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company and the Companies Act, 2013.

Company Law Board, Western Region Bench, Bombay have confirmed the Alteration in the object clause III (C) by way of insertion of new sub-clause No. 58, vide their order passed on 20th September 1995 in Company Petition No.: 147/17/CLB/WR/1995.

The alteration of object clause by way of addition / insertion of the new object clause no. 59 after the existing clause No. 58 under part III (C) of the object clause of Memorandum of Association approved by passing special resolution at the Annual General Meeting of the Company on 16th July 2001.

We the several persons, whose names and addresses are subscribed hereunder, are described below 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 indicated against our respective names:

Name, Address, Description and Occupation of each Subscriber	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness and his Name, Address, Description and Occupation
<p>MALEDATH SUDHAKARAN NAIR S/o. Late N. Sreedharan Nair JN3-22/14, Sector -9 Vashi, New Bombay - 400 703.</p> <p>Service</p>	1 (One)	Sd/-	<p>Sd/- POPATLAL KATHARIYA S/o. Mukanchand Chandmal Kathariya 6/4, Kermani Bldg., 27, Sir P. M. Road, Fort, Bombay - 400 001. Chartered Accountant</p>
<p>MALLIKARJUN GAVIMATH S/o. Gurusiddhaya Gavimath R. No.2 Maina Vitthu, 6. Kopargaon, Dombivli (W).</p> <p>Service</p>	1 (One)	Sd/-	
TOTAL	2 (Two)		

Witness to all

Bombay, dated this 16th day of June 1988.

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
HIKAL LIMITED

TABLE 'A' EXCLUDED

1. The Regulations contained in the Table 'A' in the First Schedule of the Companies Act, 1956 shall not apply to this Company but the regulations for the management of the Company and for observance of the members and their representative shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alterations of or additions to its regulations by special resolution as prescribed by the Companies Act, 1956 be such as are contained in these Article.

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

INTERPRETATION

2. In these Articles unless there be something in the subject or context inconsistent therewith, the following words of expressions shall have the following meanings:

Interpretation clause

"The Company" means HIKAL LIMITED.

"The Company"

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

"The Act"

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

"Board"

	requisite number of Directors entitle to pass a circular resolution in accordance with these Articles.
“Managing Director”	“The Managing Director” means the Managing Director or Managing Directors of the Company for the time being.
“Month”	“Month” means calendar month.
“Dividend”	“Dividend” includes Bonus.
“These Presents”	“These Presents” means the Memorandum of Association and these Articles of Association as originally framed or the regulations of the company for the time being in force.
“Seal”	“Seal” means the Common Seal for the time being of the Company
Ordinary and Special Resolution”	“Ordinary Resolution” and “Special Resolution” shall have the meaning assigned thereto respectively by Section 189 of the Act.
“Paid up”	“Paid up” includes credited as paid –up.
“Writing”	“In writing” and “written” shall include printing, lithography or part printing and part lithography and any other mode or modes of representing or reproducing words in visible form.
“Singular Number”	The words imparting “singular number” shall include the plural number and vice versa.
“Gender”	The words imparting “masculine gender” shall include the feminine gender and vice versa.
“Person”	The words imparting “Person” shall include Corporation.
“The Office”	“The Office” means the Registered Office of the Company for the time being.
“Debenture”	The word “Debenture” includes debenture-stock.
“Expression in these regulation to bear the same meaning as in the Act.”	Subject as aforesaid and except where the subject to context otherwise requires words of expressions contained in these regulations shall bear the same meaning as in the Companies Act as in force at the date on which these regulations become binding on the Company.
“Marginal Note”	“The Marginal Notes” hereto shall not affect the construction hereof.
“Capital”	<p>3. The Authorized Shares Capital of the Company is ₹ 75,00,00,000 - (Rupees Seventy Five Crores) comprising of ₹50,00,00,000 (Rupees Fifty Crores) divided into ₹25,00,00,000 (Twenty Five Crores) Equity shares of ₹ 2/- (Rupees Two Only) each and ₹ 25,00,00,000 (Rupees Twenty Five Crores) Divided into 25,00,000 (Twenty Five Lacs) Cumulative redeemable preference shares of ₹ 100/- (Rupees One Hundred Only) each (at a fixed dividend rate to</p>

be determined by the Board at the time of issue which shall not exceed 16%), with the rights, privileges and conditions attached to increase and reduce the Capital of the Company and to divide thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the company and to divide the Share in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company and the Companies Act, 2013.

Substituted by special resolution passed at the Extra Ordinary General Meeting held on 11th June, 2018.

4. In the event that issue of equity shares with non-voting rights attached to such shares, is permitted by law, the Directors may from time to time issue non-voting equity shares upon such terms and conditions and with such rights and privileges (including with regard to dividend) annexed thereto may be thought fit and permitted, and/or as required by law, guidelines issued by statutory authorities and listing requirements of stock exchanges in India.

“Non Voting Shares”

Inserted by special Resolution passed at Extra-ordinary General Meeting on 7th July, 1994.

SHARES AND CERTIFICATES

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

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

Restriction on Allotment

Restriction on Allotment

6. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return to allotment provided for in Section 75 of the Act.

Further issue of Capital

7. (1) Where at any time after expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation (whichever is earlier) the Board decides to increase the capital of the Company by the issue of new shares, then subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those directions, such further shares shall be offered to the persons who, at the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit to the capital paid upon those shares at that date and such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. 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, if he declines to accept the shares offered, the Board may dispose off them in such manner as it thinks most beneficial to the Company.

(2) Notwithstanding anything contained in clause (1) hereof, the further shares therein referred to may be offered to any persons (whether or not those persons include the persons referred to in clause (1) in any manner whatever either:

- (a) If a special resolution to that effect is passed by the Company in General Meeting, or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person or, where proxies are allowed, by proxies exceed the votes, if any, cast against the proposal by the members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in clause(1) and (2) of this Article shall apply to the increase of the subscribed capital caused by exercise of option attached to debentures issued or loans raised by the company to convert such debentures or loans raised by the Company or to subscribe for shares in the Company in the cases permitted by sub-clause (b) of sub-section (3) of section 81 of the Act.

Shares under control of Directors

8. (A) Subject to the provisions of Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such times as the Directors may think fit and (subject to the provisions of Sec.78 and 79 of the Act) either at a premium or at par at discount, provided that option or right in call of shares shall not be given to any person without the sanction of the company in General Meeting.

Inserted by special Resolution passed at Extra-ordinary General Meeting held on 7th July 1994.

(B) In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 6 and 7, the Company in General Meeting may determine that any shares whether forming part of the original capital or of any increase 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 Section 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 considerations as May be directed by as such General Meeting or the Company in General meeting may make any other provision whatsoever for the issue, allotment removal of difficulty in appointment of shares or disposal of any shares.

9. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any shares herein shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

Acceptance of Share

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

Deposit and calls etc. to be a debt payable immediately

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

Liability of Members

11. Except as required by law or ordered by a Court of competent jurisdiction, no person shall be recognised by the Company as holding, any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable contingent, future or partial interest in any shares or any interest in any fractional part of share (except only of these presents or by law otherwise provided) or any other rights in respect of any share, except in an absolute right to the entirety thereof in the registered holder.

Trust not recognised

12. The Company shall have power, subject to and in accordance with all applicable provisions of the Companies Act, 1956 and other applicable laws and regulations as may be in force to buy back, hold or resell or to finance the buy back of the Company's own fully/partly paid up shares or securities, as it may think necessary, subject to such alterations and upon such terms and conditions as the Board may at its discretion decide and deem fit, and subject to such approvals as may be required, as per the Companies Act, 1956.

Buy back of own shares :
Substituted by
Special
resolution
passed at
Annual General
Meeting held on
31st July, 1999.

Certificates	<p>13. The certificates of title to shares and duplicate thereof when necessary shall be issued under the seal of the Company.</p>
Member's right to Certificate	<p>14. Every member shall be entitled to one certificate for all the shares registered in his name, or if the Directors so approve to several certificates each one or more of such shares, but in respect of each additional certificate, there shall be paid to the Company a fee of Rs.2/- or such less sum as the Directors may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. The Directors may in any case or generally waive the charging of such fees.</p>
As to issue of new certificate in place of one defaced, lost or destroyed	<p>15. If any certificate be worn out or defaced then, upon production thereof to the Directors they may order the same to be cancelled any may issue a new certificate in lieu thereof and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost of destroyed certificate shall relate. "Provided that no fee shall be charged for sub-division or consolidation of shares into lots of the market unit or trading or for issue of share certificates in replacement of those that are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised".</p>
Fees	<p>16. For every certificate issued under the last preceding Article there shall be paid to Company the sum of Rs.2/- or such smaller sum as the Directors may determine. The Directors may in any case or generally waive the charging of such fee.</p>
Commission for placing shares and brokerage	<p>17. 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 conditional) for any share or debentures in the company or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued, and in the case of debentures two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures or partly in one way and partly in the other. The company may also pay, on any issue of shares or debentures such brokerage as may be lawful and reasonable.</p>
Issue of Preference Shares	<p>18. (i) Subject to the provisions of section 80 of the Act, the company shall have power to issue Preference Shares varying a right of redemption liable to be redeemed at the option of</p>

the Company and the Directors may subject to the provisions of the Act and these Regulations exercise such power in any manner provided by the Resolution authorising the issue of such shares.

(ii) Any Redeemable Preference Shares issued by the Company shall be due for redemption not later than 10 (Ten) years from the date of issue.

19. The Redeemable Preference Shares shall confer on the holders thereof the right out of the profits of the Company which shall be determined to be distributed in dividends, to cumulative preferential dividends at the rights mentioned below:

- (i) 9 percent (Nine percent) per annum subject to deduction of tax at source at the prescribed rate as applicable on the capital for the time being paid-up thereon.
- (ii) The said Redeemable Preference Shares shall rank in winding up as regards return of capital and payment in winding up in priority to any payment to the holders of Equity Shares, but shall not confer the right to any further participation in the profits or assets of the Company.

20. Subject to the provisions of these Articles, the Company shall have power to issue Preference Shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provision of their Act, exercise such power in such manner as may be provided in these Articles or as may be permitted by the Act.

Redeemable
Preference
Shares

21. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amounts and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if direction be given, as the director's shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company

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

has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

New Capital
same as
existing capital

22. Except so far as otherwise provided by the conditions of issue or by these Articles, 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 installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Reduction of
Capital

23. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account of Share Premium Account in any manner for the time being authorized by law and, in particular, capital may be paid off on the basis 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.

Sub-division
consolidation
and cancel-
lation of
shares.

24. Subject to the provisions of Sec.94 of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares, or any of them and the resolution whereby any shares is sub-divided, may determine that, as between the holder of the shares resulting from such sub-division, one or more of such shares shall have same preference or special advantage as regards dividend, capital or otherwise over as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of
rights

25. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into the different classes of shares, all or any of the rights privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogate, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourth in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class.

Register and
Index of
Members

26. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any state or country outside into a branch Register of Members resident in that state or country.

Interest
may be
paid out of
capital

27. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the company may pay interest on so

much of that share capital as is for the time being paid –up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

28. The Company shall keep a “Register of Transfer” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Register of Transfers

29. The Company shall, if at any time it issues debentures, keep a Register and Index of debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of debenture holders resident in that state or country.

Register and Index of Debenture holders.

30. Debentures, debenture-stock shall be transferable, transmitted, split and consolidated in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of shares in the Company and the provisions contained in these Articles of Association relating to transfer and transmission, split and consolidation of shares, shall apply mutatis mutandis, to the transfer and transmission, split and consolidation of debentures, debenture – stock.

Transfer Transmission etc. of debentures

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

Shares may be converted into stock

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

Rights of stock holders

33. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy,

How Members non- composmentis and minor may vote.

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 poll vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be his guardian, or any one of his guardians, if more than one, to be selected in case of dispute, by the Chairman of the Meeting.

SHARE WARRANTS

Power to
issue share
warrants

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

Deposit of
Share
Warrants

35. 1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of member as the holder of the share included in deposited warrant.

2) Not more than one person shall be recognised as depositor of the share warrant.

3) The Company shall, on two days written notice, return the deposited share warrant to depositor.

Privileges and
disabilities of
the holders of
share warrant

36) 1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant, and he shall be a member of the Company.

Issue of
New Share
Warrant or
Coupon

37. The Board may, from time to time, make bye-laws as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Clauses 18 to 37
inserted vide
special Resolution
passed at Extra-
ordinary General
Meeting held on
7th July 1994.

CALLS

38. The Director may, from time to time, subject to terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments thereof made payable at fixed times and each member shall pay the amount of every call so made on him to person and at the time and place appointed by the Directors. A call may be made payable by installments.

Calls

39. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed 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.

When call deemed to have been made and notice to calls

40. The Board may, from time to time at its discretion extend the time fixed for the payment of any call and may extend such time as to call of any of the members who from, residence at distance or other cause the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

Extension of time or payment of calls

41. If any member fails to pay any call, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member and Board shall be at liberty to waive payment of such interest either wholly or in part.

Interest payable on calls remaining unpaid

42. If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed date or installments at fixed times, whether an account of the amount of the shares or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Director's and on which due notice had been given and all provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

Amount payable at fixed times or by instalments payable as calls

43. On the trial or hearing of any action or suit brought by the company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of Shareholders of the Company as a holder or one of the holders of the number of shares in respect of which such

Evidence in actions by Company against Shareholders

claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, not 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, not any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt.

Payment of
calls in
advance

44. The director's may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amounts of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the members paying such sum in advance and the directors agree upon. Moneys so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Directors may at any time repay the amount so advance upon giving to such member three months notice in writing.

JOINT HOLDERS

Joint
holders

45. Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.

Not more
than four
joint holders

(a) Share may be registered in the name of any person, Company or other body corporate but not more than four persons shall be registered jointly as members in respect of any shares.

To which of joint
holder certificates
to be issued

(b) The certificates of shares registered in the name of two or more persons shall be delivered to the person first named on the Register.

Several
liabilities of
joint holders

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

The first
named of joint
holders
deemed
shareholder

(d) If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of share certificates, dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments

and call due in respect of such share and for all incidents thereof according to the Company's regulations.

- | | | |
|----|--|---|
| e) | 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 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 share |
| f) | If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he was solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands higher on the register of members shall alone be entitled to vote in respect of shares, but the other or others or the joint holders shall be entitled to be present, at the meeting. Several executors or administrators of a deceased members in whose names shares stand shall for the purposes of these Articles be deemed joint holders thereof. | Votes of joint members |
| g) | A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or the joint holder named first in the register of members in respect of the share. | On joint holders |

FORFEITURE AND LIEN

46. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Director's may at any time thereafter during such time as the call or installment 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 be reason of such non-payment.

If call for installment not paid, notice must be given

47. 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 of installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment

Form of Notice

of, at or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

If notice not
complied with
shares may be
forfeited

48. If the requisition of any such notice as aforesaid be 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 installments 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 in respect of the forfeited shares and not actually paid before the forfeiture.

Notice after
forfeiture

49. When any shares shall have been so forfeited, notice of the resolution 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 in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited share
to become
property of
the Company

50. Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit.

Powers to
annual
forfeiture

51. The Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off annual the forfeiture thereof on such conditions as they think fit.

Arrears to be
paid not
withstanding
forfeiture

52. Any member whose shares have been forfeited shall not with standing be liable to pay and shall forthwith pay to the Company all calls, installments, 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 forfeiture until payment at 12 percent per annum, and the Directors may enforce the payment thereof without any deduction or allowance for the value of the share at the time of forfeiture but shall not be under any obligation to do so.

Extinction of
interest on
forfeiture of
shares

53. The forfeiture of a share shall involve the extinction 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.

Evidence of
forfeiture

54. A duly verified declaration in writing that the declarant is a director or secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see the application of the purchase money nor shall his

title to such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposal.

55. The Company shall have first and paramount lien upon all the shares (not being fully paid up) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares solely or jointly with any other person to the Company whether the period of the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 11 hereof is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

Company's
lien on shares

56. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee curators, bonus or other legal curator and default shall have been made by or them in the payment of moneys called in respect of such shares for seven days after such notice.

As to
enforcing
lien by sale

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

Application of
proceeds of
sale

58. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the register in respect of the shares sold and purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such share 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
sales upon
forfeiture

59. 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

Cancellation
of old
certificates
& issue of
new

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 distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

TRANSFER AND TRANSMISSION OF SHARES

- | | | | |
|-------------------------|-----|-----|---|
| Transfer | 60. | (a) | The instrument of transfer of any shares in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. |
| Mode of transfer | | (b) | The Company shall not register a transfer of shares in or debentures of the Company, unless proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company alongwith the certificate relating to the shares or debentures or if no such certificate is in existence alongwith letter of allotment of shares or debentures provided that where on an application made in writing to the Company by transferee and bearing the stamp required for an instrument of transfer, it is proved to instrument of transfer signed by or on behalf of the transferor and transferee has been lost the Company may register the transfer on such terms as to indemnity or otherwise as the Board may think fit. |
| Application of Transfer | | (c) | An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in case of partly paid shares be effected unless the Company gives notice of the application to the transferee in accordance with Section 110 of the Act. |
| Notice of Transfer | | (d) | For the purpose of the sub-clause (c) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to |

have been delivered in the ordinary course of post.

- (e) Nothing in sub-clause (d) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

Power to the Board to register as a shareholder

61. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient.

Transfer book when closed

62. Subject to the provisions of Section 111 of the Act, and the provisions of the Securities Contracts (Regulations) Act, 1956, the Board may decline to register or acknowledge any transfer of shares, whether fully paid or not, to a person of whom they do not approve, notwithstanding that the proposed transferee is already a member of the Company and may also decline to register any transfer of shares on which the Company has a lien. However, in such cases it shall, within one month from the date of receipt of transfer deed sent to the transferee and the transfer shall not be refused, solely on the ground of the transferor being either alone or jointly with any person(s), indebted to the Company on any account whatsoever.

Directors may refuse to register transfer

Substituted by Special Resolution passed at the Extraordinary General Meeting held on 7th July, 1994

63. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased (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 name of such member and the Company shall not be bound to recognise such executors or administrators or holders of succession Certificate or other legal representatives unless they shall have first obtained Probate or letters of Administration or Succession certificate or other legal representation 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 think necessary and under the next Article, register the name of any person whom claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

Title to shares of deceased members

64. Subject to the provisions of the preceding two Articles any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful

Registration of Persons entitled to shares otherwise than by Transfer

mean other than by 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 purports to act under these 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 persons 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 free from any liability in respect of the shares.

Claimed to be entitled to same advantage

65. The persons becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he was registered holder of the shares except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such person to elect either to be register himself or to transfer shares and if notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of share until the requirements of the notice have been complied with.

Registered instrument to remain with the Company

66. Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board.

No fees for transfer or transmission

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

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

68 (A) 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 owners 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 to notice prohibiting registration.

Inserted by Special Resolution passed at Extra-Ordinary General Meeting held on 7th July 1994

(B) Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall,

- (i) transfer the dividend in relation to such shares to the Special Account unless the Company is authorised in writing by the registered holder of such shares to pay such dividend to the transferee mentioned in the instrument of transfer, and

- (ii) keep in abeyance in relation to such shares any offer of rights shares and issue of fully paid-up bonus shares.

BORROWING POWERS

69. Subject to the provisions of Section 58A, 292 and 293 of the Act and these Articles, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company.

Power to borrow
Substituted by Special Resolution passed at the Extra-ordinary General Meetin held on 7th July 1994

70. 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 may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debenture or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and 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.

The payment or repayment of moneys borrowed

71. Any debentures, debenture-Stock and other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on conditions that they shall be convertible into shares of any denominations and with privillages or condition as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into a allotment of shares shall be issued only with the consent of the Company General Meeting.

Terms of issue of debenture

72. If any uncalled capital of the Company is included in or charged by any mortgage or other securities, the Directors may subject to the provision of the Act and these presents 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.

Assignment of uncalled capital

73. The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the

To Comply with provisions of the Act as regards registration of mortgage etc.

debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.

Indemnity
may be
given

74. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure, the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

RESERVE AND DEPRECIATION FUNDS

Reserve Fund

75. The Directors may from time to time before recommending any dividend set apart any such portion of the profits of the Company as they think fit as Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Director's in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit and from time to time deal with and vary such, investments and dispose off all or any part thereof for the benefit of the Company and may divide the Reserve Fund into such special funds as they think fit, with full power to transfer the whole or any portion of a Reserve Fund another Reserve Fund and also with full power to employ the Reserve Fund, or any part thereof in the business of the Company and that without being bound to pay interest on the same with power, however to the board in their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

Depreciation
Fund

76. The Directors may, from time to time before recommending any dividend, set apart any such portion of the profits of the Company as they think fit, as a depreciation fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the Company or for rebuilding, restoring, replacing or for altering any part of the buildings, works, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery & property of the Company with full power to employ the assets constituting such depreciation fund in the

business of the Company and that without being bound to keep the same separate from other assets.

77. All moneys carried to any Reserve Fund and Depreciation Fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for payment of dividend and such moneys and all other moneys of the company may be invested by the Directors in or upon such investment by the Directors in or upon such investments or securities as they may select or may be use as working capital or may be kept at any bank on deposit or otherwise as the Directors may from time to time think proper.

Investment of moneys

GENERAL MEETINGS

78. (1) In addition to any other meetings, General Meetings of the Company shall be held at such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act at such times and places as may be determined by the Board.

When General Meetings to be held

(2) Each such General Meeting shall be called Annual General Meeting. Every Annual General Meeting shall be called for time during business hours on a day that is not public holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.

Annual General Meeting

79. All other meetings of the Company other than those referred to in the preceding clause shall be called Extra Ordinary General Meetings.

Distinction between Ordinary & Extra Ordinary Meetings

80. The Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than one-tenth of the paid up capital of the Company as at the date having right of voting in regard to the matter in respect of which the requisition is made, forthwith proceed to convene an Extra Ordinary General Meeting of the Company and in the case of such requisition the provisions of Section 169 of the Act shall apply.

When Extra Ordinary meetings to be called

81. Twenty-one days notice at least, of every General Meeting Annual or Extra Ordinary and by whomsoever called, specifying the day place and hour of meeting and the general nature of the business to be transacted there at shall be given in the manner hereinafter provided to such persons as are under Articles or the Act entitled to receive notice from the Company provided that in the case

Notice of Meeting

of an Annual General Meeting with consent in writing of all the members entitled to vote thereat and in case of any other meeting with consent in writing of all the members entitled to vote thereat and in case of any other meeting with consent of the members holding not less than 95 percent (95%) of such part of the paid-up capital of the Company as gives a right to vote at the meeting, a meeting may be conveyed by a shorter notice. In the case of an Annual General Meeting, if any, business other than (i) the consideration of the accounts, balance sheets and reports of the Board and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting in any event, there shall be annexed to the notice of the meeting a statement stating out all the material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every Director and Manager (if any). Where any such items of business relates to or affects any other Company the extent of shareholding interest in that other Company of every Director and Manager if any, of the Company shall also be set out in the statement if the extent of such shareholding and interest is not less than twenty percent of the paid up share capital of that other Company. Where any item of business consists of the accord of approval to any documents by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.

As to omission to give notice

82. The accidental omission to give any such notice to or the non-receipt of notice by any of the members or persons entitled to receive the same shall not invalidate the proceeding at and such meeting.

Quorum at General Meeting

83. Five members present in person shall be a quorum for a General Meeting. A Corporation being a member shall be deemed to be personally present if it is represented, in accordance with Section 187 of the Act, the President of India or the Governor of a state shall be deemed to be personally present if he is represented in accordance with Section 187-A of the Act.

If quorum not present meeting to stand dissolved or adjourned

84. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved but in a any other case the meeting shall stand adjourned to the same day in the next succeeding week 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 a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

Chairman of General Meeting

85. The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extra Ordinary. If there be no such Chairman of the Directors or if any meeting he shall not be

present within ten minutes of the time appointed for holding such meeting or shall decline to take the chair then any other Director present here at shall be entitled to take the chair and the members shall elect another Director as Chairman and if no Director be present or all the Directors present decline to take the chair, then the member present shall elect one of their members to be chairman.

86. The election of the Chairman if necessary shall be carried out in accordance with Section 175 of the Act.

Election of Chairman

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

Business confirmed to election of Chairman whilst chair vacant
Chairman with consent may adjourn meeting

88. The Chairman with the consent of the Meeting may and shall if so directed by the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Subject to the provisions of the Act it shall not be necessary to give any notice of an adjournment or of the date, the time or the place of the adjourned meeting or of the business to be transacted thereat.

89. At any General Meeting, resolution put to the vote of the meeting shall be decided on a show of hand, unless a poll is (before or on the declaration of the result of the show of hands) ordered by the chairman or demanded by atleast five members having the right to vote on the resolution and present in person or by proxy or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up on all the shares conferring that right and unless a 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 minutes 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.

Question at General Meeting how to decide.

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

Chairman's casting vote

91. If poll is demanded as aforesaid the same shall subject to Article 73 be taken at such time (not later than 48 hours from the time when the demand was made) and place and either by open voting or by ballot as the Chairman shall direct and either at once or after an interval or adjournment or otherwise and result of the poll shall be deemed to be the resolution of the meeting at which the poll was

Poll to be taken if demanded

demanded. The demand for a poll may be withdrawn at any time by the persons who made the demand.

Scrutinizers
at the poll

92. 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 the office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

In what case
poll taken
without
adjournment

93. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

Business to
proceed
notwithstanding
demand of poll

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

VOTES OF MEMBERS

Members in
arrears not
to vote

95. No member shall be entitled to vote either personally or by proxy for another member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has any right of lien and has exercised the same.

Voting rights of
members

- (a) On a show of hands, every holder of equity shares entitled to vote and present in person or by proxy shall have one vote and on a poll the voting right of every holder of equity share whether present in person or by proxy, shall be in proportion to his share of the paid up equity capital of the Company.
- (b) The voting rights of the holders of redeemable cumulative preference shares shall be in accordance with Section 87 of the Companies Act, 1956.

Casting of votes
by a member
entitled to more
than one vote

96. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy of 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.

97. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy; if any member be a minor the vote in respect of his share shall be by his guardian or any one of the guardians, if more than one.

How members non-compos mentis and minor may vote

98. (1) Subject to the provisions of these Articles vote may be given either personally or by proxy. A corporation being a member may vote by representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respects exercise the rights of a member and shall be reckoned as a member for all purposes.

Voting in person or by proxy

(2) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or the hand of its officer or an attorney duly authorized by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

Appointment of proxy

(3) The instrument appointing a proxy and power of attorney or other authority (if any) under which is signed or a notarially certified copy of that power of authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument, proposes, to vote, and in default the instruments of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Deposit of instrument of proxy and appointment of attorney

(4) Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in either of the forms set out in Schedule IX of the Act.

Form of proxy

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

validity of vote given by proxy notwithstanding death of member

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

Time for objections to vote

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

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

Minutes of General Meeting and Inspection there of

100. Subject to the provisions of Section 193 of the Act, the Company shall cause to be kept minutes of all proceedings of General Meetings which shall contain a fair and correct summary of the proceedings thereat and a book containing such minutes shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors may determine for the inspection of any member without charge. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be initiated or signed and the last page of the record of the proceedings of each meeting in the book shall be dated and signed by the chairman of the same meeting within the aforesaid period of thirty days of the event of the death or inability of the Chairman to sign as aforesaid with that period by a Director duly authorized by the Board for that purpose. In no case shall the minutes be attached to any such book by pasting or otherwise.

DIRECTORS

Number of Directors

101. Until otherwise determined by a General Meeting any subject to Section 252 and 259 of the Act, the number of Directors shall not be less than three or more than twelve.

102. The present Directors of the Company shall be the following person:

Substituted by special Resolution passed at Extraordinary General Meeting held on 7th July 1994.

- 1) Mr. BABASAHEB NEELKANTH KALYANI
- 2) Mr. JAI VISHWANATH HIREMATH
- 3) Mr. BHALACHANDRA BASAPPA HATTARKI
- 4) Mr. VINOD GURUDATTA YENNEMADI
- 5) Mrs. SUGANDHA JAI HIREMATH
- 6) Dr. SIVARAMAKRISHNAIER RAMANATHAN
- 7) Mr. PRAKASH VASANTLAL MEHTA

Appointment of Alternate Directors

103. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in these Articles called the Original Director) during the absence for a period

of not less than three months from the state in which the meeting of the Board are ordinarily held. An Alternate Director appointed under 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 State in which the meetings of the Board are ordinarily held.

104. The Directors shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Directors in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Directors may
fill up
vacancies

105. The Directors shall also have power at any time and from time to time to appoint any other qualified to be a Director as an addition to the Board but so that the total number of directors shall not at any time exceed maximum fixed above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting, but shall be eligible for re-election at such meeting.

Additional
Director

106. The Company may agree with any financial institution, Company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, shall have power to nominate such number of Directors on the Board of Directors of the Company as may be agreed and from time to time remove and reappoint them and to fill in vacancy caused by such Directors otherwise ceasing to hold office. Such nominated Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The Director appointed under the Article is hereafter referred to as "Institutional Director."

Power of the
financial
institutions to
nominate
Directors on
the Board

107. Any Trust Deed for securing debentures, or debenture-stock may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director and shall not be bound to hold any qualification share and shall not be liable to retire by rotation or the removed by the Company. The Trust deed may contain such ancillary provision as may be arranged between the Company and the trustees and all

Debentures
Director

such provisions shall have effect notwithstanding any of the other provisions herein contained.

Qualification
of Directors

108. No share qualification will be necessary for being appointed as or holding the office of a Director of the Company.

Remuneration
of Directors

109. Subject to the provisions of Sections 198, 309, 310 and 311 of the Act, the remuneration payable to the Directors of the Company may be as hereinafter provided. The remuneration of the Director for attending the meeting of the Board or Committee thereof shall be such amount as shall be prescribed by the Act, or the Central Government from time to time for each such meeting of the Board or Committee thereof attended by him. Subject to the provisions of the Act, the Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine and such additional 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.

Substituted by
special
Resolution
passed at the
Extraordinary
General
Meeting held on
7th July 1994.

Directors not a
resident of the
place of the
Registered
Office of the
Company to be
paid travelling
expenses

110. The Directors may subject to limitations provided by the Act allow and pay to any Director who is not a resident of the place where the Registered Office for the time being of the Company is situated or where the meeting of the Board is held and who shall come to such place for the purpose of the attending a meeting of the Board or a committee thereof such sum as the Directors may consider fair compensation for travelling expenses in addition to his fees for attending such meeting as above specified.

Special
Remuneration
of Director
performing
extra services

111. Subject to the provisions of Act and these Articles, if any Directors be called upon to perform extra service or special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may arrange with such Director for such special remuneration or such extra services or special exertions or efforts by a fixed sum or otherwise as may be determined by the Board and such remuneration may either in addition to or in substitution for his remuneration above provided.

Directors may
act not with-
standing
vacancy

112. The continuing Directors may Act notwithstanding and vacancy in their body so that if the number falls below the minimum number fixed. The Directors shall not, except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company as long as the number as below the minimum.

Office of
Director to be
vacated

113. The office of a Director shall ipso facto be vacated on the happening of any of the events provided for in Section 283 of the Act.

114. Subject to the provisions of Section 297 of the Act a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscriptions of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or any other partner in such a firm or with a private Company of which Director is a member or Director be avoided nor shall Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

Conditions under which Directors may contract with Company

115. Every Director who is in any way whether directly or indirectly concerned or interested in a 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 as required by Section 299 of the Act. A general notice, renewable in last month of each financial year of the Company as provided for in Section 299(2) (b) of the Act, that a Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm, shall be sufficient disclosure of the concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with that body corporate or firm provided that such general notice is given at a meeting of the Board of Directors 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 provided that this Article will not apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other Company.

Disclosure of Interest

116. A Director of a company may be or become a Director of any company promoted by the Company or in which he may be interested as vendor, member or otherwise and no such Director may be accountable for any benefit received as Member of such Company.

Retention of benefit from associated Company

117. Subject to the provisions of Section 300 of the Act, no Director shall, as a Director take part in the discussions of or vote at any contract or arrangement in which he is in any way whether directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of

Interested Directors not to participate or vote in the proceeding of the Board

such discussion or vote. This prohibition shall not apply to the exceptions provided for in Section 300 of the Act.

Rights of
Directors

118. Except as otherwise provided by these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION OF DIRECTORS

Retirement and
rotation of Directors

119. At the first Annual General Meeting of the Company, all the Directors (except those who are not liable to retire by rotation) and at the Annual General Meeting of the Company in every subsequent year one-third of such of the Directors for the time being as a liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from the office.

Substituted by
special Resolution
passed at the Extra-
ordinary General
Meeting held on 7th
July 1994.

- a) The term ex-officio Directors wherever occurring in the presents shall mean and include the Managing Directors appointed under Article 138 below, and the ex-office Directors declared under Article 125, and to any Director appointed in pursuance of Article 104 & 105 and referred to as nominated Directors.
- b) Not less than two-third of the total number of the Directors of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation and who shall be appointed by the Company in General Meeting.

Ascertainment of
Directors
retiring by
rotation and
filling of
vacancies

120. Subject to Section 256 of the Act the Directors to retire by rotation under the last preceding Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for
re-election

121. A Retiring Director shall be eligible for re-election.

Company to
appoint
successors

122. Subject to provisions of the Act the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Provisions in
default of
appointment

123. 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 Directors has been put to the meeting and lost; or
- ii) The Retiring Director has, by a notice in writing addressed to the Company or the Board expressed his unwillingness to be so reappointed; or
- iii) He is not qualified or is disqualified for appointment or
- iv) A resolution whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act; or
- v) The provisions to sub-section (2) of the Section 263 of the Act is applicable to the case.

124. Subject to the provisions of Section 252, 258 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 provisions of Section 284 of the Act), remove any Director before the expiration of his period of office and appoint another qualified person in his place. 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 so removed.

- 125. (a) 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 clear 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 candidate for that office along with such amount of deposit as may be prescribed by the Act from time to time which

Notice of candidature for office of Director except in certain cases

Substituted by special Resolution passed at the Extraordinary General Meeting held on 7th July 1994.

shall be refunded to the person, if the candidate succeeds in getting elected as a Director.

- (b) On the receipt of the notice referred to in Clause (a) of this Article the Company shall inform its members of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notice upon the member if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the district in which the registered office of the Company is situated of which one is published in the English language and the other in the regional language.

Disclosure by
Directors of
appointment
to any other
body
corporate

126. (a) Every Director (including a person deemed to be a Director by virtue of the explanation of sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company shall, within twenty days of his appointment to or as case may be relinquishment of any of the above office in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (i) 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, and every Manager 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.
- (c) The Company in General Meeting may when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period or until the happening of such event of

conlisenes as the Board may specify and thereupon such Director shall not be liable for retirement by rotation but shall hold office for the period for with the happening of any event or contingency set in the Resolution. Such Director shall hereinafter called Ex-officio Director.

PROCEEDING OF DIRECTORS

- | | |
|--|--|
| <p>127. (1) Subject to the provisions of section 285 of the Act, the Board of Directors may meet for the despatch of business, adjourns and otherwise regulate its meeting as it thinks fit.</p> | <p>Meeting of Directors</p> |
| <p>(2) Subject to section 287 of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one), or two Directors whichever is higher, provided that where at any time the number of interested Directors 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 shall be the quorum during such time provided such number is not less than two.</p> | <p>Quorum</p> |
| <p>128. If a meeting of the Board could not be held for, want of quorum, then the meeting shall stand adjourned to such other time, date and place as may be fixed by the Directors present not being later than fifteen days from the date originally fixed for the meeting.</p> | <p>Adjournment of meeting for want of quorum</p> |
| <p>129. The Chairman, if any, or the Managing Director of his own motion or the Secretary of the Company shall upon the request in writing of two Directors of the Company or if directed by the Managing Director or Chairman, if any, convene a meeting of the Board by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director.</p> | <p>When meeting to be convened</p> |
| <p>130. The Directors may from time to time elect from among themselves a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.</p> | <p>Chairman</p> |
| <p>131. Questions arising at any meeting of the Board shall be decided by a majority of votes and in case of equality of votes, the Chairman shall have a second or casting vote.</p> | <p>Questions at Board Meetings how decided</p> |
| <p>132. A meeting of the Board for the time being at which quorum is present shall be competent to exercise all or any of the authorities power and discretion's which by or under the Act or the</p> | <p>Powers of Board Meetings</p> |

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

Directors may
appoint
committee
and delegate
its powers

133. Subject to restrictions contained in Sec, 293 of the Act, the Board may delegate any of their powers to a committee of Directors consisting of such Director or Directors or one or more Directors and a member or members of the Company as it thinks fit or to the Managing Directors, the Manager or any other principal officer of the Company or a branch office or to one or more of them together and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes. All acts done by any such committee of the Board in conformity to confirm to any resolution that may from time to time be imposed in it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if it is done by the Board provided that such delegation shall not be in respect of matters enumerated in sub-clauses a, b, c, d or e of the Clause (1) (as modified by explanation II thereof) of section 293 save and except that the said powers may be delegated only to the extent permitted by and subject to the restrictions and limitations contained in clause(2) (3) and (4) of Section 293 of the Act.

Meetings of
committee
how to be
governed

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

Resolution by
Circular

135. 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 fixed for 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.

Acts of Board
or Committees
Valid notwith-
standing
invalid
appointment

136. All Acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, is be valid as if every such person had been duly appointed was qualified to be a Director and had not vacated his office or his appointment had been terminated provided that nothing in this Article shall be deemed to

give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

137. The Company shall cause minutes to be entered in a book or books provided for the purpose:

Minutes of proceeding of Directors to be kept

- i) Of the names of the Directors present at such meetings of the Board and of any committee of the Board
- ii) Of all orders made by the Board and Committees of the Board;
- iii) Of all resolutions and proceedings of the meetings of the Board and Committees of the Board; and
- iv) In the case of each resolution passed at the meeting of the Board, or Committees of the Board the names of those Directors, if any dissenting from or not concurring in the resolution. Every such book shall be maintained and the minutes entered therein and signed in the manner laid down by Section 193 of the Act and the minutes so entered and signed shall be received as conclusive evidence of the proceedings recorded therein.

POWERS OF THE BOARD

138. Subject to the provisions of the Act, the Control of the Company shall be vested in the Board who shall be, entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise, provided that Board shall not exercise any power or do any acts or thing which is directed or required whether by the Act or in or in other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in General Meeting provided further that in exercising any such power or doing any such Act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or in any other Act or in the Memorandum of the Company or the Articles or any regulations not consistent therewith and duly made thereunder including regulations made by Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made.

Powers of the Board

139. Without prejudice to the general powers conferred by the last preceding Article and so not in any way to limit to restrict those powers without prejudice to the other powers conferred by the Articles but subject to the restrictions contained in the last

Further powers of the Board

preceding Article it is hereby declared that the Director shall have the following powers, that to say, power:

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company, any commission or interest lawfully payable under the provisions of Section 76 and 208 of the Act.
- (3) Subject to Section 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and for any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partly 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 as may be determined by the Board.
- (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such manner as they think fit.
- (6) To accept from any Member, so far as may be permissible by law a surrender of his shares or any part thereof on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers,

or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.

- (9) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands for the Company.
- (10) Subject to the provisions of Sections 292,293(1)(a), 295, 369, 370, 372 and 373 of the Act, or invest and deal with any moneys of the Company not immediately required of the purposes thereof, upon such security (not being shares of the 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.
- (11) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or is 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 mortgages may contain a power of sale and such other powers, provisions, covenants and agreement as shall be agreed upon;
- (12) 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.
- (13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and give any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.
- (14) To provide for the welfare of employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other

payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing, or contributing towards places or instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit and to subscribe or contribute or otherwise to as it or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

- (15) Subject nevertheless to the provisions of Section 205 of the Act, before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or arrears of depreciation or to Depreciation Fund or to an Insurance Fund, or as Reserve Fund or Sinking Fund or any Special Fund, to meet contingencies or to repay debentures or debenture stock, or special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes in their absolute discretion, think conducive to the interest of their absolute discretion, and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as are required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose off 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 or Directors, in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund, into such special funds as the Board of Directors may think fit and to employ assets constituting all or any of the above funds including the Depreciation Funds in the business of the Company or in the purchase or repayment of debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such

rate as the Board of Directors may think proper not exceeding nine percent per annum.

- (16) To appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special service as they may from time to time think fit and to determine their power and duties and fix their salaries or emoluments or remuneration and to require security in such instances and of such amount as they may think fit and from affairs of the Company in any specified locality in India or elsewhere time to time to provide for the management and transaction of the in such manner as they think fit.
- (17) To comply with the requirement of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with.
- (18) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be member or such local Board and to fix remunerations.
- (19) Subject to section 292 of the Act from time to time and at any time to delegate to any person so appointed, any of the powers, authorities and discretion for the time being vested in the Board and to authorise the member for the time being of any such local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board thinks fit and may at any time remove any persons so appointed and may annual or very such delegation.
- (20) At any time and from time to time by powers of attorney under the Seal of the Company to appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not excluding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits authorised by the Board, the powers to make loans and borrow moneys) for such period and subject to such conditions as the Board may from time to time think fit and any such appointment

may (if the Board think fit) be made in favour of the members or any 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 of persons whether nominated directly or indirectly by the Board and any such power of attorney as the Board may contain such powers for the protection or convenience of person dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegate or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

- (21) Subject to sections 294,297 and 300 of the Act, for or in relation to any of the matter aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (22) Subject to Section 293 of the Act, to sell, lease or otherwise dispose any of the properties or undertakings of the Company.

MANAGING DIRECTORS – WHOLE TIME DIRECTORS

Power to
appoint
Managing
Directors
Whole Time
Director

140. Subject to the applicable provisions of the Act, the Board may from time to time appoint one or more Directors to be Managing Directors or Whole-time Director or Whole-time Directors of the Company, either for a fixed term as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and to the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Remuneration
of Managing
Director-
Whole Time
Director

141. Subject to the provisions of Sections 309, 310 & 311 of the Act a Managing Director or Whole time Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.

Clauses 140 to 143
substituted by special
Resolution passed at
Annual General Meeting
held on 29th September
1994

Power of
Managing
Director –
Whole Time
Director

Inserted by
special
Resolution
passed at
Extra-ordinary
General
Meeting held
on 7th July
1994.

142. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 293 thereof, the Board may from time to time entrust to and confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable under these presents by the Directors as they think fit and may confer such powers for such time and to be exercised for such objects and purpose and upon such terms and conditions and with such restriction as they think fit, and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the power of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Special
position of
Managing
Director-
Whole Time
Director

143. Subject to the provisions of the Act, the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation in accordance with Articles 119.

Prohibition of
Simultaneous
appointment
of different
categories of
managerial
personnel

144. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely;

- (a) Managing Director, and
- (b) Manager

Inserted by Special
Resolution passed at
Extra Ordinary General
Meeting held on 7th July
1994.

Secretary

145. The Directors may from time to time appoint, and at their discretion remove, any individual (hereinafter called "the Secretary") to perform any functions which by the Act are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some other person (who need not be the secretary) to keep the registers required to be kept by the Company.

SEAL

146. The Board, shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for 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

The Seal, its
custody and
use

presence of a Director of the Company or some other person appointed by the Directors for the purpose.

The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory district or place outside India.

Affixture of
Common
Seal

147. Every deed or other instruments to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by one Director and the Secretary or some other person appointed by the Board for the purpose, provided nevertheless that certificate of shares may be sealed in accordance with the Companies (issue of Share Certificates) Rules, 1960 or the Statutory modification or re-enactment thereof for the time being in force.

DIVIDEND

How profits
shall be
divisible

148. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached hereto, the profits of the Company which shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid up shares shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid up shares shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid-up advance of calls upon footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to participate in profits.

Declaration of
Dividends

149. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may fix the time for payment.

150. No larger dividend shall be declared that is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

151. No dividend shall be payable except of the profits of the Company of the year or any other undistributed profits.

Ascertainment
of amount
available for
dividend

152. Where any assets, business or property is bought by the Company as from a past date upon the terms that the Company

shall as from that date take the profits and bear the losses thereof such profits and losses as the case may be shall, at the discretion of the Directors be so credited or debited wholly or in part to the Profit and Loss Account and in that case the amounts so credited or debited shall for the purpose of ascertaining the fund available for dividend be treated as a profits or loss arising from the business of the Company and available for dividend accordingly. If any, shares or securities are purchased with dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

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

What to be deemed net profits

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

Interim dividends

155. The Directors may retain dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

Debts may be reduced

156. 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 call.

Dividend and call together

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

No member to receive dividend whilst indebted to the Company and right of reimbursement there out

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

Transfer of shares must be registered

159. 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 the post to the registered address of the member or person entitled or in case of joint holders to that one of the them first named in the Register of Members in respect of 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

Dividend how remitted

warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holders of any shares, any one of them can give effectual receipts for any, dividends or other moneys payable in respect thereof. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law. And the Company shall comply with the provisions of Section 205-A of the Act in respect of any unclaimed or unpaid dividend.

CAPITALISATION

Capitalisation
of the reserves

160. Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or reserves or any Capital redemption Reserve Fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders would be entitled to receive the same if distributed by way of dividend and in the same proportion the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full, any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or repayment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that any sum standing to the credit of a share premium account or a capital redemption reserve fund may for the purpose of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Surplus Money

161. A General Meeting may resolved that any surplus moneys arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.

Fractional
certificates

162. For the purpose of giving effect to any resolution under the preceding two Articles the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filled in

accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of persons entitled to the dividend or capitalised fund and such appointment shall be effective.

BOOKS AND DOCUMENTS

163. The Directors shall cause to be kept proper books of accounts in accordance with Section 209 of the Act with respect of

Books of accounts to be kept

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

164. The Books of accounts shall be kept at the office of subject to the provisions of Section 209 of the Act at such other place as the Directors think fit and shall be open to inspection for the Directors during the business hours.

Where to be kept

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

Inspection by member

166. The Directors shall from time to time in accordance with Section 210, 212, 215, 216, 217, and 221 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Accounts, Balance Sheet and Reports as are referred to in those sections.

Statements of accounts to be furnished to General Meeting

167. A Copy of every such Profit and Loss Account and Balance Sheet in the prescribed form by the Act, (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which exfacie are payable to the bearer thereof), to trustees for the holders

Accounts to be sent to each member

of such debentures and to all person entitled to receive notices of General Meetings of the Company.

AUDIT

Accounts to be audited

168. Auditors shall be appointed and their rights and duties regulated in accordance which Section 224 and 233 of the Act.

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

169. Every accounts of the Company when audited and approved by General Meeting shall be conclusive except as regards any error discovered there in within three months next after the approval thereof . When any such error is discovered within that period, the accounts shall forthwith be corrected and henceforth shall be conclusive.

DOCUMENTS AND NOTICE

Service of Documents or notices on members by the Company

170. (1) A document or notice may be served of given by the Company sending it by post to him registered address or (if he has no registered address in India) to the address, if any within India supplied by him to the Company for serving documents or notices on him.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notice, 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 document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document of notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

By advertisement

171. A document or notice advertised in a newspaper, circulation in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has not registered address in India and has not supplied to the Company any address within India for the service of the documents on him or the sending of notice to him.

On personal representatives etc.

172. A document or notice may be served or given by the Company on to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to him by name or the title of representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied by the purpose by the person claiming to be so entitled or (until such as

address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency has not occurred.

173. Documents or notice of every General Meeting shall be served or given in same manner herein before authorised on or to (a) every member (b) every person entitle to a share in consequence of the death or insolvency of a member and (c) the auditors for the time being of the Company.

To whom documents or notices must be served or given

174. Every person who by operation of law, transfer or other means whatsoever shall become entitle to any share, shall be bound by every document or notice in respect of each share previously to his name and address being entered on the Register of Members, shall have been duly serviced on the person from whom the derives his title to such share.

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

175. Any documents or notices to be served or given by the Company may be signed by a Director or some person duly authorised by the Board for such purpose and the signature may be written printed or lithographed.

Document or notice by Company and Signature thereto

176. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending them to the Company or officer at the office by post under a Certificate of posting or by registered post or by leaving it at the office.

Service of document or notice by member

177. The Company shall subject to the payment of the fee prescribed under Section 39 of the Act or its statutory modification for the time being in force, on being so required by a member, send to him within seven days of the retirement, a copy of each of the following documents as in force for the time being.

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

- a) The Memorandum
- b) The Articles, and
- c) Every agreement and every resolution referred to in section 192 of the Act and in so far they have not been embodied in the Memorandum of the Company of these Articles.

AUTHENTICATION OF DOCUMENTS

178. Save as otherwise expressly provided in the Act or Articles documents or proceedings requiring authentication by the Company may be signed by a Director or on authorised officer of the Company and need not be under its seal.

Authentication of documents and proceedings

WINDING UP

179. The liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

Liquidator may divide assets in specie

INDEMNITY AND RESPONSIBILITY

Indemnity	<p>180. Subject to the provisions of Section 201 of the Act every directors, manager, 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 all claims and it shall be duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to by reason of any contract entered into or act or thing done, 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 willful 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 directors, manager, officer or auditor in defending any proceedings whether civil or criminal in which judgement is given in his favor or on 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.</p>
Individual Responsibility	<p>181. Subject to the provisions of the Act, no director, auditor or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other direct or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for any loss of damages arising from the bankruptcy, insolvency of tortuous act of any person, firm or Company to with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgement, omission, default or oversight on his part or for any other loss, damages or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p>
Secrecy	<p>182. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's activities or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.</p>
Appointment of an individual as Chairman & Managing Director at the same time	<p>183. The company can appoint an individual as Chairman & Managing Director at the same time. This is in consonance with the provisions of section 203 of the Companies Act, 2013 which deals with the appointment of key managerial persons according to which an individual can be appointed as Chairman & Managing Director at the same time, if the articles of association contains the provision to this effect."</p>
Inserted by special resolution passed at 27 th annual general meeting on 12 th August 2015	

We, the several persons, whose names and addresses are subscribed hereunder, are described below 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 indicated against our respective names:

Name, Address, Description and occupation of each Subscriber	No. of Equity shares taken by each subscriber	Signature of the Subscriber	Signature of witness and his Name, Address, Description and Occupation
<p>Maledath Sudhakaran Nair S/o. Late N. Sreedharan Nair JN3-22/14, Sector –9 Vashi, New Bombay - 400703</p> <p>Service</p>	1(One)	Sd/-	<p>Sd/- POPATLAL KATHARIYA S/o. Mukanchand Chandmal Kathariya 6/4. Kermani Bldg., 27, Sir P. M. Road, Fort, Mumbai – 400 001. Chartered Accountant</p>
<p>Mallikarjun Gavimath S/o. Gurusiddayya Gavimath R. No.2 Maina Vitthu, 6, Kopargaon, Dombivli (W).</p> <p>Service</p>	1 (One)	Sd/-	
TOTAL	2 (Two)		

Witness to All

Dated this 16th day of June 1988.

ANNEXURE - 1

The relevant clause of Articles of Association as existed before deletion was as under :

PRIVATE COMPANY

Private Company

4. The Company is a Private Company and accordingly the following provisions shall have effect :

a) The right to transfer shares of the Company is restricted in the manner hereinafter provided.

b) The number of members of the Company (exclusive of persons, who are for the time being in the employment of the Company and persons whom having been formerly in the employment of the Company were members of the Company while in that employment, and have continued to be members after the employment has ceased) shall not exceed 50 (fifty). Where two or more persons hold one or more share in the Company jointly they shall for the purpose of this paragraph be treated as a single member.

c) No invitation shall be issued to the public to subscribe for any shares in or debentures of the Company.

Deleted by Special Resolution passed at the Extra Ordinary General Meeting held on 7th July, 1994.



IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.499 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.566 OF 2007
IN THE MATTER OF THE SCHEME OF ARRANGEMENT

Hikal Limited .. Petitioner Company

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

Mr.C.J.Joy with Mr.G.C.Mishra - R.D.

CORAM : D.B.BHOSALE, J.

DATE : 21st September, 2007.

P.C.:

1. Heard learned counsel for the petitioner.
2. The sanction of the Court is sought to a scheme of Arrangement as set out in paragraph 5 of the Scheme which is reproduced in paragraph 6 of the petition under Sections 391 to 394 of the Companies Act, 1956.
3. Counsel appearing on behalf of the petitioner

submitted that the company has issued 12000, 0.5% Foreign Currency Convertible Bonds (FCCB) of 1000\$ each aggregating to Rs.539.16 Million. The premium on redemption of FCCB is to be provided on year to year basis. This premium on redemption of FCCB is being provided for in the accounts of the company by way of deduction from Share Premium Account. The balance in share premium account of the company is exhausted in June, 2006. There is a balance in Capital Redemption Reserve Account of Rs.4.00 crores and in Contingency Reserve Account of Rs.3.00 crores, which can be utilised for the purpose of making provision of premium payable on redemption of FCCB. Hence, the petitioners have filed the present petition.

4. By this petition, petitioner is seeking permission of this Court for utilization of the aforesaid amount for the purpose of making provision of premium payable on redemption of FCCB. The petitioner company is a listed company. The petitioner company has obtained No Objection Certificates from the Bombay Stock Exchange and National Stock Exchange of India Limited. The company had convened a meeting of all the equity shareholders on 14th June, 2007 which has approved the scheme of arrangement unanimously. All the secured creditors have given their

consent letters. Similarly, all the unsecured creditors have also approved the scheme unanimously in its meeting held on 14th June, 2007.

5. The proposed utilisation of Capital Redemption Reserve and Contingency Reserve of the company as aforesaid shall be effected as a part of the proposed scheme of Arrangement only and the same does not involve either diminution of liability in respect of unpaid share capital or payment of any shareholder of any paid up share capital. Even the interest of the creditors of the company are not affected by such reduction.

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

6. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled,

company petition No.499 of 2007 is made absolute in terms of prayer clauses (a) to (d).

7. The petitioner company to pay costs of Rs.2,500/- to the Regional Director within a period of four weeks from today.

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

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

(D.B.Bhosale, J.)

SCHEME OF ARRANGEMENT

BETWEEN

HIKAL LIMITED

AND

SHAREHOLDERS OF HIKAL LIMITED

This Scheme of Arrangement is presented under Section 391 to 394 read with Section 80 (1) (d), 80(5) read with section 100 of the Companies Act, 1956 ("The Act") for utilisation of Capital Redemption Reserve and Contingency Reserve of the Company for providing premium to be payable at the time of redemption of 0.5 % Foreign Currency Convertible Bond be redeemed either at the option of the Company or on maturity.

I. DEFINITIONS:

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 "The Act" means the Companies Act, 1956 and shall include any statutory modification re-enactment or amendment thereof.
- 1.2 "Company" or "the Company" means Hikal Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai- 400 021.
- 1.3 "Board" means the Board of Directors of the Company.
- 1.4 "The Effective Date" means the date on which certified copy of the order of the High court, Bombay sanctioning the Scheme is filed with the Registrar of the Companies Maharashtra, Mumbai.
- 1.5 "The Appointed Date" means the 1st July, 2006 or such other date as may be fixed by the Bombay High Court.
- 1.6 "Capital Redemption Reserve" means a reserve which is created out of General Reserve, at the time of Redemption of Preference Shares of the Company.

- 1.7 "Contingency Reserve" means a reserve which is created out of General Reserve to meet any Contingencies.
- 1.8 "Foreign Currency Convertible Bond Redemption Premium" means the Premium payable at the time of redemption of 0.5 % Foreign Currency convertible Bonds.
- 1.9 "Foreign Currency Convertible Bonds" means 0.5 % Unsecured Foreign Currency Convertible Bonds issued by the Company.
- 1.10 "Court" means Hon'ble Court of Judicature at Bombay.
- 1.11 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court having Jurisdiction at Bombay or with any modification(s) approved or imposed or directed by the High court

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modifications(s) suggested by the Board and/or approved or imposed or directed by the High court shall takes effect on and from the Effective Date.

3. SHARE CAPITAL

3.1. The Share Capital of Applicant Company as on 31st March 2006 is as under:

Authorised Share Capital	(in Rupees)
25,000,000 Equity shares of Rs. 10/- each	250,000,000
5,000,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	500,000,000
Total	750,000,000
Issued, Subscribed and Paid-up Equity Share	
15,080,100 Equity shares of Rs.10/-each fully paid-up	150,801,000
Total	150,801,000



Preference Shares	
4,698,225, 7% Cumulative Redeemable Preference	
Shares of Rs. 100/- each fully paid-up	469,825,500
Total	469,825,500

As on date, there is no change in the Capital Structure of the Company.

4. The Company has issued 12,000, 0.5% Foreign Currency Convertible Bonds of USD 1,000 each aggregating to Rs. 539.16 million. These bonds are:
- (i) Convertible at the option of the bondholder at any time on or after November 21, 2005 but prior to the close of business on October 10, 2010 at a fixed exchange rate of Rs. 44.93 per 1 USD and price of Rs. 745 per share of par value of Rs. 10 per share subject to adjustment in certain events i.e. issue of bonus shares, division, consolidation, reclassification of shares etc.
 - (ii) At any time on or after 21 October 2008 and up and until the seventh (7th) Business day prior to 21 October 2010 if the Closing Price of Shares in greater than 160 percent of the Conversion Price for a continuous period of sixty (60) consecutive Stock Exchange Trading Days, the Bonds may be redeemed in whole but not in part, at the option of the issuer, subject to relevant Indian laws and regulations, at the applicable Early Redemption Amount plus accrued but unpaid interest up to the date of redemption.
 - (iii) Redeemable on maturity date on October 21, 2010 at 132.56 % of its principal amount if not redeemed or converted earlier.

5. SCHEME OF ARRANGEMENT

- 5.1 Pursuant to the Provisions of Section 391 to 394, read with Section 80 (1) (d), 80 (5) and Section 100 and any other enabling provisions, if any, of the

Companies Act, 1956 and subject to confirmation of the High Court, as the case may be, the Company do utilise –

(A) Rs. 4 crores standing to the credit of "Capital Redemption Reserve Account" as on 31st March, 2006 for creating "Foreign Currency Convertible Bond Redemption Premium Account".

(a) Of which Rs. 2.70 crores, standing to the credit of Capital Redemption Reserve Account will be utilised for the period from 1st July, 2006 to 31st March, 2007 as follows :-

	<u>Amount</u>	<u>Period</u>
(i)	Rs. 90 Lakhs	1 st July 2006 to 30 th September, 2006
(ii)	Rs. 90 Lakhs	1 st October, 2006 to 31 st December, 2006
(iii)	Rs. 90 lakhs	1 st January, 2007 to 31 st March 2007

(b) and Balance Rs. 1.30 Crores, standing to the credit of Capital Redemption Reserve Account after utilization, as mentioned in (a) as above will be utilized for the period 1st April 2007 to 31st July, 2007 as follows:-

	<u>Amount</u>	<u>Period</u>
(i)	Rs. 90 Lakhs	1 st April 2007 to 30 th June, 2007
(ii)	Rs. 40 Lakhs	1 st July, 2007 to 31 st July, 2007

B Rs. 3 crores to the credit of "Contingency Reserve" for creating "Foreign Currency Convertible Bond Redemption Premium Account" during the period 1st August, 2007 to 31st May, 2008 as follows:-

	<u>Amount</u>	<u>Period</u>
(i)	Rs. 50 Lakhs	1 st August 2007 to 30 th September, 2007
(ii)	Rs. 90 Lakhs	1 st October, 2007 to 31 st December, 2007
(iii)	Rs. 90 Lakhs	1 st January, 2008 to 31 st March, 2008

C. The said amount of Rs. 7 crores transferred to "Foreign Currency Convertible Bond Redemption Premium Account" will be utilized to pay the premium to be payable on redemption of 0.5 % Foreign Currency Convertible Bonds, under either option (ii) or (iii) of clause 4 above.

6. **INTIMATION TO STOCK EXCHANGE**

The Company shall intimate the Stock Exchange where Equity Shares of the Company are listed, the particulars of the Scheme pursuant to and in accordance with the listing agreement.

7. **MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Board or any person authorised by the Board in that behalf may give all such directions as are necessary or desirable including directions for settling or resolving any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any manner connected therewith, including any question of doubt or difficulty that may arise with regard to utilization of Capital Redemption Reserve Account and Contingency Reserve Account, as they may think fit and such determination or directions, as the case may be, shall be binding on all the parties, in the same manner as if the same are specifically incorporated in the Scheme.

8. **SCHEME CONDITIONAL ON APPROVAL/SANCTIONS**

The Scheme is conditional upon and subject to :

- i. Approval of and agreement by the requisite majority of the shareholders and creditors and such other classes of persons as the High Court may direct;
- ii. Sanctions and Orders being obtained by the Company from the High Court of Judicature at Bombay.

9. **APPLICATION TO THE HIGH COURT**



of Judicature at Bombay for sanctioning this Scheme of Arrangement under Section 391 to 394 read with section 80 (1) (d) and section 100 section 80 (5) of the Act and for such further order or orders thereunder as the Court may deem fit for carrying the Scheme into effect.

10. EFFECT OF NON-RECEIPT OF APPROVALS /SANCTIONS

In the event of any of the approvals or conditions enumerated in Clause (8) above not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Company shall waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay, then the Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior to 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 as may otherwise arise in law.

11. CONDUCT OF BUSINESS

Nothing contained in this Scheme shall affect the conduct of business of the Company and/or any deeds, bonds, contracts, agreements and other instruments to which the Company is a party and or all legal or other proceedings by or against the Company further, nothing contained in the Scheme shall affect in any manner, the existing rights of workmen and employees of the Company.

12. COSTS

All cost, charges, expenses and registration fees or in respect to any deed, documents, instrument or orders of the Court in relation to or connection with this Scheme of Arrangement and incidental to the implementation and completion of this Scheme, shall be borne and paid by the Company.

13. STAMP DUTY

HIGH COURT

Since this Scheme dose not involve a "conveyance" of any property under Section 394 of the Act, the Order of the High Court sanctioning this Scheme under Section 391 of the Act shall not attract stamp duty under the Bombay Stamp Act, 1958.

Certified to be TRUE COPY
For RAJESH SHANI & CO

Rajesh Shani

Advocate for the Petitioner / Applicant

TRUE-COPY

M. D. Narvekar

M. D. NARVEKAR
OF PALLADI SIKRAB
HIGH COURT (O.S.)
BOMBAY



IN THE HIGH COURT OF JUDICATURE

AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 499 OF 2007.

CONNECTED WITH

COMPANY APPLICATION NO. 566 OF 2007.

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

AND

In the matter of Section 391 to 394 read with 80 (1)(d), 80(5) & 100 of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement between HIKAL LIMITED and its Equity Shareholders.



HIKAL LIMITED,

... Petitioner Company.

Authenticated copy of the Minutes of the Order dated 21st September, 2007 alongwith Scheme.

M/S RAJESH SHAH & CO

Advocates for the Petitioner

16, Oriental Building,
30, Nagindas Master Road,
Flora Fountain,
Mumbai-400 001.

Appointed by 4-10-2007
Expressed in 4-10-2007
Police
Examined by D. M. Shah
Comptroller
Received on 10/10/07
Delivered on 10/10/07

1

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 297 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 376 OF 2009

HIKAL PHARMACEUTICALS LIMITED

.....Petitioner / Transferor Company

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

AND

In the matter of Scheme of Arrangement
between Hikal Pharmaceuticals Limited ('the
Transferor Company')

AND

Hikal Limited ('the Transferee Company')

AND

their Respective Shareholders

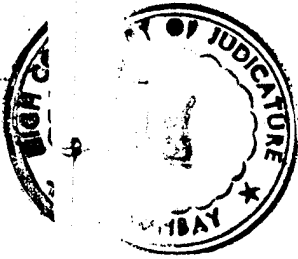


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Mr. Shyam Mehta with Rajesh Shah i/b Rajesh Shah & Co., for the
Petitioner.

Mr. M. Chandanamuthu, Dy Official Liquidator.

Ms. Purnima Awasti and Ms. Lata Patne i/b Mr. S. K. Mohapatra for
Regional Director.



CORAM: A. M. Khanwilkar, J.

DATE: 25th June, 2009

PC:

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Arrangement between Hikal Pharmaceuticals Limited, the Transferor Company and Hikal Limited, the Transferee Company and their Respective Shareholders. By an order dated 3rd day of April, 2009 passed by this Court in Company Application No.376 of 2009 the Filing of separate Application

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or Petition by Hikal Limited, the Transferee Company was dispensed with.

3. Counsel appearing on behalf of the Petitioner Company has stated that they have complied with all the requirements as per the directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Company also undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 and the Rules made there under.
4. The Regional Director has filed his Affidavit stating therein that save and except as stated in para 6 (b) and 7 it appears that the Scheme is not prejudicial to the interest of shareholders, creditors and public. In paragraph 6 (b) he has advised the Registrar of Companies, Mumbai to take action for prima facie violation of Sections 295 read with Section 296 and Section 301 of the Companies Act, 1956 by the Transferee Company. The Registrar of Companies is at liberty to adopt appropriate proceedings in accordance with the law against the Transferee Company for alleged contravention of



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Sections 295 read with Section 296 and Section 301 of the Companies Act, 1956, if it so desires. It is not stated and there is nothing to suggest that the alleged contraventions are detrimental to the Scheme as such.

- 
5. The Regional Director in paragraph 7 of his Affidavit has stated that as per clause 6 (v) of the Scheme, the excess or deficit between the aggregate values of assets and liabilities would be adjusted in the General Reserve Account and according to him, such accounting treatment is incorrect.
 6. Mr Mikund Mujumdar, the Authorised Signatory of the Petitioner Company, has filed an additional Affidavit dated 23rd June, 2009 on behalf of the Petitioner Company in reply to the objections raised by the Regional Director in paragraph 6 (b) and 7 of his Affidavit. In paragraph 4 of the said additional Affidavit the Petitioner Company has agreed to substitute the words "General Reserve Account" by the words "Capital Reserve Account" in Clause 6 (v) of the Scheme.

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HIGH COURT, BOMBAY

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7. The Official Liquidator has filed report in Company Petition No. 297 of 2009 stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.
8. Upon perusal of the entire material placed on records, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned has come forward to oppose the Scheme. Moreover, the Regional Director has stated that the Scheme as proposed is not prejudicial to the interests of shareholders, creditors and the public and the Official Liquidator has stated that the affairs of the Transferor Company have been conducted in a proper manner.
9. Since all the requisite statutory compliances have been fulfilled, Company Petitions No. 297 of 2009 filed by the Transferor Company is made absolute in terms of prayer clauses (a) to (d).



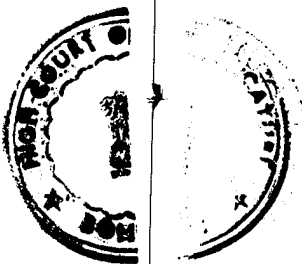
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HIGH COURT, BOMBAY

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- 10. The Transferee Company to lodge a copy of this order and the Scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining the certified copy and/ or an authenticated copy of the order.
- 11. The Petitioner Company to pay cost of Rs.7,500/- each to the Regional Director and to the Official Liquidator. Costs to be paid within four weeks from today.
- 12. Filing and issuance of the drawn up order is dispensed with.
- 13. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court, Bombay.

(A. M. Khanwilkar, J.)



TRUE-COPY
[Signature] 30/04/09
M. B. NARVEKAR
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

TRUE COPY
[Signature] 26/06/09
 Section Officer
 High Court, Appellate Side
 Bombay

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SCHEME OF ARRANGEMENT

BETWEEN

HIKAL PHARMACEUTICALS LIMITED


AND

HIKAL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956



This Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, for the amalgamation of Hikal Pharmaceuticals Limited with Hikal Limited.

The Purpose and Rationale of this Scheme is as under:

- Administrative Convenience
- Reduction in administrative cost and overheads

The Scheme is divided into following parts:

- (i) **Part A** – dealing with definitions and Share Capital;
- (ii) **Part B** – dealing with the amalgamation of Hikal Pharmaceuticals Limited with Hikal Limited;
- (iii) **Part C** - deals with General Terms and Conditions.

PART A

1 DEFINITIONS

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

- 1.1 **"Act"** means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2 **"Appointed Date"** means the March 31, 2009 or such other date as the High Court may direct / fix.
- 1.3 **"Court"** or **"High Court"** means the High Court of Judicature at Bombay, and shall include the National Company Law Tribunal, if applicable.
- 1.4 **"Effective Date"** means the date on which the certified copies of the Order of the High Court of Judicature at Bombay sanctioning the Scheme are filed with the Registrar of Companies at Maharashtra, Mumbai.
- 1.5 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 13 of this Scheme as approved or directed by the High Court of Judicature at Bombay or any other appropriate authority.
- 1.6 **"Hikal"** or **"the Transferee Company"** means Hikal Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 717/718, Maker Chamber V, 7th floor, Nariman Point, Mumbai – 400 021.
- 1.7 **"Hikal Pharma"** or **"the Transferor Company"** means Hikal Pharmaceuticals Limited, a company incorporated under the Companies Act, 1956, and having its



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registered office at 603A, Great Eastern Chambers, Sector 11, CBD, Belapur,
Navi Mumbai – 400 614.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 13 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3 SHARE CAPITAL

3.1 Details of the share capital of Hikal Pharma as at March 31, 2008 are given below:

Particulars	Amount (In Rs.)
<u>Authorised</u>	
20,000 Equity Shares of Rs. 100/- each	2,000,000
TOTAL	2,000,000
<u>Issued, Subscribed and Paid-up</u>	
20,000 Equity Shares of Rs. 100/- each, fully paid-up	2,000,000
TOTAL	2,000,000

Subsequent to the above date, there has been no change in the Authorised, Issued, Subscribed and Paid-up share capital of Hikal Pharma.

The entire share capital of Hikal Pharma is held by Hikal.

3.2 Details of the share capital of Hikal as at March 31, 2008 are given below:

Particulars	Amount (In Rs.)
<u>Authorised</u>	
25,000,000 Equity Shares of Rs. 10/- each	250,000,000
5,000,000 Cumulative Redeemable Preference	500,000,000

Shares of Rs. 100 each	
TOTAL	750,000,000
<u>Issued, Subscribed and Paid-up</u>	
15,080,100 Equity Shares of Rs. 10/- each, fully paid-up	150,801,000
TOTAL	150,801,000

Subsequent to the above date, the Issued, Subscribed and Paid-up share capital of Hikal has been altered. The Authorised, Issued, Subscribed and Paid-up share capital of Hikal as on December 31, 2008 is as under:

Particulars	Amount (In Rs.)
<u>Authorised</u>	
25,000,000 Equity Shares of Rs. 10/- each	250,000,000
5,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each	500,000,000
TOTAL	750,000,000
<u>Issued, Subscribed and Paid-up</u>	
16,440,100 Equity Shares of Rs. 10/- each, fully paid-up	164,401,000
TOTAL	164,401,000



PART B

4 TRANSFER OF UNDERTAKING

4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme –

- (i) the entire business and whole of the undertaking of Hikal Pharma as a going concern including all the debts, liabilities, duties and obligations and also including, without limitation, all properties and assets (whether movable or

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Provided that notwithstanding anything contained in any document, papers or writings executed by Hikal Pharma, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to Hikal Pharma which shall vest in Hikal by virtue of the Scheme and Hikal shall not be obliged to create any further, or additional security therefore as a condition for approval of the Scheme, after the Scheme has become effective or otherwise.

- (iii) All debts, liabilities, duties and obligations of Hikal Pharma shall, without any further act or deed be and stand transferred to Hikal.
- (iv) The provisions of this Scheme as they relate to the merger of the Hikal Pharma into Hikal, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 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.

5 CONSIDERATION

As Hikal Pharma is a wholly-owned subsidiary of Hikal, no consideration shall be payable pursuant to the amalgamation of Hikal Pharma into Hikal, and the investments in Hikal Pharma held by Hikal would stand cancelled.

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6 ACCOUNTING TREATMENT

On the Scheme becoming effective, Hikal shall account for the amalgamation of Hikal Pharma in its books as given below.

- i. Upon the Scheme becoming effective, Hikal shall record the assets / liabilities of Hikal Pharma vested in it pursuant to the Scheme, at their respective fair values and an amount equivalent would be debited or credited, as the case may be, to the General Reserve;
- ii. The equity shares held by Hikal in Hikal Pharma will stand cancelled and there shall be no further obligation in that behalf;
- iii. The inter-corporate deposits / loans and advances / balance outstanding between Hikal and Hikal Pharma will stand cancelled and there shall be no further obligation in that behalf;
- iv. An amount equivalent to the following expenses / losses debited by Hikal to its Profit & Loss Account shall be withdrawn from the General Reserve and credited to the Profit & Loss Account:
 - any costs, charges, stamp duty and other related expenses related to the Scheme;
 - diminution in the value of Hikal's investments including advances in the process of being converted to investments;
 - cancellation of shares as referred to in clause 6(ii) of this Scheme.

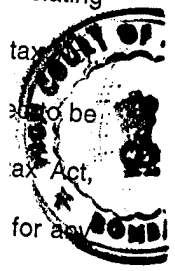
Such credit will be reflected in a manner considered appropriate by the Board of Directors of Hikal.

- v. Further, in case of any differences in accounting policy between Hikal and Hikal Pharma, the accounting policies followed by Hikal will prevail and the difference in recognition of assets and liabilities which are appearing or should

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appear in the books of Hikal Pharma on the Appointed Date, as the case may be, will be quantified and adjusted in the Capital Reserve Account mentioned earlier to ensure that the financial statements of Hikal reflect the financial position on the basis of consistent accounting policy.

7 WINDING UP

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

8 TREATMENT OF EMPLOYEES

8.1 On the Scheme becoming effective, all staff, workmen and employees of Hikal Pharma in service on the Effective Date shall be deemed to have become staff, workmen and employees of Hikal on such date without any break or interruption in their service and on the terms and conditions of their employment not less favourable than those subsisting with reference to Hikal Pharma as on the said date.

8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of Hikal Pharma shall become trusts/funds of Hikal for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Hikal Pharma in relation to such Fund or Funds shall become those of Hikal. It is clarified that the services of the staff, workmen and employees of Hikal Pharma will be treated as having been continuous for the purpose of the said Fund or Funds.

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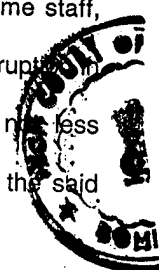
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CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

With effect from the date of approval of the Scheme by Board of Directors of Hikal Pharma and Hikal and up to and including the Effective Date:

- i. Hikal Pharma shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for Hikal. Hikal Pharma hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- ii. Hikal Pharma shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of Hikal, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its undertaking or any part thereof except in the ordinary course of business nor shall it undertake any new business or a substantial expansion of its existing business.
- iii. All the profits or income accruing or arising to Hikal Pharma or expenditure or losses arising to or incurred by Hikal Pharma, with effect from the Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of Hikal.

10 LEGAL PROCEEDINGS

- 10.1 All legal proceedings, including arbitration proceedings, of whatsoever nature by or against Hikal Pharma pending and / or arising at or after the Appointed Date, as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Hikal in the manner

and to the same extent as would or might have been continued and enforced by or against Hikal Pharma.

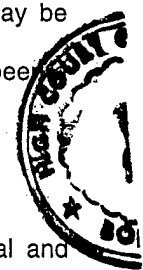
10.2 Hikal undertakes to have all legal or other proceedings initiated by or against Hikal Pharma referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Hikal after the Effective Date.

11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatever nature to which Hikal Pharma is a party subsisting or having effect immediately before the arrangement shall remain in full force and effect against or in favour of Hikal and may be enforced as fully and effectually as if instead of Hikal Pharma, Hikal had been party thereto.

11.2 With effect from the Appointed date, all permits, quotas, rights, industrial and other licences, branches, brand registrations, offices, depots and godowns, trade marks, trade names, know-how and other and other intellectual property, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever to which Hikal Pharma is a party or to the benefit of which Hikal Pharma may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against Hikal as the case may be, and may be enforced as fully and effectually as if, instead of Hikal Pharma, Hikal had been a party or beneficiary or obligee thereto.

11.3 With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions or approvals or consents required to carry on



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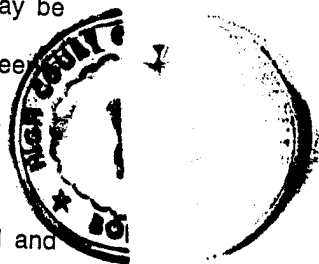
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operations of Hikal Pharma shall stand vested in or transferred to Hikal without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Hikal upon the vesting and transfer of undertaking of Hikal Pharma pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, factory licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations Hikal Pharma shall vest in and become available to Hikal pursuant to the Scheme.

11.4 Hikal, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the undertaking of Hikal Pharma to which Hikal Pharma is a party in order to give formal effect to the above provisions. Hikal shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Hikal Pharma and to carry out or perform all such formalities or compliances referred to above on part of Hikal Pharma and any and all formalities required on the part of Hikal Pharma to give effect to the provisions of this Scheme.

12 SAVING OF CONCLUDED TRANSACTIONS

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



PART C

13 MODIFICATION / AMENDMENT TO THE SCHEME

13.1 The Board of Directors of Hikal Pharma and Hikal, may consent, on behalf of all persons concerned, to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors) 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.

13.2 For the purpose of giving effect to this Scheme or to any modification thereof the Directors of Hikal may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

14 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

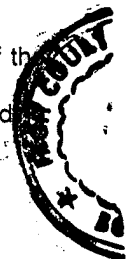
This Scheme is and shall be conditional upon and subject to:

(a) The Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 and other applicable provisions of the Act.

(b) The certified copies of the Orders of the High Court of Judicature at Bombay under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai, by Hikal Pharma and Hikal.

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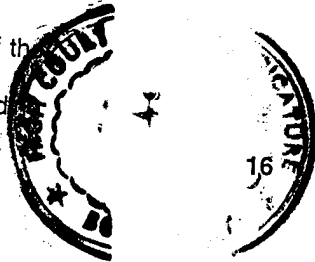
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15 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in Clause 14 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 by March 31, 2010 (or such extended time as may be mutually agreed between Hikal Pharma and Hikal), the Scheme shall by mutual consent of Board of Directors of Hikal Pharma and Hikal become null and void and shall stand revoked, cancelled and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred by parties inter se, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or may otherwise arise in law.

16 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 also be borne by Hikal.



TRUE-COPY
M. D. Narvekar
M. D. NARVEKAR 20/06/09
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

Certified to be TRUE COPY
For RAJESH SHAH & CO.
Rajesh Shah
Advocate for the Petitioner/Applicant

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY

O O C J

COMPANY PETITION NO. 297 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 376 OF
2009

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

AND

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

AND

In the matter of Scheme of Arrangement
between Hikal Pharmaceuticals Limited (the
Transferor Company)

and

Hikal Limited ('the Transferee Company')

and

their respective shareholders

HIKAL PHARMACEUTICALS LIMITED

.....Petitioner Company

**Authenticated Copy of the Minutes of
Order dated 25th June, 2009 along with
Scheme of Arrangement.**

Applied on 26.6.2009
Engrossed on 26.6.2009
before Water
Notes
Examined by D.D. Yajurvedi
Compared with [Signature]
Ready on 28/06/09
Balanced on 30/06/09

M/S RAJESH SHAH & CO
Advocates for the Petitioner
16, Oriental Building,
30, Nagindas Master Road,
Flora Fountain,
Mumbai – 400 001.

HIGH COURT, BOMBAY

0261532

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.137 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.786 OF 2011

ACORIS RESEARCH LIMITED ... Petitioner / the Transferor Company

AND

COMPANY SCHEME PETITION NO.138 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.787 OF 2011

HIKAL LIMITED Petitioner / the Transferee Company

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

AND

In the matter of Sections 391 to 394
read with Sections 78, 100 to 103 of
the Companies Act, 1956;

AND

In the matter of Scheme of
Arrangement

Between

Acoris Research Limited ('the
Transferor Company')

AND

Hikal Limited ('the Transferee
Company')

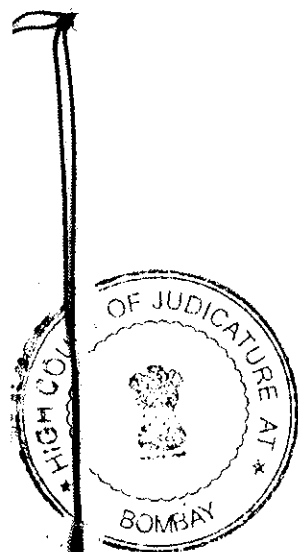
AND

their respective Shareholders and
Creditors

Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the
Petitioners in both the Petitions.

Mr. D.P. Singh i/b Dr. T. C. Kaushik for Regional Director for Regional
Director in both the Petitions.

Mr. A.V Bedekar, Advocate for Ms. Ascent Finechem Private Limited,
one of the Unsecured Creditor.



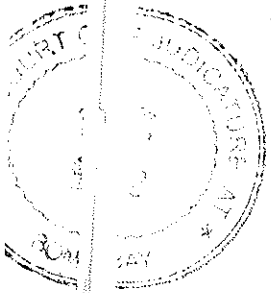
HIGH COURT, BOMBAY

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CORAM: S. J. Kathawalla, J.

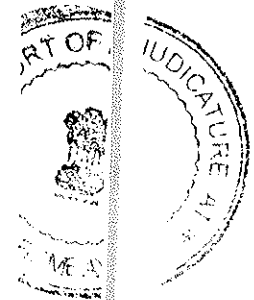
DATE: 30th March 2012

1. Heard counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956, to the Scheme of Arrangement between Acoris Research Limited ('the Transferor Company') and Hikal Limited ('the Transferee Company') and their Respective Shareholders and Creditors.
3. Counsel appearing on behalf of the Petitioners has stated that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under. The said undertaking is accepted.
4. The Regional Director has filed an Affidavit stating therein that save and except as stated in paragraph 6 of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said Affidavit it is stated that:



"That the Deponent further submits that, clause 13 of the Scheme provides for amendment in the objects clause of the Memorandum of Association of the Resulting Company. In this connection, the Resulting Company may be directed to comply with provisions of Section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association alongwith Form No.21 with the Registrar of Companies"

5. So far as query raised in paragraph 6 of the Affidavit of the Regional Director is concerned, the Petitioners through their Counsel undertake to comply with the provisions of Sections 40 read with Section 18 of the Companies Act, 1956, with respect to filing of relevant forms and payment of fees and to file an amended copy of Memorandum of Association alongwith Form No.21 with the Registrar of Companies. The said undertaking is accepted.
6. The Counsel for the Petitioners states that they have received objections from its three unsecured creditors. Mr. A.V Bedekar, Advocate for M/s. Ascent Finechem Private Limited, one of the Unsecured Creditor has raised objection that his clients dues have not been paid by the Petitioner/Transferee Company. The learned Counsel appearing for the Petitioner states that the Scheme does not affect the rights of Creditors. It will be open to the said Unsecured Creditor to peruse legal remedy as may be advised for recovery of their dues. The Counsel for the

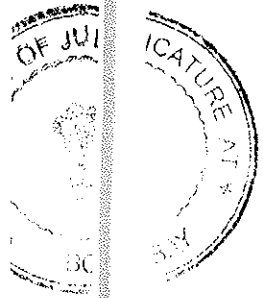


HIGH COURT, BOMBAY

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Petitioner is correct in his submission. It will be open to Unsecured Creditors including M/s. Ascent Finechem Private Limited to pursue his legal remedies against the Transferee Company. The Transferee Company shall abide by the orders of the Court passed if any, in favour of the Unsecured Creditors.

7. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
8. Since all the requisite statutory compliances have been fulfilled:
 - (a) Company Scheme Petition No.137 of 2012 filed by the Transferor Company is made absolute in terms of prayer clauses (a) to (c);
 - (b) Company Scheme Petition No.138 of 2012 filed by the Transferee Company is made absolute in terms of prayer clauses (a) to (d).
9. The Petitioner Companies to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.
10. Petitioner is directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form 21 in



Scheme of Arrangement

between

Hikal Limited

and

Acoris Research Limited

and

their respective Shareholders and Creditors

**Under Sections 391 to 394 read with sections 78, 100 to 103 of the Companies
Act, 1956**

PREAMBLE

A. Description of the Companies

1. Hikal Limited ('Hikal') is a public listed company, engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients, agrochemical business and contracts research activities
2. Acoris Research Limited ('Acoris') a wholly owned subsidiary of Hikal, is a state-of-the-art contract research facility.

B. Rationale and Purpose of the Scheme

Both the Companies are part of the Hikal Group ('the Group').

The management of the Group is of the view that consolidation of research activities carried on by Acoris with Hikal would have the following benefits:

1. Cost savings in terms of economies of scale, sourcing benefits, rationalisation, standardisation and simplification of business processes and productivity improvements;
2. The synergies that exist between the two businesses can be put to the best advantage of all stakeholders;
3. Greater size, scale, integration and greater financial strength and flexibility for the restructured entity;
4. The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from both entities who have

the diverse skills, talent and vast experience to compete successfully in increasingly competitive industries;

5. Enhanced reliability and cost efficiency on account of in house research

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Scheme of Arrangement comprising of various distinct but integrally connected arrangements under the provisions of Section 391 to Section 394 read with sections 78, 100 to 103 of the Companies Act, 1956.

(C) Sections of the Scheme

The Scheme comprises of the following:

- (a) The Demerger of Research Business Undertaking of Acoris into Hikal more fully described in Section 2 hereof; and
- (b) Section 1 of the Scheme deals with the Definitions, Date of taking effect and Share Capital and Section 3 of the Scheme deals with Other Terms and Conditions which unless the context requires otherwise are applicable to the arrangement envisaged by the Scheme.



SECTION 1

1. DEFINITIONS

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

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

1.2 **"the Appointed Date"** means the April 1, 2012 or such other date as may be approved by the High Court or any other competent authority.

1.3 **"Board of Directors"** means and includes a Committee of Directors

1.4 **"the Research Business Undertaking"** shall mean the entire business and undertaking of Acoris relating to contract research and related activities as a going concern and shall include (without limitation) the following:

(a) All the assets and properties of Acoris related to Research Business Undertaking as on the Appointed Date (hereinafter referred to as "the said assets");

(b) All the debts, liabilities, duties and obligations including contingent liabilities of Acoris relating to Research Business Undertaking as on the Appointed Date (hereinafter referred to as "the said liabilities");

(c) Without prejudice to the generality of sub-clause (a) and (b) above, the Research Business Undertaking shall include the movable and immovable properties including land and building, plant and machinery, equipment, furniture, fixtures, vehicles, deferred tax asset, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of Acoris, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trade marks, trade names, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including designs, know-how, domain names, or any applications for the above, assignments and grants in



respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Acoris and whether specifically included or not as on the Appointed Date.

Explanation A: Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Research Business undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of Acoris and Hikal;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Research Business Undertaking of Acoris include:

- (a) The liabilities, which arise out of the activities or operations of Research Business Undertaking of Acoris.
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Research Business Undertaking of Acoris.
- (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relatable to the Remaining Undertaking of Acoris, being the amounts of general or multipurpose borrowings of Acoris shall be allocated to the Research Business Undertaking of Acoris in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of Acoris immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to Hikal as liabilities pertaining to the Research Business Undertaking.



Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Research Business Undertaking of Acoris or whether it arises out of the activities or operations of Research Business Undertaking of Acoris shall be decided by mutual agreement between the Board of Directors or any Committee of Directors thereof of Acoris and Hikal.

1.5 "CENVAT" means Central Value Added Tax.

1.6 "Court" or "High Court" means High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.

1.7 "the Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates on which the certified copies of the orders sanctioning this Scheme passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai.

1.8 "MODVAT" means Modified Value Added Tax.

"Parties" means Acoris and Hikal collectively.

"Remaining Undertaking of Acoris" means the all assets and properties other than those of Research Business Undertaking and all liabilities directly or indirectly related thereto.

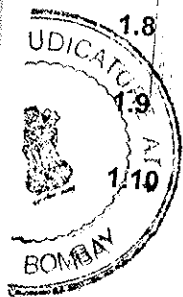
1.11 "Hikal" means Hikal Limited, a company incorporated under the Companies Act, 1956 having its registered office at 717/718, Maker Chambers, V, Nariman Point, Mumbai, Maharashtra 400021.

1.12 "Acoris" means Acoris Research Limited, a company incorporated under the Companies Act, 1956 having its registered office at 603, Great Eastern Chambers, CBD Belapur, Navi Mumbai 400 706.

1.13 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Bombay or this scheme with such modification(s), if any, as may be assented to by the Boards of Directors of the Parties or with any modification(s) or limitation(s) as approved or directed or imposed by the High Court or such other competent authority, as may be applicable.

1.14 "VAT" means Value Added Tax.

1.15 Expressions not defined in this Scheme



The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 or 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 particular, wherever reference is made to High Court in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority as may be vested with the powers of the High Court under the Act.

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 As on March 31, 2011, the authorised, issued and subscribed share capital of Hikal is as under:

Authorised Capital	(Rupees in Millions)
25,000,000 Equity Shares of Rs.10 each fully paid up	250.00
5,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each fully paid up	500.00
TOTAL	750.00
Issued, Subscribed & Paid-up Capital	
16,440,100 Equity Shares of Rs.10 each fully paid up*	164.40
<i>*Of the above :</i>	
<i>- 150,000 equity shares of Rs.10 each were allotted as fully paid-up without payment being received in cash.</i>	
<i>- 10,647,326 equity shares of Rs.10 each were allotted as fully paid-up bonus shares by capitalisation of general reserves;</i>	
TOTAL	164.40

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of Hikal.

- 3.2 As on March 31, 2011, the authorised, issued and subscribed share capital of Acoris is as under:

Authorised Capital	(Rupees in Millions)
25,000,000 Equity Shares of Rs. 10 each	250.00
500,000 Preference Shares of Rs. 10 each	50.00
TOTAL	300.00
Issued and Subscribed	
15,050,080 Equity Shares of Rs. 10 each fully paid-up*	150.50
<i>*All the above shares are held by Hikal Limited, the holding company and its nominees</i>	
TOTAL	150.50

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of Acoris.

SECTION 2

DEMERGER OF RESEARCH BUSINESS UNDERTAKING OF ACORIS INTO HIKAL

4. TRANSFER AND VESTING

4.1 The Research Business Undertaking of Acoris shall stand transferred to and vested in or deemed to be transferred to and vested in Hikal, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.1.1 With effect from the Appointed Date, the whole of the undertaking and properties of the Research Business Undertaking, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested

in Hikal so as to vest in Hikal all rights, title and interest pertaining to the Research Business Undertaking.

- 4.1.2 In respect of all the movable assets of Acoris, in relation to the Research Business Undertaking and the assets which are otherwise capable of transfer by physical delivery or novation or endorsement and delivery, including cash on hand, shall be so transferred to Hikal and deemed to have been physically handed over by physical delivery or novation or by endorsement and delivery, as the case may be, to Hikal to the end and intent that the property and benefit therein passes to Hikal with effect from the Appointed Date.
- 4.1.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Acoris pertaining to the Research Business Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to Hikal, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of Hikal and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.1.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory and other licenses, permissions, registrations or approvals or consents held by Acoris required to carry on operations of the Research Business Undertaking shall stand vested in or transferred to Hikal without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Hikal and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, certificates, authorities (including for the operation of Bank accounts), power of attorneys given by, issued to or executed in favour of Acoris and the rights and benefits under the same shall, in so far as it relates to the Research Business Undertaking and consents shall vest in and become

available to Hikal as if they were originally obtained by Hikal. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Acoris relating to the Research Business Undertaking, are concerned, the same shall vest with and be available to Hikal on the same terms and conditions as applicable to Acoris, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Hikal.

4.1.5 The transfer and vesting of the Research Business Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Research Business Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Research Business Undertaking.

4.1.6 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Research Business Undertaking which Acoris owns or to which Acoris is a party and which cannot be transferred to Hikal for any reason whatsoever, Acoris shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Hikal to which the Research Business Undertaking is being transferred in terms of this scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

4.2 Section 2 of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of



the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

5 CONSIDERATION

- 5.1 Since the entire share capital of Acoris is held by Hikal, no consideration shall be payable / dischargeable for the vesting of the Research Business Undertaking.

6 ACCOUNTING TREATMENT

6.1 IN THE BOOKS OF ACORIS

- 6.1.1 The book value of all assets and liabilities pertaining to the Research Business Undertaking which cease to be the assets and liabilities of Acoris shall be reduced by Acoris at their book values. The difference that is the excess of the book value of assets pertaining to the Research Business Undertaking and demerged from Acoris pursuant to this Scheme over the book value of the liabilities pertaining to the Research Business Undertaking and demerged from Acoris pursuant to this Scheme shall, be debited/ credited to Goodwill Account / Capital Reserve Account, as the case may be.

6.2 IN THE BOOKS OF HIKAL

- 6.2.1 Hikal shall record the assets and liabilities pertaining to Research Business Undertaking, at the respective book values as appearing in the books of Acoris as on the Appointed Date;
- 6.2.2 The difference between the value of assets and liabilities recorded by Hikal, after giving effect to reduction in the carrying value of investments in Acoris, shall be adjusted against the Securities Premium Account of Hikal. In case of there being an excess, the same shall be credited to and carried forward as Capital Reserve.
- 6.2.3 The application and reduction, if any, of the Securities Premium Account of Hikal as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of

the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under section 102 of the Act confirming the reduction shall be required.

6.2.4 In case of any differences in accounting policies between Acoris and Hikal, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserve Account of Hikal.

7 CONDUCT OF BUSINESS AND PROPERTY

7.1 During the period between the date of filing of the Scheme with the High Court and the Effective Date:

7.1.1 Acoris, in relation to the Research Business Undertaking shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party, save and except in each case in the following circumstances:

- i. if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Judicature at Bombay; or
- ii. if the same is expressly permitted by this Scheme; or
- iii. if written consent of the Board of Director of Hikal has been obtained; or



iv. pursuant to any pre-existing obligation undertaken prior to the date of filing of the Scheme.

7.1.2 Hikal shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Hikal, may require to carry on the Research Business Undertaking.

7.1.3 Acoris and Hikal shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible securities or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of Acoris and Hikal or except as may be expressly permitted under this Scheme

8 LEGAL PROCEEDINGS

8.1 If any suit, appeal or other proceedings relating to rights and obligations by or against Acoris, in relation to the Research Business Undertaking is pending and/or arising before the effective date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against Hikal, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Acoris.

8.2 Save and except the proceedings referred to in Clause 8.1, all other proceedings shall be continued by or against Acoris. After the effective date, if any proceedings are taken against Acoris in respect of the matters specified in sub clause 8.1 above, it shall defend the same at the cost of Hikal, and Hikal shall reimburse and indemnify Acoris against all liabilities and obligations incurred by Acoris thereof.

8.3 Hikal undertakes to have all proceedings referred to in sub clause 8.1 and 8.2 above transferred to its names and to have the same continued, prosecuted and enforced by or against Hikal to the exclusion of Acoris.

8.4 On and from the Effective Date, Hikal shall and may, if required, initiate any legal proceedings in relation to the contractual rights, title, interest, obligations or liabilities of any nature of Acoris pertaining to the Research Business Undertaking in the same manner and to the same extent as would or might have been initiated by Acoris.

9 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, any of Acoris, in relation to the Research Business Undertaking is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of Hikal, and may be enforced as if, instead of Acoris, in relation to the Research Business Undertaking, Hikal had been a party thereto.

10 STAFF, WORKMEN & EMPLOYEES

10.1 Upon coming into effect of this Scheme, all staff, workmen and employees of Acoris, engaged in or in relation to the Research Business Undertaking and who are in such employment on the Effective Date shall become staff, workmen and employees of Hikal without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Hikal shall not be less favourable than those applicable to them with reference to Acoris, in relation to the Research Business Undertaking on the Effective Date.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and/or Pension Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of Acoris (collectively referred to as "Funds"), in relation to the Research Business Undertaking shall become the trusts/ funds of Hikal for all



purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions 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 Acoris, in relation to the Research Business Undertaking in relation to such Funds shall become those of Hikal. It is clarified that the services of the staff, workmen and employees of Acoris, in relation to the Research Business Undertaking will be treated as having been continuous for the purpose of the said Funds. In the event that Hikal does not have its own fund with respect to any such matters, Hikal shall create its own funds to which the contributions pertaining to the employees of Acoris shall be transferred.

11 PERMISSIONS

Any statutory, regulatory or such other licenses, permissions, approvals or consents forming the basis of or required to carry on the operations of Acoris, in relation to the Research Business Undertaking, shall stand vested in, or transferred to Hikal without any further act or deed and shall be appropriately mutated by the statutory or regulatory Authorities, Government body or by any other person concerned in favour of Hikal upon the vesting and transfer of the Research Business Undertaking pursuant to this Scheme. In so far as they relate to the Research Business Undertaking, the benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to Hikal pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Acoris, in relation to the Research Business Undertaking, are concerned, the same shall vest with and be available to Hikal, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Research Business Undertaking, shall stand

transferred to and vested in Hikal as if the transaction giving rise to the said balance or credit was a transaction carried out by Hikal. The assets and properties pertaining to the Research Business Undertaking of Acoris, shall not be required to be and shall not be physically transferred from any premises or location relating to the Research Business Undertaking and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to vesting of the Research Business Undertaking in Hikal in accordance with the Scheme.

12 SECURITY

12.1 It is clarified that unless otherwise determined by the Board of Directors of Hikal, in so far as the assets comprising the Research Business Undertaking of Acoris are concerned, the same shall not be available as security in relation to the existing borrowings or obligations of Hikal, if any & the same shall continue to be available as security with respect to the existing borrowings of Acoris.



SECTION 3

OTHER TERMS AND CONDITIONS

13. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

Upon coming into effect of the Scheme, the following clause shall be inserted in the memorandum of association of Hikal

"1A To establish a well equipped state-of-art Research And Development centre to carry on Formulations and Analytical Development and preparative experimental and research work for promoting and developing drugs, pharmaceuticals and fine chemicals healthcare preparation of all kinds including Allopathym Ayurvedic, Homeopathic, Unani, Siddha & Biochemic Products & also to improve the existing products, patents, rights in connection with the activities of the company to work, develop, license, sell or otherwise deal with any inventions in which the company is interested as owner licensor or otherwise.

1B To apply for, purchase or otherwise acquire and protect, prolong and renew trade marks, trade names, designs, secret processes, patent rights, " Brevets d'invention", licenses, protections and concessions which may appear likely to be advantageous or useful for the Company and to spend money in experimenting and testing improving or seeking to improve any patents, inventions or rights, which the Company may be acquire or propose to acquire or develop."

The approval to the Scheme by the shareholders under section 391 and sanction to the Scheme by the High Court shall be deemed to be due compliance of the provisions of Section 17, 149 and all other relevant and applicable provisions of the Act for the amendment to the object clause and no separate resolution by shareholders shall be required.



14. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Parties shall with all reasonable dispatch, make applications to the High Court, for obtaining their sanction to this Scheme under Sections 391 to 394 read with sections 78, 100 to 103 of the Act.

15. MODIFICATION / AMENDMENT TO THE SCHEME

The Parties by their respective Board of Directors or any committee/ person duly authorised by the Board of Directors in this regard 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 Court or any other authority may deem fit to direct or impose 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.

16. GENERAL TERMS

It is clarified that all taxes (direct or indirect), cess, fee or other charges payable or any refunds and claims receivable by Acoris relating to the Research Business Undertaking, from the Appointed Date onwards shall, for all purposes, be treated as the tax liabilities or refunds and claims of Hikal. Accordingly, upon the Scheme becoming effective, Hikal is expressly permitted to revise its tax returns / other documents, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

17. CONDITIONS

The Scheme is and shall be conditional upon and subject to the following :

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (b) The Scheme being approved by the respective requisite majorities in number and value of such classes of persons including the members

and creditors of the Parties as may be directed by the Hon'able High Court of Judicature at Bombay and/or any other competent authority as may be applicable.

- (c) The Scheme being sanctioned by the Hon'ble High Court of Judicature at Bombay and / or any other competent authority, as may be applicable under Sections 391 to 394 read with sections 78, 100 to 103 of the Act.
- (d) Certified copies of the Orders of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and / or the Scheme not being sanctioned by the Jurisdictional High Courts or such other competent authority, as may be applicable, and / or the Orders not being passed as aforesaid before 31st day of March, 2014 or within such further period or periods as may be agreed upon by the respective Board of Directors of the Parties (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and /or in connection with the Scheme.

19. 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 Hikal.

TRUE-COPY

Done
30/04/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

CERTIFIED TRUE COPY
HEMANT SETHI & CO.

Hemant Sethi
PROBATEE



IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 138 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 787 OF 2011

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

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement
Between

Acoris Research Limited ('the Transferor
Company')

And

Hikal Limited ('the Transferee Company')

And

Their respective Shareholders and Creditors

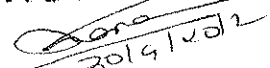
HIKAL LIMITED, a company)
incorporated under the provisions of)
Companies Act, 1956 having its Registered)
Office at 717/718, Maker Chambers V,)
Nariman Point, Mumbai, Maharashtra)
400021.).....Petitioner

**Form of Minutes Proposed to be registered under section 103(1)(b) of the
Companies Act, 1956**

A sum not exceeding Rs. 431,881,657/- (Rupees Forty Three Crores Eighteen Lakhs Eighty One Thousand Six hundred Fifty Seven Only) presently standing to the credit of Securities Premium Account of the Petitioner Company be utilized and reduced as specified in clause 6.2.2 of the Scheme.


Advocates for Petitioner

TRUE-COPY


2019/12/22
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

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Between

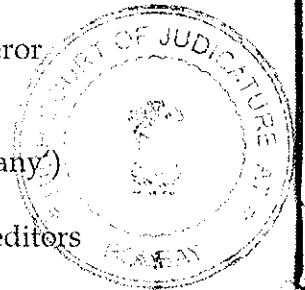
Acoris Research Limited ('the Transferor Company')

And

Hikal Limited ('the Transferee Company')

And

Their respective Shareholders and Creditors



Hikal Limited ...Petitioner

AUTHENTICATED COPY OF ORDER
DATED 30TH DAY OF MARCH 2012 AND
THE SCHEME ANNEXED TO THE PETITION

31/03/2012
Engrossed on 23/04/2012
Section Writer
Folio
Examined by [Signature]
Compared with [Signature]
Ready on 30-4-2012
Authenticated on 2-5-2012

HEMANT SETHI & CO
ADVOCATES FOR PETITIONER