

MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF



UNICHEM
LABORATORIES LTD.



Form I. R.

CERTIFICATE OF INCORPORATION

No. 12451 of 19 62-63.

I hereby certify that UNICHEM LABORATORIES LIMITED

*

*

*

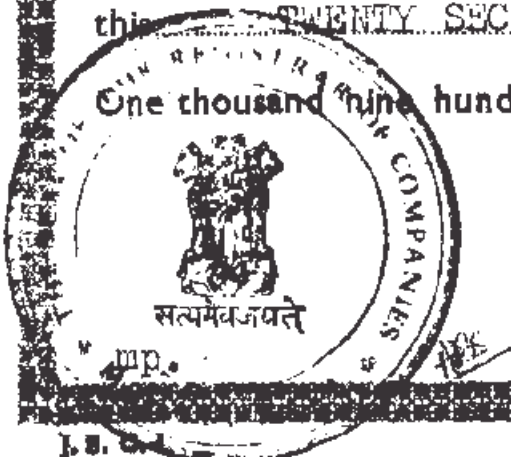
*

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 TWENTY SECOND day of AUGUST

One thousand nine hundred and SIXTY TWO. (31st Sravana, 1884)



T. J. Gondhalekar
(T. J. Gondhalekar)
Registrar of Companies,
Maharashtra.



No.12451.

सत्यमेव जयते

Certificate For Commencement of Business

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

I hereby certify that the UNICHEM LABORATORIES LIMITED

which was incorporated under the Companies Act, 1956, on the Twenty-second day of August 1962

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

Given under my hand at BOMBAY

this TWENTIETH day of MARCH

One thousand nine hundred and SIXTY THREE (29th Phalgun, 1884)

T. J. Gondhalekar
(T. J. GONDHALEKAR.)
Registrar of Companies.
Maharashtra.



J. S. CIVIL
MFP-101 SC-12410-(C-1066)-28-5-60-6,000.

COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
UNICHEM LABORATORIES LIMITED.

- I. The name of the Company is UNICHEM LABORATORIES 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:-
 1. To acquire and take over as a going concern the business now carried on at Bombay at Amrut Vithaldas Mody as manufacturing chemist and dealer in pharmaceuticals and medicinals in the name and style of UNICHEM LABOARATORIES as the Sole Proprietor thereof, with all or any of the assets and liabilities of the said business on such terms and conditions as may be agreed upon and with a view thereto to adopt, become parties to and to enter into such Agreements or other deeds, instruments and writings as may be deemed proper or advisable and to agree to make such modifications therein as may be though fit by the Directors of the Company and to carry the same info effect with or without modifications.
 2. To manufacture any chemicals, heavy or fine, organic, inorganic, biological or any other from raw materials of vegetable, animal or mineral origin or from other chemicals or from by-products or waste products of other trades and industries and raw materials and chemicals available in India or imported.

3. To manufacture A. R. Chemicals, stains, Papers and reagents for chemical, physical, medical, microbiological, bacteriological and all other Purposes.
4. To work as consulting and analytical chemists and consulting chemical engineers and technologists.
5. To manufacture chemical, physical, medical, biological, physiological and other apparatus, instruments and appliances and to make measuring and control instruments electrical, electronic, mechanical or others.
6. To manufacture medicinal, pharmaceutical, biological and other preparations and chemicals and to manufacture alkaloids, extracts, drugs, antibiotics and tranquilisers useful in human therapy and for use against pathogenic bacteria, fungi, protozoa and virus infections, by physical, chemical fermentation, bacteriological or other methods independently or under licence.
7. To prepare synthetic and other foods for human consumption, cattle and other feeds of all kinds by chemical, fermentation or other processes or by compounding such as yeast, vitamins, hormones, proteins, aminoacids and preparations containing minerals.
8. To carry on the business of the manufacture of insecticides, fungicides, antibiotics and sprays, dips, manures, fertilisers and other requisites of all kinds for animal therapy and agriculture, horticulture, silviculture, fruit and flower gardens.
9. To carry on the business of buying, selling, manufacturing, refining, manipulating, importing, exporting, distributing and dealing in all substances scientific and electrical apparatus and instruments, materials, drugs, injections, and medicines domestic or otherwise, and including homeopathic, ayurvedic, allopathic and unani, colours and chemicals.
10. To carry on the business of buying, selling, manufacturing, refining, manipulating, importing, exporting, distributing, dealing in electrical, cements, oils, varnishes, minerals and other substances and their allied or substitute products.
11. To carry on the business as chemist, druggist, drysalters, oil and colourmen, importers, exporters, manufacturers of and dealers and agents in pharmaceuticals, medicinal, and any material or materials that can be used in industry of any

type or in agriculture.

12. To buy, sell, manufacture and deal in chemical, physical and all kinds of scientific apparatus and appliances required for the use of any person, firm or Company, or calculated directly or indirectly to benefit the Company.
13. To carry on the business of manufacturers of and dealers in anatomical orthopaedic, and surgical appliances of all kinds
To carry on the business of bootmakers, staymakers, corset makers artificial eye and limb makers, bandage makers, crutch, chair and stretcher makers, carriage makers, ambulances makers, chemists and druggists, and providers of all requisites for hospitals, patients and invalids.
14. To manufacture silicate of soda, potash or any other metal and of all description and compositions, silica gel, Precipitated and other forms of silica and all other derivatives and compounds and compositions of silica, silicates and Silicones.
15. To manufacture electroplating salts, compositions, aids and accessory preparations.
16. To manufacture machinery, appliances and accessories required in the electroplating trade.
17. To manufacture plastics and their raw materials, synthetic fibres and their raw materials and aids or accessories.
18. To maintain mechanical, electrical and chemical engineering workshops for the manufacture of appliances, instruments and machinery required for use of the Company and for sale.
19. To prepare auxiliaries for any industry or trade and to carry on the business of processing any kind of fibre of cloth, metals, metal wires and sheets, papers or any other material, vegetable or animal, such as by waterproofing, India- rubber coating, with oils, chemicals, plastics, synthetic resins, rubber etc.
20. To acquire mining rights for extracting minerals, to sell them as such to process them or to use them as raw materials for the manufacture of chemicals.
21. To refine, purify and process chemicals raw or wash materials of any kind on contract basis or otherwise.
22. To buy, sell, manufacture and deal in carton boxes, jars

bottles, ampules, flasks and containers and receptacles of all kinds whether made of wood, steel, tin or other metal or card-board, paper, clay, china-clay, glass, plastic or any material or substance and to buy, manufacture and deal in wood, timber, tin, steel or other metals, and boards, cards, papers, clay, china-clay, glass, plastic and any other materials and substances used for such purpose.

23. To manufacture paints for use in factory or for sale.
24. To manufacture polishing compositions for various industries.
25. To carry on business of every kind, and to act as merchants, traders, commission or other agents, or in any other capacity whatsoever in India or elsewhere, to carry on the business of providing services of every kind, and to import, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, products, articles, merchandise, services, conveniences and amenities of every kind.
26. To subscribe for, purchase, or otherwise acquire and hold, sell, dispose of, and to deal in shares, stocks, debentures, debenture stock, of any limited company or securities of any authority, Supreme, Municipal, local or otherwise.
27. To buy, sell, manufacture, repair, alter and exchange, let on hire, export and deal in all kinds of articles and things which may be required for the purposes of any of the said business, or commonly supplied or dealt in by persons engaged in any such businesses, or which may seem capable or being profitably dealt with in connection with any of the business of the Company.
28. To work, construct, and maintain buildings, works and conveniences of all kinds suitable for any of the purposes of the Company.
29. To carry on any other business, whether manufacturing or otherwise which may seem to the Company of being conveniently carried on in connection with any of the objects of the Company.
30. To carry on business of advertising goods, advertising agents and designers of advertisements in all their branches.
31. To carry on business of paper making, printing and allied lines.

32. To act as managers, managing agents, and secretaries and treasurers, of any company individual or firm or Association and for such periods and on such remuneration, terms and conditions as may be agreed upon from time to time between the Company and such company, individual, firm or association.
33. To pay for any properties, rights or privileges acquired by this Company either in shares of the Company or partly in shares and partly in cash or otherwise and to give shares or stock of this Company in exchange for shares or stock of any other company.
34. To borrow or raise or secure the payment of money or to receive money on deposit at interest for any of the purposes of the Company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise including debentures or debenture-stock convertible into shares of this or any other company or perpetual annuities and in security for any such money so borrowed, raised or received or for any such debentures or debenture- stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities, provided that the Company shall not carry on banking business as defined in the Banking Companies Act.
35. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other institutions, objects or purposes or for any exhibition.
36. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and undertake and carry on all scientific technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration of scientific or technical professors or teachers and by providing for the award or exhibition, scholarships, prizes and grants to students or

independent students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on.

37. To act as Brokers, Purchase Agents, Sales Agents etc., for goods or property of any kind whatsoever.
38. To form, promote, subsidise and assist companies, syndicates and partnerships of all kinds in any manner as may be thought fit.
39. To act as Agents, Brokers, and as Trustees and to undertake and perform sub-contracts and also to act in any of the business of the Company through or by means of agents, brokers, sub-contractors or others.
40. To search for and to purchase or otherwise acquire from any Government, State or Authority any licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
41. To purchase or otherwise acquire sell, dispose of, and deal in, immovable property of all kinds, and in particular lands, buildings, hereditaments, business concerns and undertakings, mortgage charges, debenture stock, securities, concessions, options, produce, book debts and claims any interest in any kind of property and any claims against such property or against any persons or company or others and to carry on any business undertaking or concern, so acquired. And to subscribe for, take, acquire, hold, sell and exchange shares, debentures, debenture-stocks, bonds, obligations or securities of any kind or authority, Central, Provincial Municipal, Local, or otherwise or for any Company, corporation or body corporate or unincorporated or Association or Society and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by, or incident to the ownership or holding thereof.
42. To hold, use, cultivate, work, manage, improve, carry on and develop the undertaking, lands and moveable and immovable estate or property and assets of any kind of the company or any part thereof.
43. To let, mortgage or sell or otherwise dispose of any property of the Company either absolutely or conditionally and in

such manner and upon such terms and conditions in all respects as may be thought fit and to accept payment or satisfaction for the same in cash or otherwise.

44. To enter into partnership or into any arrangements for sharing profits, union of interests, reciprocal concession or co-operation with any person, partnership or Company and to promote and aid in promoting, constituting, forming and organizing Companies, Syndicates or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of this Company or of advancing directly or indirectly the objects thereof or for any other purpose which this Company may think expedient. And also to pay for any properties rights or privileges required by this Company either in shares of the Company or partly in shares and partly in cash or otherwise and to give shares or stock of this Company in exchange for share of any other Company.
45. To apply for, purchase or otherwise acquire any patents, brevet de inventions, licences, concessions and the like conferring an exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem directly or indirectly to benefit the Company and to use, exercise or develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
46. To enter into any arrangements with any Governments or authorities Supreme, Municipal, Local or otherwise, that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authorities any rights, privileges and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
47. To carry on any other business which may seem to the Company capable of being carried on in connection with the above objects mentioned in this Memorandum or any of them or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
48. To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company upon securities and shares or other moveable or immovable property or

without security upon such terms and in such manner as may be thought proper and from time to time to vary such transaction and investments in such manner as the Directors may think fit.

49. To draw, make, accept, endorse, discount, execute, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
50. To make donations to such persons or insitutions and in such cases and whether of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or, corporation introducing or assisting in any manner business of this company.
51. To establish and support or aid in the establishment of and support associations, institutions, Companies, Societies, funds, trusts and conveniences for the benefit of the employees or ex-employees or of persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or by way of lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds, to or for such persons.
52. To form, subscribe or contribute to or otherwise to assist, aid or guarantee money to public, charitable, benevolent, religious, Scientific, national, political or other institutions, funds, objects or purposes and to any other institutions, funds, objects or purposes which in the opinion of the Board of Directors are likely to promote the interests or the business of the Company and /or to further its objects and /or to any other institutions, funds, objects or purposes whatsoever whether directly relating to the business of the Company or not.
53. To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Educational fund or any other special fund or Reserves whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purposes conducive to the interest of the Company.
54. To amalgamate with any other company.

55. To indemnify Members, Officers, Directors, Agents and Servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatever which shall happen in the execution of the duties of their offices or in relation thereof.
56. To distribute any of the property of the Company amongst the members in specie or kind.
57. To place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply as the Company may from time to time think fit, any money received by way of premium on Shares or Debentures issued or Debentures issued at a premium by the Company and any money received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares or from unclaimed dividends.
58. To accumulate capital from the profits of the Company for any of the purposes of the Company and to use and appropriate the same or any of the Company's assets either conditionally or unconditionally to specific purposes.
59. To pay out of the funds of the Company all expenses of and incidental to the formation, registration, advertisement and establishment of this Company and the issue and subscription of the share or loan capital including brokerage and/or commission for obtaining applications for or placing or guaranteeing the placing of shares or any debentures, debenture-stock and other securities of this Company and also all expenses attending the issue of any circular or notice and the printing, stamping and circulating of proxies and forms to be filled up by the members of the Company.
60. To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and whether by or through agents, trustees, subcontractors, or otherwise and either alone or in conjunction with others and to allow any property to remain outstanding with such agents or trustees.
61. To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.
62. To undertake, carry out promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in

any area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.

Without prejudice to the generality of the foregoing, "Programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area likely to promote and assist rural development, and the words "rural area" shall include such areas as may be regarded as rural areas under Section 35CC of the Income - Tax Act, 1961, or any other law relating to rural development for the time being in force and in order to implement any of the above mentioned objects or purposes transfer without consideration or at a fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of such association or institution or any public or local body or authority or Central or State Government or any public institutions or trusts engaged in the programme of rural development.

63. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means and without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, etc., or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, trust, etc., having any one or more of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and in order to implement any of the mentioned objects or purposes transfer without consideration or at a fair or concessional value and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any State Government or any public institutions or trusts established or operating under by virtue of, or pursuant to any law for the time being in force.

64. To carry on the business of leasing and hire purchase finance of movable and immovable properties and to lend or provide on lease or on hire or on hire purchase basis all types of industrial and office equipment, plant, machinery vehicles, buildings and real estate, required for manufacturing, processing, transportation, trading commercial and other purposes and in connection with or for any of these purposes to sale and purchase the aforesaid, to purchase agreements, lend money, give guarantees or security or otherwise finance or assist all or such purposes on such terms and in such manner as may be desirable or expedient.
65. To invest moneys of the Company in and subscribe for, acquire, hold and deal in shares, stocks, debentures or securities of any other company or corporation or in any other securities.
66. To carry on the business of real estate and construction including construction and development of roads and for that purpose, buy, sell, purchase, lease, sub-lease or on rent or on tenancy or on license or otherwise maintain, develop, demolish, construct, build, erect, alter, repair, remodel and turn to account any land or building owned or acquired or leased by the Company in which the Company may be interested as owners, lessors, lessees, licensees, architects, builders, interior decorators, designers, vendors, contractors, property developers, and real estate owners and agents whether such land or building or the development thereof be for or in respect of residential or commercial purposes such as multi-storeyed buildings, complexes, houses, flats, offices, shops, garages, cinema theatres, business and industrial centers, factories, amusement parks, malls, industrial growth centre, hotels, restaurants, motels, pubs, inns, taverns, resorts or other structures and purchasing, holding in stock or selling materials or trading in construction materials and building accessories, electrical, sanitary, plumbing and other fixtures, fittings, equipments, plant, machinery, tools & appliances including furniture, fixtures, household goods, and decoration materials.

(Inserted by Special Resolution through Postal Ballot - November 30, 2010)

Provided that the Company shall not carry on any business which may come within the purview of the Banking Companies Act or of the Insurance Act.

AND IT IS HEREBY DECLARED that the word "Company"

in the Memorandum when applied otherwise than to this Company shall whenever the context shall so require or admit, be deemed to include any authority, partnership or other body of persons whether incorporated or unincorporated and whether domiciled in India or elsewhere and that the intention is that the objects specified in the several paragraphs of this Memorandum shall be regard as independent objects and accordingly shall be in no way limited or restricted in their application (except when otherwise expressed in such paragraphs) by reference to the objects in any other paragraph or the name of the Company, but may be carried out in as full as ample a manner and construed and applied in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

IV. The liability of the Members is limited.

CAPITAL AND SHARES

*V. The Authorised Share Capital of the Company is ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 17,50,00,000 (Seventeen Crore Fifty Lakhs) Equity Shares of ₹ 2/- (Rupees Two only) each, 50,00,000 (Fifty Lakhs) Preference Shares of ₹ 10/- (Rupees Ten only) and 5,00,00,000 (Five Crore) Unclassified Shares of ₹ 2/- (Rupees Two only) each and the Company shall be at liberty to issue such shares with preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The Company shall also be at liberty upon any increase of capital to issue any new shares with preferential, deferred or special rights, privileges or conditions attached thereto. The rights for the time being attached to any shares having privileges or conditions attached thereto may be altered or dealt with in accordance with the provisions of the accompanying Articles of Association or according to provision of law but not otherwise.

* (Amended in 47th Annual General Meeting held on September 16, 2010)

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

Name of Subscribers	Description, occupation and address of Subscriber	Number of Shares taken by each Subscriber	Name, address, description and occupation of witness.
Amrut, Son of Vithaldas Chhaganlal Mody	Industrialist & Businessman, 47A, Jussawala Court, Bhulabhai Desai Road, Bombay - 26.	50 (Fifty) Equity.	Mota Dhunjibhoy Vakil, 77, Mistry Park, Warden Road, Bombay - 26 Service
Tryambak, Son of Hari Vithal Tulpule	Consulting Physician, 167E, Dr. Ambedkar Rd., Dadar, Bombay - 14.	50 (Fifty) Equity.	
Balkrishna, Son of Chandulal Ranchhoddas Modi	Merchant, Vasant Mahal, "C" Road, Churchgate Recl., Bombay - 01.	50 (Fifty) Equity.	
Himatlal, Son of Varjivan Khushal Gandhi	Industrialist, Jyoti Sadan, Marine Drive, Bombay - 01.	50 (Fifty) Equity.	
Dwarkadas, Son of Laxmichand Khimjee Varia	Industrialist, 422, Shradhanand Road, Bombay - 19.	50 (Fifty) Equity.	
Ramchandra, Son of Vishwanath Mahadeo Sathe	Consulting Physician, Nagindas Mansion, Girgaum Road, Bombay - 04.	50 (Fifty) Equity.	
Purushottam, Son of Ghanashyam Madhavrao Kasbekar	Physician, 13, Laburnum Road, Bombay - 07.	10 (Ten) Equity.	

Dated this 9th day of August 1962.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION
OF

UNICHEM LABORATORIES LIMITED.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on July 12 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

- | | | | |
|----|-----|--|--|
| 1. | (1) | The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table 'F' not to apply |
| | (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

Interpretation

- | | | | |
|----|-----|--|----------------|
| 2. | (1) | In these Articles- | |
| | (a) | "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | "The Act" |
| | (b) | "Articles" means these articles of association of the Company or as altered from time to time. | "The Articles" |

"The Board of Directors" or "The Board"	(c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
"The Company"	(d) "Company" means Unichem Laboratories Limited.
"The Rules"	(e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
"The Seal"	(f) "seal" means the common seal of the Company.
"Number" and "Gender"	(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
Expressions in the Articles to bear the same meaning as in the Act	(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

Share capital and variation of rights

Shares under control of Board	3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
Directors may allot shares otherwise than for cash	4.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
Kinds of Share Capital	5.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: <ul style="list-style-type: none"> (a) Equity share capital: <ul style="list-style-type: none"> (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital
Issue of certificate	6.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide-

- (a) one certificate for all his shares without payment of any charges; or
- (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. Certificate to bear seal
- (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. One certificate for shares held jointly
7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. Option to receive share certificate or hold shares with depository
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. Issue of new certificate in place of one defaced, lost or destroyed
9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.
10. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. Power to pay commission in connection with securities issued
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. Rate of commission in accordance with Rules
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. Mode of payment of commission
11. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of
- Variation of members' rights

that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

- Provisions as to general meetings to apply *mutatis mutandis* to each meeting
- Issue of further shares not to affect rights of existing members
- Power to issue redeemable preference shares
- Further issue of share capital
- Mode of further issue of shares
- Company's lien on shares
- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
13. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - (b) employees under any scheme of employees' stock option; or
 - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Lien

15. (1) The Company shall have a first and paramount lien -
- (a) on every share/ debenture (not being a fully paid share/debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions

- of this clause.
- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. Lien to extend to dividends, etc.
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: As to enforcing lien by sale
 Provided that no sale shall be made-
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Validity of sale
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. Purchaser to be registered holder
- (3) The receipt by the Company of the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) will result in the purchaser getting the good title to the shares, constitute a good title to the share and the purchaser shall be registered as the holder of the share. Validity of Company's receipt
- (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. Purchaser not affected
18. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. Application of proceeds of sale
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. Payment of residual money
19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has Outsider's lien not to affect Company's lien

received notice of any such claim.

- Provisions as to lien to apply *mutatis mutandis* to debentures, etc.
20. The provisions of these Articles relating to lien in respect of shares/ debentures shall *mutatis mutandis* apply to any other securities of the Company.

Calls on shares

- Board may make calls
21. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- Notice of call
- (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
- Board may extend time for payment
- (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
- Revocation or postponement of call
- (4) A call may be revoked or postponed at the discretion of the Board.
- Call to take effect from date of resolution
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- Liability of joint holders of shares
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- When interest on call or instalment payable
24. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
- Board may waive interest
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- Sums deemed to be calls
25. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- Effect of non-payment of sums
- (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- Payment in anticipation of calls may carry interest
26. The Board -
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled

- and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest, subject to the Act and the Rules, at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. Instalments on shares to be duly paid
28. All calls shall be made on a uniform basis on all shares falling under the same class.
Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class. Calls on shares of same class to be on uniform basis
29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. Partial payment not to preclude forfeiture
30. The provisions of these Articles relating to calls on shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to calls to apply *mutatis mutandis* to debentures, etc.
- Transfer of shares**
31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32. The Board may, subject to the right of appeal conferred by the Act decline to register - Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless- Board may decline to recognise instrument of transfer
- (a) the instrument of transfer is duly executed and is in the

- form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.

- Transfer of shares when suspended
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
Provided that such registration shall not be suspended for more than thirty days at anyone time or for more than forty-five days in the aggregate in any year.
- Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.
35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transmission of shares

- Title to shares on death of a member
36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- Estate of deceased member liable
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- Transmission Clause
37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- Board's right unaffected
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- Indemnity to the Company
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
- Right to election of holder of share
38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing

- signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. Manner of testifying election
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. Limitations applicable to notice
39. A person 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 if he were the registered holder of the share, 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 meetings of the Company:
 Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. Claimant to be entitled to same advantage
40. The provisions of these Articles relating to transmission of shares by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transmission to apply mutatis mutandis to debentures, etc.
- Forfeiture of shares**
41. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. If call or instalment not paid notice must be given
42. The notice aforesaid shall: Form of notice
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

- In default of payment of shares to be forfeited
43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- Receipt of part amount or grant of indulgence not to affect forfeiture
44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
- Entry of forfeiture in register of members
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members. No forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
- Effect of forfeiture
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
- Forfeited shares may be sold, etc.
47. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
- Cancellation of forfeiture
- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- Members still liable to pay money owing at the time of forfeiture
48. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- Member still liable to pay money owing at time of forfeiture and interest
- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
- Cesser of liability
- (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such

- monies in respect of the shares.
49. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (3) The transferee shall thereupon be registered as the holder of the share; and
- (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. Subject to the provision of the Act and the Rules, the provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Certificate of forfeiture

Title of purchaser and transferee of forfeited shares

Transferee to be registered as holder

Transferee not affected

Validity of sales

Cancellation of share certificate in respect of forfeited shares

Surrender of share certificates

Sums deemed to be calls

Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.

Alteration of capital

Power to alter
share capital

55. Subject to the provisions of the Act, the Company may, by ordinary resolution -
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Shares may be
converted
into stock

56. Where shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) 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 privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" or "member" shall include "stock" and "stock-holder" respectively.

Right of
stockholders

Reduction of
capital

57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, -
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or
 - (d) any other reserve in the nature of share capital.

Joint Holders

- | | | |
|-----|---|--|
| 58. | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: | Joint-holders |
| | (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. | Liability of Joint-holders |
| | (b) On the death of anyone or more of such jointholders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. | Death of one or more joint- holders |
| | (c) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. | Receipt of one sufficient |
| | (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. | Delivery of certificate and giving of notice to first named holder |
| | (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. | Vote of joint-holders |
| | (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. | Executors or administrators as joint holders |
| | (f) The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other | Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc. |

securities including debentures of the Company registered in joint names.

Capitalisation of profits

- | | | | |
|---|-----|-----|--|
| Capitalisation | 59. | (1) | <p>The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve-</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> |
| Sum how applied | (2) | | <p>The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).</p> |
| Powers of the Board for capitalisation | 60. | (1) | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall -</p> <p>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> |
| Board's power to issue fractional certificate/coupon etc. | | (2) | <p>The Board shall have power-</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in</p> |

- fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.

Agreement
binding on
members

Buy-back of shares

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Buy-back of
shares

General Meetings

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Extraordinary
general meeting

Powers of Board
to call extraordinary
general meeting

Proceedings at General Meetings

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- (3) The quorum for a general meeting shall be as provided in the Act.
65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

Presence of
Quorum

Business confined
to election of
Chairperson
whilst chair vacant

Quorum for
general meeting

Chairperson of
the meetings

Directors to
elect a
Chairperson

Members to
elect a
Chairperson

- Casting vote of Chairperson at general meeting
- Minutes of proceedings of meetings and resolutions passed by postal ballot
- Certain matters not to be included in Minutes
- Discretion of Chairperson in relation to Minutes
- Minutes to be evidence
- Inspection of minute books of general meeting
- Members may obtain copy of minutes
- Powers to arrange security at meetings
68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting-
- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, but not exceeding a sum of ten rupees for each page or part of any page, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly

conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Adjournment of meeting

- | | | | |
|-----|-----|--|--|
| 72. | (1) | The Chairperson may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
| | (2) | No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. | Business at adjourned meeting |
| | (3) | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of adjourned meeting |
| | (4) | Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |

Voting rights

- | | | | |
|-----|-----|---|---|
| 73. | | Subject to any rights or restrictions for the time being attached to any class or classes of shares - | Entitlement to vote on show of hands and on poll |
| | (a) | on a show of hands, every member present in person shall have one vote; and | |
| | (b) | on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. | |
| 74. | | A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. | Voting through electronic means |
| 75. | (1) | In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. | Vote of joint-holders |
| | (2) | For this purpose, seniority shall be determined by the order in which the names stand in the register of members. | Seniority of names |
| 76. | | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or anyone of his guardians. | How members non compos mentis and minor may vote |
| 77. | | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the | Votes in respect of shares of deceased or insolvent members, etc. |

time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Business may proceed pending poll

78. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Restriction on voting rights

79. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Restriction on exercise of voting rights in other cases to be void

80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

Equal rights of members

81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

Member may vote in person or otherwise

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Proxies when to be deposited

(2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Form of proxy

83. An instrument appointing a proxy shall be in the form as prescribed in the Rules.

Proxy to be valid notwithstanding death of the principal

84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

- | | | |
|-----|--|---|
| 85. | Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen) . | Board of Directors |
| 86. | <p>(1) Subject to the provision of the Act, Dr. Prakash A. Mody, Chairman and Managing Director shall not retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.</p> <p>(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.</p> | <p>Directors not liable to retire by rotation</p> <p>Same individual may be Chairperson and Managing Director / Chief Executive Officer</p> |
| 87. | <p>(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.</p> <p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-</p> <p style="margin-left: 40px;">(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p style="margin-left: 40px;">(b) in connection with the business of the Company.</p> | <p>Remuneration of directors</p> <p>Remuneration to require members' consent</p> <p>Travelling and other expenses</p> |
| 88. | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. | Execution of negotiable instruments |
| 89. | <p>(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p> | <p>Appointment of additional directors</p> <p>Duration of office of additional director</p> |
| 90. | (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be | Appointment of alternate director |

- appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- Duration of office of alternate director (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- Re-appointment provisions applicable to Original Director (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
- Appointment of director to fill a casual vacancy 91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- Duration of office of Director appointed to fill casual vacancy (2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated

Powers of Board

- General powers of the Company vested in Board 92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Proceedings of the Board

- When meeting to be convened 93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- Who may summon Board meeting (2) The Chairperson or any one of the Directors with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- Quorum for Board meetings (3) The quorum for a Board meeting shall be as provided in the Act.
- Participation at Board meetings (4) The participation of directors in a meeting of the Board

- may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Questions at Board meeting how decided
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting
95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. Directors not to act when number falls below minimum
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be Chairperson of the meeting. Directors to elect a Chairperson
97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Delegation of powers
- (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. Committee to conform to Board regulations
- (3) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Committee meetings
98. (1) A committee may elect a Chairperson of its meetings unless the Board, while constituting a committee, has appointed a Chairperson of such committee. Chairperson of Committee
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting. Who to preside at meetings of Committee
99. (1) A committee may meet and adjourn as it thinks fit. Committee to meet
- (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present. Questions at Committee meeting how decided
- (3) In case of an equality of votes, the Chairperson of the committee shall have a second or casting vote. Casting vote of Chairperson at Committee meeting

Acts of Board or Committee valid notwithstanding defect of appointment

100. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of anyone or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Passing of resolution by circulation

101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Chief Executive Officer, etc.

102. (a) Subject to the provisions of the Act,-
A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

Director may be chief executive officer, etc.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Registers

Statutory registers

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits

prescribed by the Rules.

104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

Foreign register

The Seal

105. (1) The Board shall provide for the safe custody of the seal.
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two director or the manager or the managing director, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

The seal, its custody and use
Affixation of seal

Dividends and Reserve

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
108. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
109. (1) Subject to the rights of persons, if any, entitled to shares

Company in general meeting may declare dividends

Interim dividends

Dividends only to be paid out of profits

Carry forward of profits

Division of profits

with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

- | | | |
|---|----------|---|
| Payments in advance | (2) | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. |
| Dividends to be apportioned | (3) | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. |
| No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom | 110. (1) | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| Retention of dividends | (2) | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause herein before contained, entitled to become a member, until such person shall become a member in respect of such shares. |
| Dividend how remitted | 111. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. |
| Instrument of payment | (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. |
| Discharge to Company | (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. |
| Receipt of one holder sufficient | 112. | Anyone of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. |
| No interest on dividends | 113. | No dividend shall bear interest against the Company. |
| Waiver of dividends | 114. | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective |

only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Accounts

115. (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the books of account and books and papers of the Company, or any of them, shall be open to the inspection of members (not being a director) in accordance with the applicable provisions of the Act and the Rules. Inspection by members
- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. Restriction on inspection by members

Winding up

116. Subject to the applicable provisions of the Act and the Rules made thereunder - Winding up of Company
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or Directors and officers right to indemnity

become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Insurance

General Power

General power

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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

Name of Subscribers	Description, occupation and address of Subscriber	Number of Shares taken by each Subscriber	Name, address, description and occupation of witness.
Amrut, Son of Vithaldas Chhaganlal Mody	Industrialist & Businessman, 47A, Jussawala Court, Bhulabhai Desai Road, Bombay - 26.	50 (Fifty) Equity.	Mota Dhunjibhoy Vakil, 77, Mistry Park, Warden Road, Bombay - 26 Service
Tryambak, Son of Hari Vithal Tulpule	Consulting Physician, 167E, Dr. Ambedkar Rd., Dadar, Bombay - 14.	50 (Fifty) Equity.	
Balkrishna, Son of Chandulal Ranchhoddas Modi	Merchant, Vasant Mahal, "C" Road, Churchgate Recl., Bombay - 01.	50 (Fifty) Equity.	
Himatlal, Son of Varjivan Khushal Gandhi	Industrialist, Jyoti Sadan, Marine Drive, Bombay - 01.	50 (Fifty) Equity.	
Dwarkadas, Son of Laxmichand Khimjee Varia	Industrialist, 422, Shradhanand Road, Bombay - 19.	50 (Fifty) Equity.	
Ramchandra, Son of Vishwanath Mahadeo Sathe	Consulting Physician, Nagindas Mansion, Girgaum Road, Bombay - 04.	50 (Fifty) Equity.	
Purushottam, Son of Ghanashyam Madhavrao Kasbekar	Physician, 13, Laburnum Road, Bombay - 07.	10 (Ten) Equity.	

Dated this 9th day of August 1962.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CWIL JURISDICTION

COMPANY PETITION NO.234 OF 1997

CONNECTED WITH

COMPANY APPLICATION NO.856 OF 1996

In the matter of the Companies Act, I of 1996;

And

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

And

In the matter of Unichem Laboratories
Limited;

And

In the matter of the Scheme of Amalgamation
of Unisearch Limited and Unichem Exports
Limited with Unichem Laboratories Limited.

Unichem Laboratories Limited,)
a Company incorporated under)
the provisions of the Companies)
Act, 1956, having it's Registered)
Office at 2nd floor,)
Mahalaxmi Chambers)
22, Bhulabhai Desai Road)
Mumbai 400 026.)Petitioner.

Coram : Smt. K. K. Baam, J.

Dated 31st July, 1997

UPON THE PETITION of Unichem Laboratories Ltd., the Petitioner Company above named, solemnly declared on the 30th day of January 1997 and presented to this Hon'ble Court on the 31st day of January, 1997 for sanctioning the arrangement embodied in the Scheme of Amalgamation of Unisearch Limited (hereinafter referred to as "UL") and Unichem Exports Limited (hereinafter referred to as "UEL") (both UL and UEL are together hereinafter referred to as the "Transferor Companies") with Unichem Laboratories Limited, the Petitioner Company (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the said Petition **AND** the said Petition being this day called on for hearing and final disposal **AND UPON READING** the said Petition and the Affidavit of Dr. Prakash A. Mody the Managing Director of the Petitioner Company dated the 30th day of January 1997 in support of the said Petition **AND UPON READING** the Affidavit of Mr. K. Subharaman solemnly affirmed on the 9th day of June, 1997, proving publication of notice of the date of hearing of the Petition in the newspapers viz. Indian Express dated 12th day of May, 1997 and Loksatta dated 12th day of May, 1997 and Samakaleen dated 12th May, 1997 as also proving publication of notice of the date of the hearing of the Petition in the Maharashtra Government Gazette dated 8th May 1997, as also proving the service of the notice dated 30th April 1997 to the Creditors of the Petitioner Company (of its. 50,000/

- and above) pursuant to the Order dated 27th day of March, 1997 **AND UPON READING** the Affidavit of Mr. Vikas Baburao Rupe, an employee of M/s. Mulla & Mulla & Craigie Blunt & Caroe solemnly affirmed on the 9th day of June, 1997 proving service of notice dated 9th April 1997 of the hearing of the said Petition, upon the Regional Director, Department of Company Affairs, Mumbai, **AND UPON READING** the order dated the 7th day of November, 1996, passed by this Hon'ble Court in Company Application No.856 of 1996 whereby the Petitioner Company was ordered to convene a meeting of its equity shareholders for the purpose of considering and, if thought fit, approving, with or without modification, the said Scheme of Amalgamation being Exhibit "D" to the affidavit of Dr. Prakash A. Mody dated the 5th day of November, 1996, in support of the said Company Application No.856 of 1996 **AND UPON READING** the affidavit of Mr. K. Subharaman affirmed on the 18th day of December, 1996 proving publication of the notice convening meeting of equity shareholders of the Petitioner Company in the issue of Indian Express dated 3rd day of December, 1996 and Loksatta dated 4th day of December, 1996 and Samakaleen dated 4th day of December, 1996 and dispatch of notice convening the said meeting to individual equity shareholders of the Petitioner Company on 26th December, 1996, pursuant to the said Order dated the 7th day of November, 1996

made by this Hon'ble Court in Company Application No.856 of 1996 **AND UPON READING** the report dated the 24th day of January, 1997, of Mr. Amrut V. Mody, the Chairman of the said meeting of equity shareholders of the Petitioner Company, as to the result of the said meeting **AND UPON READING** the affidavit of Mr. Amrut V. Mody, dated the 24th day of January, 1997 verifying the said report **AND IT** appears from the said report of the Chairman of the said meeting of Equity Shareholders that the proposed Scheme of Amalgamation of the Transferor Companies with the Petitioner Company has been approved by the equity shareholders of the Petitioner Company, present and validity voting either in person or by proxy by a majority of not less than three fourths in value **AND UPON HEARING** Shri. N. A. Agarwal Counsel instructed by M/s Mulla & Mulla and Craigie Blunt & Caroe, Advocates for the Petitioner Company, Shri. V.B. Sakhare with Mrs. S. V. Bharucha, Panel Counsel for the Regional Director, Department of Company Affairs, Mumbai, who submits to the orders of the Court And, no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the same **THIS COURT DOETH HEREBY SANCTION** the arrangement embodied in the Scheme of Amalgamation of Unisearch Limited and Unichem Exports Limited, the Transferor Companies with Unichem Laboratories Limited, the Transferee Company as set forth in Exhibit "A" to the said Petition and in the Schedule hereto **AND THIS COURT DOETH HEREBY DECLARE** the same to be binding on the Petitioner Company and its shareholders as also on the Transferor Companies and their shareholders **AND THIS COURT DOETH ORDER** that with effect from the 1st day of April, 1996 (hereinafter referred to as the "Appointed Date") and subject to the provisions of the scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the movable and immovable properties, assets, investments, powers, authorities, allotments, approvals, and consents licences, registrations, contracts, engagements, arrangements, rights, title, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to all patents, trademarks, trade names, and other, industrial rights, permits, approvals, authorizations, designs, import quotas, right to use and avail of telephones, telexes, facsimile connections, and installations, utilities, electricity and other services, reserves, provisions, funds, benefit of all agreements, and all other interests, (herein after collectively referred to as the "said assets") shall, without any further act, instruct or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company pursuant

to the provisions of Section 394 of the Companies Act, 1956, so as to become the property of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of the Transferor Companies shall also be and stand transferred or deemed to be transferred, without any further act, instrument, or deed to the Transferee Company pursuant to the provisions of Section 394 of the Companies Act, 1956 so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all Suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued, and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of and vesting of the said assets and said liabilities of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall without any further application or deed, issue and allot 5 (five) Equity Shares of Rs. 10/- each, of the Transferee Company, credited as fully paid up, to the shareholders of the Unisearch Limited for every 4 (four) Equity Shares held by them in the Unisearch Limited and 1 (one) Equity Share of lls.10/- each of the Transferee Company, credited as fully paid up, to the shareholders of Unichem Exports Limited for every 3 (Three) shares held by them in (Unichem Exports Limited) as recorded in the Register of Members of the Transferor Companies, on a date ("the Record Date") to be fixed by the Board of Directors of the Transferee Company. AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within a period of 30 days after the date of sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for Registration and on such certified copy of order being so delivered, both the Transferor Companies shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai, shall place all the files, documents and records relating to the Transferor Companies and registered with him on the files kept by him in relation to the Transferee Company and the files of both the Transferor Companies and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation sanctioned herein or any other person or persons interested, therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the Scheme of Amalgamation sanctioned herein and annexed as the schedule hereto AND THIS COURT DOT!! LASTLY ORDER that the Transferee Company do pay a sum of Rs.500/- (Rupees Five Hundred only), to the Regional Director, Department of

Company Affairs, Mumbai, towards the costs of the said Petition
Witness SHRI MANHAI.LAL BHIKHALAL SHAH, Chief Justice
at Bombay aforesaid this 31st day of July, 1997.

By the Court,

Sd/- U.G. Mukadam

For Prothonotary & Senior Master.

SEAL

Sd/- U.G.Mukadam

SEALER

This 13th day of August, 1997

OEDER SANCTIONING THE SCHEME OF)
AMALGAMATION under Sections 391)
to 394 of the Companies Act, 1956)
drawn on the application by)
M/s. Mulla & Mulla and Craigie Blunt)
& Caroe, Advocates for the Petitioner)
having their office at Jehangir)
Wadia Building, 51, MB. Road,)
Fort, Bombay 400 001)

SCHEDULE
SCHEME OF AMALGAMATION OF
UNISEARCH LIMITED (UL)
AND
UNICHEM EXPORTS LIMITED (UEL)
WITH
UNICHEM LABORATORIES LIMITED (ULL)

- 1) The Scheme of Amalgamation provides for amalgamation of UL a company incorporated under the Companies Act, 1956, and having its Registered Office at 801, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai-400 026 AND UEL a company incorporated under the Companies Act, 1956, and having its Registered Office at Plot No.9, 68-A, Jai Bharat Society, 3rd Road, Khar (West) Mumbai - 400 052 (hereinafter called “the Transferor Companies” which expression shall, whenever the context requires, include each of UL and UEL WITH ULL a company incorporated under the Companies Act, 1956 and having its registered office at Mahalaxmi Chambers, 2nd Floor, 22 Bhulabhai Desai Road, Mumbai 400 026, (hereinafter called “the Transferee Company”), pursuant to the relevant provisions of the Companies Act, 1956 (hereinafter called “the said Act”)
- 2) a) With effect from commencement of 1st April, 1996, or such other date as the Honble High Court of Bombay may direct, (hereinafter called “the Appointed Date”) and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire business and all the movable and immovable properties, assets, investments, powers, authorities, allotments, approvals and consents, licences, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession in the control of or vested in or granted in favour of or enjoyed by both the Transferor Companies, including but without being limited to all patents, trade marks, trade names and other industrial rights, permits, approvals, authorisations, designs, import quotas,

right to use and' avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds , benefits of all agreements and all other interests (hereinafter collectively referred to as 'the said assets') shall, without any further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act for all the estate, right, title and interest of the Transferor Companies therein.

- b) The transfer/vesting as aforesaid shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided however, any reference in any security documents or arrangements to which either of the Transferor Companies is a party, or the assets of either of the Transferor Companies offered or agreed to be offered as security for any financial assistance, or obligations to the secured creditors of such Transferor Company shall be constructed as reference only to the assets pertaining to the undertaking of such Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause to the end and intent that such charges/ hypothecation/mortgage shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company.
- c) It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the said Act as an integral part of the undertaking.
- D) In respect of such of the said assets other than those referred to in sub-clause (c) above, the same shall as more particularly provided in sub-clause (a) above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the said Act. The Transferee Company may at any time after the coming into effect of this

Scheme in accordance with the provisions hereof, if so required, under any law 'or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which either of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry' out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

3. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies (hereinafter collectively referred to as "the said liabilities") shall also be and stand transferred or deemed to be transferred, without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provision of this clause.
4. This Scheme, though effective from the Appointed Date shall be operative and take effect from the last of the following dates or such other date as the Court may direct, namely:
 - a) the date on which the last of all the consents, approvals, permissions, resolutions, sanctions and orders as are hereinafter referred to have been obtained or passed;
 - b) the date on which certified copies of the Order of the Court under Section 391, 392 and 394 of the said Act are filed with the Registrar of Companies.
 and such date shall be hereinafter referred to as "the Effective Date".
5. With effect from the Appointed Date up to the date on which his Scheme finally takes effect (viz, the Effective Date)
 - a) The Transferor Companies shall carry on and be

deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said assets for and on account of and ip trust for the Transferee Company;

- B) all the profits or incomes accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
 - c) the Transferor Companies shall carry on their business activities with reasonable diligence, prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or without the express prior consent of the Transferee Company.
 - d) save as specifically provided in this Scheme, neither the Transferor Companies nor the Transferee Company shall make any change in their capital structure either by any increase, (by issue of rights shares, Equity or Preference Shares, bonus shares, convertible debentures, or otherwise) decrease, reduction, reclassification sub-division or consolidation, reorganization, or in any other manner which may in any way effect the share exchange ratio, except by mutual consent of the Board of Directors of the Companies;
 - E) the Transferee Company shall also be entitled, pending the sanction of the Scheme to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company, may require.
6. All suits, actions and proceedings, by or against the Transferor Companies pending and/or arising on or before the Effecting Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferee Company.
7. Subject to the provisions of this Scheme all contracts, deeds,

bonds, agreements and other instruments of whatsoever nature to which either of the Transferor Companies is a party or to the benefit of which either of the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date; shall be in full force and effect against or in favour of the transferee company as the case may be & may be enforced as fully and effectively as if, instead of such Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds writings or confirmation or enter into any tripartite Agreement, confirmations or novations to which such Transferor Company will, if necessary also be a party in order to give formal effect to the provisions of this Clause; if so required or becomes necessary.

8. The transfer of the said assets and the said liabilities of the Transferor Companies to the Transferee Company and the continuance of all the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already concluded by the Transferor Companies on or after the Appointed Date.
9.
 - a) The Authorised Share Capital of the Transferor Companies:
 UNISEARCH LTD : Its 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each.
 UNICHEM EXPORTS LTD Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each.
 - b) The Issued, Subscribed and Paid Up Share Capital of the Transferor Companies:
 UNISEARCH LTD.: Rs.62,00,000/- (Rupees Sixty-two Lakhs only) divided into 6,20,000 (Six Lakh and Twenty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each.
 UNICHEM EXPORTS LTD.: Re. 51,00,000/- (Rupees Fifty-one Lakhs Only) divided into 5,10,000 (Five Lakh Ten Thousand) Equity Shares of Its. 10/- (Rupees Ten Only)
 - c) Share Capital of the Transferee Company
 Authorised Capital: Its. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000/- (One Crore)

Equity Shares of Rs.10-(Rupees Ten Only) each. Issued, Subscribed & Paid Up Capital: Rs.3,60,00,000/- Rupees Three Crores Sixty Lakhs Only) divided into 36,00,000 (Thirty Six Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only)

- d) The Transferee Company holds 1,60,000 (One Lakh Sixty Thousand) Equity Shares of Rs.10/- each in Unisearch Ltd. and 2,40,000 (Two Lakh Forty Thousand) Equity Shares of Rs.10/ each in Unichem Exports Ltd.,
- E) The Transferee Company has issued secured non-convertible debentures of the aggregate face value of Rs.One Crore.
10. A) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the said assets and said liabilities of the Transferor Companies in the Transferee Company in terms of this Scheme:-
- i) The shares held by the Transferee Company in the Transferor Companies as mentioned in clause 9(d) above shall stand cancelled.
- (ii) Subject to the aforesaid, the Transferee Company shall without any further application or deed, issue and allot 5(five) Equity Shares of Rs.10/- each, of the Transferee Company, credited as fully paid up, to the shareholders of UL for every 4(four) Equity Shares held by them in UL AND 1(one) Equity Share of Rs.10/- each of the Transferee Company, credited as fully paid, to the shareholders of UEL for every 3 (three) shares held by them in UEL, as recorded in the Register of Members of the Transferor .Companies, on a date (“The Record Date”) to be fixed by the Board of Directors of the Transferee Company.
- b) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the concerned authorities, for the issue and allotment by the Transferee Company to the respective members of the Transferor Companies, the Equity Shares in the said reorganised share capital of the Transferee Company in the ratio aforesaid.
- C) The restrictions, if any, in respect of the

Transfer/Hypothecation/ Sale, as may be applicable to the existing shares or to the holders of shares of the Transferor Companies, and as may be existing on the Record Date referred to in clause 10(a) of this Scheme or the date on which shares are actually allotted pursuant to the foregoing provisions shall be deemed to be abrogated and cease to apply or be attached to the Equity Shares in the Transferee Company to be issued and allotted in exchange or in lieu thereof as provided in this Scheme.

- d) All mandates or other instructions in force at the close of business on the Effective Date relating to the payment of dividends on the Equity Shares of the Transferor Companies shall unless and until revoked be deemed to be valid and subsisting mandates or instructions to the Transferee Company in relation to the corresponding Equity Shares of the Transferee Company to be issued and allotted pursuant to the Scheme.
 - e) The Transferee Company shall not be issued any shares in respect of the shares held by it in the Transferor Companies.
 - F) The issue of shares in the Transferee Company to the nonresident shareholders of the Transferor Companies shall be subject to the requisite approval of the Reserve Bank of India under the provisions of Foreign Exchange Regulations Act, 1973.
11. Upon this Scheme becoming finally effective, all shareholders of the Transferor Companies shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Companies whose names shall appear on the Register of Members of the Transferor Companies on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled and be of no effect, on and from such Record Date.
12. No fractional coupons shall be issued in respect of the fractional entitlement, if any, to which the Shareholders of the Transferor Companies may be entitled on issue and allotment of the Equity Shares of the Transferee Company. The Directors of the Transferee Company shall instead

consolidate all such fractional entitlements to which the members of the Transferor Companies may be entitled and issue and allot Equity Shares in lieu thereof to a Director or an Officer of the Transferee Company with the understanding that he shall sell the same in the market. at the best available price and pay to the Transferee Company, the net. sale proceeds thereof and whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferor Companies in proportion to their fractional entitlement. Holders of less than three Equity Shares in the Transferor Company (i.e. P4/s. Unichem Exports Limited) shall not be entitled to issue or allotment of any share in the Transferee Company but shall receive the sale proceeds in respect of their fractional entitlement.

13. a) At any time and from time to time after the Appointed Date, the Transferee Company shall be entitled to declare and pay dividends whether interim and/or final to its Shareholders for any Financial Year or any period prior to the Effective date. After the Appointed Date, the Transferor Companies shall have the right also to declare and pay such dividends, subject, however, to the approval of the Board of Directors of the Transferee Company. The Transferor Companies and the Transferee Company shall declare and pay dividend only out of the disposable profits earned by respective Companies during such period as permissible in law and shall not transfer any amount from the reserves for the purposes of payment of dividends, unless agreed to be the Board of Directors of all the three Companies.
- b) The Transferee Company will when declaring dividends (including interim dividend), if any, on its Equity Shares for the financial year commencing 1st April, 1996, and for the subsequent financial years keep a provision for dividend at the same rate in respect of the Equity Shares to be allotted under the present Scheme and such dividend on such Equity Shares shall be deemed to be declared and payable if and when this Scheme becomes effective.
- c) Subject to the provisions of this Scheme becoming effective, the profits of the Transferor Companies for the period beginning from 1st April, 1996, shall belong to and be the profits of the Transferee Company and will be available to the Transferee

- Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its year ending 31st March, 1997, or any year thereafter.
- d) Subject to the provisions of the Scheme, the Equity Shares of the Transferee Company to be issued and allotted to the Shareholders of the Transferor Companies, as provided in Clause 10 hereof, shall rank pari-passu in all respects with the existing Equity Shares of the Transferee Company, including the proportionate right or entitlement to dividend in respect of any dividend declared for the accounting period commencing from the Appointed Date. The Equity Shares of the Transferee Company so issued and allotted to the Shareholders of the Transferor Companies in accordance with Clause 10 hereof shall not rank for dividend for any period prior to the Appointed Date, irrespective of the fact that they may have been issued in lieu of Shares held in the Transferor Companies.
- e) The Transferor Companies shall not issue or allot any right shares or bonus shares.
14. a) All Employees of the Transferor Companies in service on the date immediately preceding the date on which this Scheme finally takes effect, i.e. the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to Transferor Companies as on the said date.
- b) It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the Employees of the Transferor Companies are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes, Funds as per the terms provided in the respective Trust Deeds. It is to this end and intent that all the rights, duties powers and obligations of the Transferor Companies in relation to such Funds

shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

15. It is further provided that upon the Scheme coming into effect, the debit balances appearing under the head "Miscellaneous Expenditure" in the books of the Transferor Companies shall be debited by the Transferee Company to 'Miscellaneous Expenditure Account and the same shall thereafter be dealt with in the same manner as they would have been, had they been created by the Transferee Company in its own books.
16. Subject to the provisions of Clause 15 above, the excess of the value of the books of the Transferee Company as follows:
 - i) An amount equal to the balance lying to the credit of the General Reserve in the books of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.
 - ii) An amount equal to the balance lying to the credit of "Profit and Loss Account" in the books of the Transferor Companies shall be credited by the Transferee Company to its General Reserve and shall constitute the Transferee Company's free reserve as effectively as if the same was created by the Transferee Company out of its own earned and distributable profits.
 - iii) The balance, if any, shall be credited by the Transferee Company to an account to be styled as 'Amalgamation Reserve Account'. The said account shall be considered as a -free reserve and shall form part of the net worth of the Transferee Company.
17. The Transfer Companies shall with all reasonable despatch, make applications/petitions under Section 391 and 394 and other applicable provisions of the said Act in the High Court of Judicature at Bombay for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provision of law.
18. The Transferee Company shall also with all reasonable despatch make applications/petitions under Sections 391

and 394 and other applicable provisions of the said Act to the High Court of Judicature at Bombay for sanction of this Scheme under the provisions of law.

19. The Transfer Companies (by their respective Board of Directors) and the Transferee Company (by its Board of Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions or limitations which the Court and/or any other concerned authorities may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.
20. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Directors of the Transferee Company may give and are authorised to give all such directions as are necessary including directions for settling any question of doubt or difficulty that may arise as also all questions relating to the interpretation of the provisions of this Scheme.
21. This Scheme is specifically conditional upon and subject to
 - a) the sanction or approval under any law or of the Central Government or any other Agency, Department or Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
 - b) the approval of and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Companies and the Transferee Company as may be directed by the High Court of Judicature at Bombay on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the said Act for the purpose.
22. In the event of any of the said sanctions and approvals referred to in the proceeding Clause 21 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid before June 30, 1997 (15 months after the Appointed Date) or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their respective Board of Directors (and which the Board of Directors of all the three companies are hereby empowered and authorised to agree

to and extend from time to time without any limitations), the Scheme of Amalgamation shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as contemplated hereunder or as to any right, liability or obligations 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.

23. Subject to the requisite order being passed by the Hon'ble High Court of Bombay under Section 394 of the Act, the Transferor Companies shall be dissolved without winding up on the Scheme becoming effective.
24. All costs, charges and expenses of the Transferor Companies and Transferee Company respectively in relation to or in connection this Scheme and of and incidental to the completion of the amalgamation of the said undertaking of the Transferor Companies in pursuance of this Scheme shall, except as specifically provided herein, be borne and paid by the Transferor Companies and the Transferee Company in such proportions as may be mutually agreed between the respective Board of Directors of the three companies.

**HIGH COURT
O.O.C.J
COMPANY PETITION NO.234 OF 1997 CONNECTED
WITH
COMPANY APPLICATION NO.856 OF 1996**

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

And

In the matter of the Scheme of
Amalgamation of Unisearch Limited and
Unichem Export Limited with Unichem
Laboratories Limited..

Unichem Laboratories Limited Petitioners

ORDER SANCTIONING SCHEME OF AMALGAMATION

Dated this 31st day of July 1997

Filed this 13th day of August 1997

Mulla & Mulla & Craigie Blunt & Caroe,
Advocates for the Pitioners,
Jehangir Wadia Building,
51, M.G. Road, Fort, Bombay - 400 001.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 675 OF 2011**

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 603 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 80,
100 to 103 of the Companies Act, 1956;

AND
In the Matter of Scheme of Arrangement between
AVM Capital Services Private Limited
("ACSPL" or "the First Transferor Company")

AND
Chevy Capital Services Private Limited
("CCSPL" or "the Second Transferor Company")

AND
PM Capital Services Private Limited
("PCSPL" or "the Third Transferor Company")

AND
Pranit Trading Private Limited
("PTPL" or "the Fourth Transferor Company")

AND
Viramrut Trading Private Limited
("VTPL" or "the Fifth Transferor Company")

WITH
Unichem Laboratories Limited
("ULL" or "the Petitioner Company" or "the Transferee
Company")

AND
Their respective Shareholders

Mr. Shyam Mehta, Senior Advocate with Mr. Hemant Sethi i/b M/s.
Hemant Sethi & Co., Advocates for the Petitioner Company.

Mrs. R. N. Sutar, Asst., Official Liquidator present in Company
Scheme Petition No. 670 of 2011, 671 of 2011, 672 of 2011, 673 of
2011 and 674 of 2011

Mr. M. S. Bharadwaj i/b Mr. T C Kaushik for Regional Director.

Mr. Shailesh Mehta, Shareholder of the Transferee Company and
Objector present in person.

CORAM: S.J.KATHAWALLA, J.

JUDGMENT RESERVED ON : 22nd JUNE 2012

JUDGMENT PRONOUNCED ON : 12th JULY 2012

JUDGMENT :

1. By the above Company Scheme Petitions, sanction of this Court is sought under Sections 391 to 394 read with Sections 80, 100 to 103 of the Companies Act, 1956, to the scheme of arrangement whereunder the five Companies 'AVM Capital Services Private Limited (ACPL); Chevy Capital Services Private Limited (CCSPL); PM Capital Services Private Limited (PCSPL); Pranit Trading Private Limited (PTPL); and Viramrut Trading Private Limited (VTPL) (the Transferor Companies) are sought to be merged with Unichem Laboratories Limited (ULL) (the Transferee Company). Pursuant to the Scheme, the entire undertaking of the Transferor Companies would stand vested with the Transferee Company.
2. The shareholders of the Transferor Companies and the Transferee Company have approved the Scheme. A meeting of the share holders of the Transferee Company was held on November 3, 2011. At this meeting, all the share holders present at the meeting, voted in favour of the Scheme, except Mr. Shailesh Mehta the Objector, who holds 750 shares of the Transferee Company, constituting 0.001% of the total share capital of the Transferee Company. Out of the total 158 ballots received, one ballot was invalid. Out of the 157 valid ballots, 156 share holders representing 98.74% in number and 99.99% in value, voted in favour of the Scheme and only the Objector, representing 0.63% in number and 0.001% in value, voted against the Scheme. Further, the share holders voting in favour of the Scheme, comprised of 46 individual share holders, 31 financial institutional investors ('FII's') and 3 Insurance Companies. Thus, the Scheme was approved by an overwhelming majority of 99.99% in value of the shareholders present and voted. The Objector was the only share holder who opposed the Scheme.

The objections raised by the Objector are set out and dealt with hereunder :

3. The first, and the main objection of the Objector is that the Scheme is propounded to avoid capital gains tax that would have arisen if the Transferor Companies would have directly transferred their shares to the Promoters. It is alleged that the

object of the Scheme is not to help the Transferee Company, but to transfer these shares to the Promoter Dr. Prakash Modi. According to the Objector, it is not shown how long term stability would be achieved if the shares are transferred in the name of Dr. Mody. According to the Objector, the Scheme is a colourable device to evade tax, since such a transfer could well have been effected through the stock market. The Scheme in question involves pure transfer of shares without any benefit to the Transferee Company. The Objector has submitted that the decision of the Hon'ble Supreme Court in the case of *McDowell and Company Limited V/s. Commercial Tax Officer*¹ squarely applies to the present case. He has relied upon the separate, but concurring Judgment of Justice Chinnappa Reddy, J., delivered in the aforesaid case, in which it is held that "avoidance of tax was unethical and if a transaction is a device to avoid tax, it should not be permitted". The Objector has pointed out that the learned Judge in this context, also referred to the decision of the Gujarat High Court in the case of *Wood Polymer Limited*² in which case, the learned Single Judge of the Gujarat High Court refused to sanction a scheme which was found to be a device to evade tax. The Objector has also submitted that the decision of the Hon'ble Supreme Court in the case of *Union of India and Anr., V/s. Azadi Bachao Andolan and Anr.*³ is per incurium as it is contrary to the decision of the Constitutional Bench in McDowell's case (supra).

4. The Objector has relied on the decision of the Authority for Advance Ruling (AAR) in the case of Groupe Industrial Marcel Dassault (AAR No.846 and 847 of 2009) which according to him, should be followed since it correctly lays down the law on tax avoidance. The AAR appears to have held that the decision of the Supreme Court in the case of Azadi Bachao Andolan (supra) is not good law and the correct law is as laid down in McDowell's case (supra).
5. On the issue of Tax avoidance, the Objector has also submitted that this Court should direct the Transferee Company to implead the income tax authority as a necessary party. He has further submitted that the shares of the Transferee Company held by the Transferor Companies which are freely tradable and transferrable without any restriction cannot be transferred through a scheme of arrangement as is sought to be done in this case.

1 [1977] (154 ITR 148) (SC)

2 [1977] 47 Comp. cases 597 (Guj)

3 [2004] 10 SCC 1 (SC)

6. The learned Senior Advocate appearing for the Petitioners has submitted that the aforestated submissions / allegations / contentions of the Objector are untenable and baseless. It is submitted that the correct legal position with regard to tax avoidance/evasion is laid down in the decisions of the Hon'ble Supreme Court in the case of *Azadi Bachao Andolan* (supra) and more recently in the case of *Vodaphone International Holdings V/s. Union of India and Ors.*⁴ He submitted that in the case of *Azadi Bachao Andolan* (Supra), the Hon'ble Supreme Court has in paragraphs 137 to 166 explained the rule in McDowell's case with particular reference to the Judgment of Chinnappa Reddy, J. It is submitted that the Objector has relied upon a sentence in the Judgment of Justice Ranganath Mishra in McDowell's case to the effect that "on this aspect one of us, Chinnappa Reddy, J., has proposed a separate and detailed opinion with which we agree". According to the Objector, by virtue of this sentence, the majority also approved the view of Justice Chinnappa Reddy, J. It is submitted that this very argument was considered by the Hon'ble Supreme Court in the case of *Vodaphone International Holdings* (Supra). The Supreme Court also considered the interpretation of McDowell's case in *Azadi Bachao Andolan* (supra) and categorically came to the conclusion that *Azadi Bachao Andolan* (Supra) was correctly decided and that the majority in McDowell's case had not approved the observations of Justice Chinnappa Reddy, J. It is submitted that the decision of the Gujarat High Court in *Wood Polymer Limited* (Supra) is no longer good law, in view of the decisions of the Hon'ble Supreme Court in *Aazadi Bachao Andolan* and *Vodaphone International Holdings* (Supra). It is submitted that as far as the decision of the AAR is concerned, the AAR has no jurisdiction to disagree with the decision of the Hon'ble Supreme Court or to hold that any decision of the Hon'ble Supreme Court is not correct law. It is also submitted that the decision of the AAR is not binding on this Court.
7. As regards the submission of the Objector that this Court should direct the Transferee Company to implead the Income Tax Authority as a necessary party, it is submitted on behalf of the Transferee Company that it is not at all necessary to implead the Income Tax Authority in the present proceedings and infact, it is held by this Court in *Jindal Iron & Steel Company Limited (JISCO) V/s. ACIT (Company Application No.123 of 2004 connected with Company Petition No.76 of*

4. [2012] 341 ITR (SC)

2004) that the income tax department has no locus to intervene in the proceedings under Section 391-394 of the Companies Act, 1956. The learned Senior Advocate appearing for the Petitioner has submitted that the primary assets of the Transferor Companies, comprise of equity shares in the Transferee Company and the cash balance to meet the expenses in relation to the Scheme. The merger of Transferor Companies with the Transferee Company would help in consolidating and streamlining the Promoter holding in the Transferee Company. Therefore, the purpose of this Scheme is to provide long term stability and transparency in the Transferee Company. The Transferor Companies are in existence since 1975. It was felt that it would be in the interest of the Transferee Company to merge the five Transferor Companies with the Transferee Company to enable the Promoter thereof to hold shares directly in the Transferee Company rather than indirectly. The object of the Scheme is not to avoid any tax. It is submitted that there is nothing illegal, unlawful or dubious or colourful in the Scheme and the same is a perfectly legitimate scheme, permissible by law.

8. It is submitted on behalf of the Petitioners that the real motive of the Objector in opposing the Scheme is to prevent the Promoter Dr. Prakash Modi from holding or controlling any shares in the Transferee Company. According to the Petitioners, this is clear from para 12 of the written submissions handed over by the Objector, in which the Objector has contended that once the shares held by the Transferor Companies in the Transferee Company are cancelled and the capital of the Transferee Company is reduced, no new shares should be issued to Dr. Prakash Modi, who is the Promoter of the Transferee Company. This would mean that Dr. Prakash Modi, who presently owns and controls the shares of the Transferee Company through the Transferor Companies should be divested of his share holding. It is submitted that it is well settled that in an amalgamation scheme, share holders of the Transferor Companies are always entitled to the shares of the Transferee Company. Any scheme to the contrary would be unfair and illegal. Consequently, it is clear that the objection of the Objector is clearly contrary to the law and aimed at denying the Promoter of the Transferor Companies of his legitimate shareholding and entitlement in the Transferee Company.
9. As far as adoption of the Scheme is concerned, it is submitted that the Promoters are not aiming for the exit of the Transferee Company through divestment, and have adopted one of the

available methods for reorganizing their share holding. In support of this contention, the Petitioners have relied on the decision in the case of Scheme of Arrangement between Tata Services Limited and Tatanet services Limited (Company Petition No.758 of 2005 connected with Company Application No.540 of 2005) (Bom.) and in the Scheme of Arrangement between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Balkrishna Synthetics Limited (Company Petition No.713 of 2007 connected with Company Application No.771 of 2007) (Bom.). It is therefore, submitted on behalf of the Petitioners that the submissions advanced by the Objector, that the Scheme be rejected on the ground that it is a colourable device to evade tax, be rejected.

10. I have considered the main charge of the Objector that the Scheme is a device for avoidance of tax, and have also considered the submissions advanced on behalf of the Petitioners in response to this charge. In the case of Azadi Bachao Andolan (supra), the Supreme Court has explained the scheme in McDowell's case. Paragraphs 147 to 149 of the said judgment are relevant and are reproduced hereunder : “

147. We may in this connection usefully refer to the judgment of the Madras High Court in M.V.Valliappan V. ITO which has rightly concluded that the decision in McDowell cannot be read as laying down that every attempt at tax planning is illegitimate and must be ignored, or that every transaction or arrangement which is perfectly permissible under law, which has the effect of reducing the tax burden of the assessee, must be looked upon with disfavor. Though, the Madras High Court had occasion to refer to the judgment of the Privy Council in IRC v. Challenge Corpn. Ltd. and did not have the benefit of the House of Lord's pronouncement in Craven the view taken by the Madras High Court appears to be correct and we are inclined to agree with it.

148. WE may also refer to the judgment of the Gujarat High Court in Banyan and Berry v. CIT where referring to McDowell, the Court observed : (ITR p.850 EH)

“The Court nowhere said that every action or inaction on the part of the taxpayer which results in reduction of tax liability to which he may be subjected in future, is to be viewed with suspicion and be treated as a device for avoidance of tax irrespective of legitimacy or genuineness of the Act; an inference which unfortunately, in our opinion, the Tribunal

apparently appears to have drawn from the enunciation made in McDowell case. The ratio of any decision has to be understood in the context it has been made. The facts and circumstances which lead to McDowell decision leave us in no doubt that the principle enunciated in the above case has not affected the freedom of the citizen to act in a manner according to his requirements, his wishes in the manner of doing any trade, activity or planning his affairs with circumspection, within the framework of law, unless the same fall in the category of colourable device which may properly be called a device or a dubious method or a subterfuge clothed with apparent dignity.

149. This accords with our own view of the matter”

11. It is clear from the aforesaid paragraphs that according to the Hon'ble Supreme Court, the decision in McDowell's case cannot be read as laying down that every attempt at tax planning is illegitimate, or that every transaction or arrangement which is perfectly permissible under the law, but has the effect of reducing the tax burden of the assessee must be looked upon with disfavour.
12. In the case of Commissioners of Inland Revenue v. His Grace the Duke of Westminster⁵, on the issue of tax avoidance/evasion, the principle laid down was that “given that a document or transaction is genuine, the Court cannot go behind it to some supposed underlying substance”.
13. In the case of McDowell (supra), Justice Chinnappa Reddy, J., dismissed the observations of J.C.Shah, J., in CIT v. Raman & Co.⁶ based on the Westminster principle by saying “we think that the time has come for us to depart from the Westminster principle as emphatically as the British courts have done and to dissociate ourselves from the observations of Shah, J. and similar observations made elsewhere”.
14. In paragraph 46 of the decision in McDowell's case, Ranganath Mishra, J., speaking for the majority has observed “on this aspect, one of us, Chinnappa Reddy, J., has proposed a separate and detailed opinion with which we agree”. In the case of Azadi Bachao Andolan (supra), the respondents therein, therefore strenuously argued that the decision in McDowell has changed the concept of fiscal jurisprudence in this country and any tax planning which is intended to and results in avoidance of tax must be struck down by the Court. It was urged that McDowell has taken a new look at fiscal

5. 1935 ALL E.R. 259

6. AIR 1948 SC 49

jurisprudence and the ghost of Fisher (1926 AC) 395 at P.412 and Westminster (supra) have been exorcised in the country of its origin. The Hon'ble Supreme Court declined to read or comprehend the majority Judgment in McDowell as having endorsed the extreme view of Chinappa Reddy, J., as is clear from Paragraphs 141 and 142 of its Judgment, which are reproduced hereunder :-

“141. As we shall show presently, far from being exorcised in its country of origin, Duke of Westminster⁷ continues to be alive and kicking in England. Interestingly, even in McDowell, though Chinnappa Reddy, J., dismissed the observations of J.C.Shah, J., in CIT v/ A.Raman and Co.⁸ based on Westminster and Fisher's Executors⁹ by saying (SCC p.242 para 17)

“We think that time has come for us to depart from the Westminster principle as emphatically as the British Courts have done and to dissociate ourselves from the observations of Shah, J. and similar observations made elsewhere.”

it does not appear that the rest of the learned Judges of the Constitutional Bench contributed to this radical thinking. Speaking, for the majority Ranganath Mishra, J. (as he then was) says in McDowell (SCC PP25455 para 45)

“45. Tax planning may be legitimate provided it is within the framework of law. Colourable devices cannot be part of tax planning and it is wrong to encourage or entertain the belief that it is honourable to avoid the payment of tax by resorting to dubious methods. It is the obligation of every citizen to pay the taxes honestly without resorting to subterfuges.”

142. This opinion of the majority is a far cry from the view of Chinnappa Reddy, J. : (SCC p. 243, para 17)

“In our view, the proper way to construe a tax statute, while considering a device to avoid tax, is not to ask whether the provisions should be construed literally or liberally, nor whether the transaction is not unreal and not prohibited by the statute, but whether the transaction is a device to avoid tax and whether the transaction is such that the judicial process may accord its approval to it”.

7. 1936AC 1:19 TV 490

8. (1968 67ITR 11: AIR 1968 SC 49

9. 1926 AC 395 AT p.412

We are afraid that we are unable to read or comprehend the majority judgment in McDowell as having endorsed this extreme view of Chinnappa Reddy, J., which in our considered opinion, actually militates against the observations of the majority of the Judges which we have just extracted from the leading judgment of Ranganath Mishra, J. (as he then was)”.

15. Further, in Azadi Bachao the Supreme Court also referred to the decision of the Constitution Bench of the Supreme Court in the case of Mathuram Agarwal Vs. the State of Madhya Pradesh [1999] (8 SCC 667) wherein the Constitution Bench reiterated the observations in Bank of Chettinad Ltd. Vs. CIT [1940] (8 ITR 522) (PC) quoting with approval the observations of Lord Russel of Killowen in IRC Vs. Duke of Westminster and the observations of Lord Simonds in Russell Vs. Scoot. At Para 154 of the Azadi Bachao case, the Supreme Court has stated that “it thus appears to us that not only is the principle in Duke of Westminster alive and kicking in England but it also seems to have acquired the judicial benediction of the Constitutional Bench in India, notwithstanding the temporary turbulence created in the wake of McDowell”.

16. The Hon’ble Supreme Court in paragraph 166 of its decision in Azadi Bachao Andolan, therefore, held as follows:

“166. We are unable to agree with the submission that an act which is otherwise valid in law can be treated as non est merely on the basis of some underlying motive supposedly resulting in some economic detriment or prejudice to the national interests, as perceived by the respondents”.

17. In the case of Vodaphone International Holdings (supra), the Advocates appearing for the Revenue, contended that the decision in Azadi Bachao Andolan (supra) needs to be overruled in so far as it departs from the decision in McDowell’s case (supra) on the following grounds set out in Paragraph 57 of the Judgment :

“(i) Para 46 of McDowell and Co. Ltd. (supra) judgment has been missed which reads as under “on this aspect Chinnappa Reddy, J., has proposed a separate opinion with which we agree”. [i.e. Westminster principle is dead].

(ii) That, Azadi Bachao Andolan case (supra) failed to read paras 4145 and 46 of McDowell & Co. Ltd. (supra) in entirety. If so read, the only conclusion one could draw is that four

learned judges speaking through Misra, J. agreed with the observations of Chinnappa Reddy, J. as to how in certain circumstances tax avoidance should be brought within the tax net.

(iii) That, subsequent to McDowell & Co. Ltd. (supra), another matter came before the Constitution Bench of five Judges in Mathuram Agarwal V State of Madhya Pradesh¹⁰ in which Westminster principle was quoted which has not been noticed by Azadi Bachao Andolan case (supra)”.

18. The Hon’ble Supreme Court in its analysis, held in paragraph 64 of its decision that there is no conflict between McDowell & Co. Ltd. and Azadi Bachao Andolan or between McDowell & Co. Ltd. and Mathuram Agarwal. Paragraph 64 of the said decision is reproduced hereunder :

“64. The majority judgment in McDowell & Co. Ltd. (supra) held that “tax planning may be legitimate provided it is within the framework of law” (para 45). In the latter part of para 45, it held that “colourable device cannot be a part of tax planning and it is wrong to encourage the belief that it is honourable to avoid payment of tax by resorting to dubious methods”. It is the obligation of every citizen to pay the taxes without resorting to subterfuges. The above observations should be read with para 46 where the majority holds “on this aspect one of us, Chinnappa Reddy, J. has proposed a separate opinion with which we agree”. The words “this aspect” express the majority’s agreement with the judgment of Reddy, J. only in relation to tax evasion through the use of colourable devices and by resorting to dubious methods and subterfuges. Thus, it cannot be said that all tax planning is illegal / illegitimate / impermissible. Moreover, Reddy, J. himself says that he agrees with the majority. In the judgment of Reddy, J. there are repeated references to schemes and devices in contradistinction to “legitimate avoidance of tax liability” (paras 710, 17 and 18). In our view, although Chinnappa Reddy, J. makes a number of observations regarding the need to depart from the “Westminster“ and tax avoidance – these are clearly only in the context of artificial and colourable devices. Reading McDowell, in the manner indicated hereinabove, in cases of treaty shopping and/or tax avoidance, there is no conflict between McDowell and Azadi Bachao or between McDowell and Mathuram Agrawal”.

10. [1999] 8 SCC 667

19. In view of the above observations of the Hon'ble Supreme Court in the Vodaphone decision, the submission of the Objector herein that he is fortified by the decision in McDowell's case, and that the decision in Azadi Bachao Andolan is per in curium or is contrary to the decision in McDowell's case is rejected. The decision of the Gujarat High Court in the case of Wood Polymer Limited (supra) is no longer good law, in view of the decision of the Supreme Court in the case of Azadi Bachao Andolan and Vodaphone International Holdings (supra). In any event, as submitted on behalf of the Petitioners, that was a case where the Transferor Company was specially incorporated for the purpose of effecting transfer of immovable property to the Transferee Company without payment of tax. This transfer was part of the scheme. The Court thus concluded that this was a clear device to avoid tax and consequently rejected the scheme. The Wood Polymer Limited (supra) case is therefore clearly distinguishable on facts. Infact, in a later case in Ambalal Sarabhai Enterprises¹¹ the Division Bench of the Gujarat High Court approved the scheme despite the fact that tax was avoided by the scheme and held that the Wood Polymer Limited (supra) was decided on the basis of the peculiar facts of the case. The Gujarat High Court reiterated the principle that a tax payer can always arrange his affairs to avoid tax.
20. The decision of AAR, wherein according to the Objector, it is suggested that the law laid down in Azadi Bachao Andolan is not good law, and the correct law is laid down in McDowell's case, is of no assistance to the Objector, since the decision in the case of Vodaphone International Holdings (supra) has now settled the controversy once and for all.
21. As regards the submission of the Objector that this Court should direct the Transferee Company to implead the income tax authority as a necessary party, in my view, the income tax authority is not required to be heard while sanctioning the Scheme under Section 391394 of the Companies Act, 1956. Infact, this Court in the case of Jindal Iron and Steel (supra), wherein the income tax department had objected to the scheme has observed as under:

“I am afraid I fail to find support for the submissions made by the Ld. Counsel for the Intervener. The Judgment of the Division Bench of this High Court in the case of Sterlite Industries (India) Ltd. (113 Comp Cases 273) is amply clear that in the

11. [1984 147 ITR 294 (Guj)]

proceedings under Section 391394 of the Companies Act, 1956, only the Regional Director and Official Liquidator (in case company is being woundup) apart from the shareholders and creditors, have locus standi to support or oppose the scheme. Hence, I am of the firm view that the income tax Department has no locus standi to intervene in the proceedings under Section 391394 of the Companies Act, 1956 (emphasis supplied)”.

22. The Objector has also raised a grievance that the shares of the Transferee Company held by the Transferor Companies which are purely tradable and transferable without any restrictions cannot be transferred through the present Scheme of Arrangement. As submitted on behalf of the Petitioners, the Promoters are not looking for an exit from the Transferee Company through divestment and have adopted one of the available methods for reorganizing their shareholding. In the case of scheme of arrangement between Tata Services Limited and Tatanet services Limited, wherein a commercial division of Tata Services Limited was proposed to be transferred, the Regional Director had objected that the transfer could be achieved through compliance of the provisions of Section 293(1)(a) of the Companies Act, 1956. This Court dealing with the said objection has held that if the Petitioners have adopted an elaborate route to achieve the objective, they cannot be faulted for the same. A similar view was taken by this Court in the Scheme of Arrangement between Balkrishna Industries Limited (supra).
23. In the present case, as submitted by the Transferee Company, the scheme involves –
- (i) The merger of Transferor Companies with Transferee Company;
 - (ii) The consequent cancellation of the shares held by the Transferor Companies in the Transferee Company;
 - (iii) The consequent reduction in share capital of the Transferee Company;
 - (iv) issuance of shares of the Transferee Company to the shareholders of the Transferor Companies.

The purpose of the Scheme is to provide long term stability and transparency in the Transferee Company. The Transferor Companies are in existence since 1975. It was felt that it would be in the interest of the Transferee Company to merge the five Transferor Companies with the Transferee Company, and to enable the Promoter thereof to hold shares directly in

the Transferee Company rather than indirectly. The object of the Scheme is not to avoid any tax. Even today the shares are owned/controlled by the same Promoter albeit through the Transferor Companies. Under the Scheme the only difference is that the Promoter will now hold shares directly in the Transferee Company. It is correctly submitted by the Transferee Company that there is nothing illegal or unlawful or dubious or colourful in the Scheme and the same is a perfectly legitimate scheme and permissible by law. Therefore, the objection of the Objector that the Scheme is a tax avoidance device and ought not to be approved, stands rejected.

24. It is next contended by the Objector that since the Scheme was not sanctioned on or before 31st March, 2012 and since there is no announcement by the Transferee Company that the time has been extended, the Scheme has become null and void.
25. It is true that Clause 21.1 inter alia provides that the Scheme shall become null and void and be of no effect if the same is not sanctioned by this Court by March 31, 2012 or within such further period or periods as may be agreed between the Boards of the Transferor Companies and the Transferee Company. As pointed out by the learned Advocate appearing for the Transferee Company, the Transferor Companies and the Transferee Company have passed resolutions on 01st May, 2012 and 9th May, 2012 respectively, extending the time for securing the sanction of this Court in respect of the Scheme to May 31, 2012. The Transferor Companies and the Transferee Company have on 11th May, 2012 and 12th May, 2012 respectively, passed further resolutions extending the cut off date from May 31, 2012 till the time the Scheme is sanctioned by appropriate Court and filing the Court order with the Registrar of Companies for the Scheme to become otherwise effective. Therefore, the submission of the Objector that the Scheme has become null and void, cannot be accepted.
26. The Objector has further contended that the Company Secretary of the Transferee Company Mr. K. Subharaman, was not authorized to file the Affidavit in Rejoinder. In response, my attention is drawn to Exhibit N, page 535 of the Company Scheme Petition No.675 of 2011, wherein a certified true copy of the resolutions passed at the Board Meeting of the Transferee Company held on 14th May, 2011 is annexed. By one of the said resolutions, the Company Secretary Mr. K. Subharaman is inter alia authorized to file

Affidavits in this Court in connection with the Scheme. In view thereof, this objection also stands rejected.

27. The Objector has further submitted that the Transferee Company in its Affidavit filed before the Regional Director, has failed to disclose certain proceeding where prosecution was launched against the Transferee Company and its Chairman and Managing Director. In this regard, the Transferee Company has filed an Affidavit dated 26th March 2012 of its abovenamed Company Secretary, explaining in paragraphs 4 to 9 therein, why some of the proceedings were not mentioned in the Affidavit filed before the Regional Director. The explanation is accepted. In view thereof, the said objection is rejected.
28. The Objector has further submitted that Mr.Jayendra Natwarlal Shah who is a joint shareholder with Dr.Prakash Modi, holding one share in four of the five Transferor Companies is a Partner of the Valuer – N.A.Shah Associates, which fact was not disclosed to the shareholders. In response, it is pointed out on behalf of the Transferee Company that the Valuation Report was prepared and signed by Mr.Milan Modi, Partner of N.A.Shah Associates and not by Mr.Jayendra Shah. As such, the Report is clearly an independent one. Further, Mr.Jayendra Shah is the second holder of the said shares and as such did not have any pecuniary interest in the Transferor Companies. Again Valuation Report has been obtained to comply with the provisions of the Listing Agreement and there is no change in the shareholding pattern of the Transferee Company, as it will issue equivalent number of shares to the Promoters as already held by the Transferor Companies. The pre and post shareholding pattern of the Transferee Company, including Promoters and Mr.Shailesh Mehta will remain unchanged as disclosed in the Notice and Explanatory Statement. In view thereof, I see no substance in this objection and the same is rejected.
29. The Objector has next contended that the valuation of the shares of the Transferor Companies which are unlisted was not done as per the rules prescribed under the Wealth Tax Act, but was wrongly done on the basis of value of the shares of the Transferee Company. As pointed out on behalf of the Transferee Company, the provisions of the Wealth Tax Act, does not apply in the instant case. Again, the only assets (apart from cash and bank balance) of the Transferor Companies were the shares held by them in the Transferee Company. As such, it was reasonable and proper to value the Transferor Companies on the basis of the value of their

shareholdings in the Transferee Company. Moreover, the Transferee Company has secured a Fairness Opinion of Fedex Securities Ltd, a Category I Merchant Banker on the Valuation Report of N.A.Shah Associates, which Fairness Opinion was secured in terms of Clause 24 of the Listing Agreement. In view thereof, the submission of the Objector that the share valuation is not proper, lacks merit and is rejected.

30. The Objector has further submitted that the Transferee Company has hidden the civil proceeding for damages and breach of Trademark against it and not provided for any contingent liability in its balance sheet. It is pointed out on behalf of the Transferee Company that there are no pending cases for infringement of Trademark or Patent filed against the Transferee Company and as such there is no question of providing any contingent liability.
31. It is lastly contended by the Objector that since there is reduction in the capital of the Transferee Company to an extent of over 15%, the Securities and Exchange Board of India (Substantial Acquisitions and Takeover) Regulations, 1997 ("SEBI Takeover Regulations 1997") is triggered. It is correctly submitted on behalf of the Transferee Company that by virtue of Regulation 3(1)(i) of the ("SEBI Takeover Regulations 1997") and Regulation 10(1)(d) of the Securities and Exchange Board of India (Substantial Acquisitions and Takeover) Regulations, 2011, the provisions thereof do not apply to the acquisition of shares under a scheme of arrangement or merger. Further, the National Stock Exchange and the Bombay Stock Exchange have granted their approvals to the Scheme which are annexed to the Company Scheme Petition as Exhibit S1 and S2 at page 595 and 596. This objection raised by the Objector is therefore, also rejected.
32. As stated hereinabove, the shareholders of the Transferor Companies and the Transferee Company have approved the Scheme and the Objector who is holding 0.001% of the total share capital of the Transferee Company is the only shareholder who has opposed the Scheme. The Official Liquidator has filed his Report dated January 18, 2012 stating that the affairs of the Transferor Companies have been conducted in an appropriate manner and the Transferor Companies may be ordered to be dissolved. Neither the Official Liquidator, nor the Auditors appointed by him, have made any adverse remarks with regard to the Scheme, nor have they objected to the same. The Regional Director has also filed an Affidavit dated 17th February 2012 stating that the Scheme is not prejudicial to the interest of the

shareholders and public. Even the Regional Director has not made any adverse remark with regard to the scheme nor objected to the scheme being sanctioned.

33. As already held hereinabove, there is nothing illegal, unlawful, dubious or colourful in the Scheme and the same is a perfectly legitimate Scheme, which is permissible in law.
34. Since all the requisite statutory compliances have been fulfilled, all aforesaid Company Scheme Petitions are made absolute in terms of prayer Clauses (a) to (d) of the respective Petitions.
35. 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 this order.
36. The Petitioner Companies are directed to file copy of this order along with a copy of the Composite Scheme of Arrangement and Amalgamation with the concerned Registrar of Companies, electronically, along with EForm 21 and also file physical copy thereof, within 30 days from the date of issuance of the order.
37. The Petitioner Companies in the above Company Scheme Petitions to pay costs of ₹10,000/each, to the Regional Director. The Petitioner in Company Scheme Petition Nos.670 of 2011, 671 of 2011, 672 of 2011, 673 of 2011 and 674 of 2011 shall also pay cost of ₹10,000/to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
38. Filing and issuance of the drawn up order is dispensed with.
39. All authorities concerned to act on a copy of this order along with Scheme attached thereof, duly authenticated by the Company Registrar, High Court (O.S.) Bombay.

(S.J.KATHAWALLA, J.)

**SCHEME OF ARRANGEMENT
BETWEEN**

AVM CAPITAL SERVICES PRIVATE LIMITED
(‘The First Transferor Company’)

AND

CHEVY CAPITAL SERVICES PRIVATE LIMITED
(‘The Second Transferor Company’)

AND

PM CAPITAL SERVICES PRIVATE LIMITED
(‘The Third Transferor Company’)

AND

PRANIT TRADING PRIVATE LIMITED
(‘The Fourth Transferor Company’)

AND

VIRAMRUT TRADING PRIVATE LIMITED
(‘The Fifth Transferor Company’)

AND

UNICHEM LABORATORIES LIMITED
(‘The Transferee Company’)

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 391 TO 394
READ WITH SECTIONS 80, 100 TO 103
AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956**

1. PREAMBLE

1.1. This Scheme of Arrangement is presented for the amalgamation of AVM Capital Services Private Limited, Chevy Capital Services Private Limited, PM Capital Services Private Limited, Pranit Trading Private Limited and Viramrut Trading Private Limited with Unichem Laboratories Limited and consequent reduction of Equity Share Capital of Unichem Laboratories Limited, pursuant to Sections 391 to 394 read with Sections 80, 100 to 103 and other applicable provisions of the Companies Act, 1956.

2. DEFINITIONS

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

- 2.1 “**Act**” or “**the Act**” means the Companies Act, 1956 and shall include any statutory modifications or amendments or re-enactment thereof from time to time.
- 2.2 “**Appointed Date**” means 1st day of April, 2011 or such other date as may be directed by the Bombay High Court.
- 2.3 “**ACSPL**” or “**the First Transferor Company**” means AVM Capital Services Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.4 “**CCSPL**” or “**the Second Transferor Company**” means Chevy Capital Services Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.5 “**Court**” or “**High Court**” or “**Bombay High Court**” means the Hon’ble Court of Judicature at Bombay and shall be deemed to include the National Company Law Tribunal, wherever and when applicable.
- 2.6 “**Effective Date**” means the date on which this Scheme becomes operative, being the date on which the certified copies of the orders of the Bombay High Court sanctioning this Scheme are filed with the Registrar of Companies, Mumbai, Maharashtra.
- 2.7 “**PCSPL**” or “**the Third Transferor Company**” means PM Capital Services Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.8 “**PTPL**” or “**the Fourth Transferor Company**” means Pranit Trading Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.

- 2.9 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Arrangement in its present form submitted to the Bombay High Court or with any modification(s) made under Clause 21 of this Scheme or with such other modifications/amendments as the High Court may direct.
- 2.10 “**The Transferor Companies**” means collectively “the First Transferor Company”, “the Second Transferor Company”, “the Third Transferor Company”, “the Fourth Transferor Company” and “the Fifth Transferor Company”.
- 2.11 “**ULL**” or “**the Transferee Company**” means Unichem Laboratories Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Unichem Bhavan, Prabhat Estate, Off S. V. Road, Jogeshwari (W), Mumbai - 400102.
- 2.12 “**VTPL**” or “**the Fifth Transferor Company**” means Viramrut Trading Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 22, Bhulabhai Desai Road, Mumbai - 400026.
- 2.13 Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time and in particular, wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“NCLT”) or such other forum or authority, as may be vested with any of the powers of a High Court under the Act. This Scheme has been drawn up to comply with the conditions relating to ‘Amalgamation’ as specified under Section 2(1B) of the Income tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income tax Act, 1961, the provisions of Section 2(1B) of the Income tax Act shall prevail and the Scheme shall stand modified to the extent necessary and such modification do not affect other parts of the Scheme.

3. **OBJECTS & RATIONALE**

- 3.1 The Transferor Companies are companies through which promoters hold shares of ULL. The primary assets of the

Transferor Companies comprise of equity shares in ULL and cash balance sufficient to meet the expenses in relation to the Scheme.

- 3.2 The merger of the Transferor Companies with ULL would help in consolidating and streamlining the promoter holding in ULL and thereby bring long term stability in holding structure of ULL.

4. SHARE CAPITAL

- 4.1 The Share Capital of ACSPL, the First Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1900 Equity Shares of ₹ 100/- each	190,000
100, 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the First Transferor Company.

- 4.2 The Share Capital of CCSPL, the Second Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,000 Equity Shares of ₹ 100/- each	100,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,100,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Second Transferor Company.

- 4.3 The Share Capital of PCSPL, the Third Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,900 Equity Shares of ₹ 100/- each	190,000
100, 9% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
Total	200,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Third Transferor Company.

- 4.4 The Share Capital of PTPL, the Fourth Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
1,100 Equity Shares of ₹ 100/- each	110,000
100, 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
4,500, 2% Redeemable Preference Shares of ₹ 100/- each	450,000
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
300 unclassified Shares of ₹ 100/- each	30,000
Total	10,600,000
Issued, Subscribed and Paid-up Share Capital	
1,000 Equity Shares of ₹ 100/- each fully paid up	100,000
Total	100,000

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Fourth Transferor Company.

- 4.5 The Share Capital of the Fifth Transferor Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
3,182 Equity Shares of ₹ 100/- each	318,200
1,818, 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	181,800
1,00,000, 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	10,000,000
Total	10,500,000
Issued, Subscribed and Paid-up Share Capital	
3,182 Equity Shares of ₹ 100/- each fully paid up	318,200
Total	318,200

Subsequent to the above balance sheet date, there has been no change in the Authorized, Issued, Subscribed and Paid Up share capital of the Fifth Transferor Company.

As on date, 1,516 Equity Shares of the Fifth Transferor Company are beneficially owned and held by the Second Transferor Company and 1,566 Equity Shares are held by the Fourth Transferor Company.

- 4.6 The Share Capital of ULL, the Transferee Company as per the latest Annual Report for the year ended on March 31, 2010 is as under:

Particulars	Amount (₹)
Authorized Share Capital	
70,000,000 Equity Shares of ₹ 5/- each	350,000,000
20,000,000 Unclassified Shares of ₹ 5/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
Total	500,000,000
Issued, Subscribed and Paid-up Share Capital	
36,063,000 Equity Shares of ₹ 5/- each fully paid up	180,315,000
Total	180,315,000

Subsequent to the above balance sheet date, there has been a change in the capital structure of the Transferee Company. The revised Share Capital Structure of the Transferee Company as on date is as under:

Particulars	Amount (₹)
Authorized Share Capital	
175,000,000 Equity shares of ₹ 2/- each	350,000,000
50,000,000 Unclassified Shares of ₹ 2/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
Total	500,000,000
Issued, Subscribed and Paid-up Share Capital	
90,239,500 Equity Shares of ₹ 2/- each fully paid up	180,479,000
Total	180,479,000

As on date, 28,293,991 Equity Shares of the Transferee Company is beneficially owned and held by the Transferor Companies. The detail of shares held by each of the Transferor Company is as under:

Particulars	No. of Shares held
The First Transferor Company	4,672,552
The Second Transferor Company	5,246,074
The Third Transferor Company	4,670,186
The Fourth Transferor Company	8,252,673
The Fifth Transferor Company	5,452,506
Total	28,293,991

5. OPERATIVE DATE

5.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Bombay High Court or by the Board of Directors of the respective companies shall be effective from the Appointed Date but shall be operative from the Effective Date. Further, amalgamation of the First Transferor Company with the Transferee Company would be first given effect to; thereafter amalgamation of the Second Transferor Company with the Transferee Company would be given effect to; thereafter amalgamation of the Third Transferor Company with the Transferee Company would be given

effect to; thereafter amalgamation of the Fourth Transferor Company with the Transferee Company would be given effect to; and thereafter amalgamation of the Fifth Transferor Company with the Transferee Company would be given effect to.

6. TRANSFER OF UNDERTAKING

- 6.1 Upon the coming into effect of this scheme and with effect from the Appointed Date, the entire business and undertakings of the Transferor Companies including all its assets like investments, and other movable assets of whatsoever nature shall under the provisions of Sections 391 and 394 of the Act and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without any further act or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company.
- 6.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies shall pursuant to the orders of the Bombay High Court under Section 394 and other applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Companies Any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company, and vice versa shall, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall be of no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

7. LEGAL PROCEEDINGS

- 7.1 If any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Companies be pending, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies into the Transferee Company or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company as effectually and in the same manner and to the

same extent as it would or might have been continued, prosecuted and enforced by or against the respective Transferor Companies as if this Scheme had not been made.

- 7.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in sub-clause 7.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 7.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to any businesses of the Transferor Companies.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 8.1 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature, relating to which any of the Transferor Companies is party and subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the respective Transferor Companies, the Transferee Company had been party thereto.
- 8.2 The Transferee Company shall enter into and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

9. SAVING OF CONCLUDED TRANSACTION

- 9.1 The transfer and vesting of the assets, liabilities and obligations appertaining to each of the Transferor Companies as mentioned under Clause 6 above and the continuance of the proceedings by or against the Transferor Companies under Clause 7 above and the effectiveness of contracts and deeds under clause 8 above shall not affect any transactions or proceedings already completed by the Transferor Companies on and after the Appointed Date to the end and intent that the Transferee Company accepts

and adopts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Companies as acts, deeds and things done and executed by and on behalf of the Transferee Company.

10. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

10.1.1 The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of their properties and assets for and on account of and in trust for the Transferee Company. Each of the Transferor Companies hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

10.1.2 Each of the Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and in the same manner as carried before and shall not venture into any new business and shall not (without the prior written consent of the Transferee Company), alienate, charge, mortgage, encumber or otherwise deal with or dispose of their respective undertakings or any part thereof except in the ordinary course of business nor shall they undertake any new business or a substantial expansion of their existing business.

10.1.3 All the profits or income accruing or arising to the Transferor Companies or expenditure accruing to the Transferor Companies or losses incurred or suffered by the Transferor Companies, with effect from the said 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 the Transferee Company, as the case may be.

10.1.4 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and / or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394 (2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed

to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

11. DIVIDENDS, PROFITS, BONUS/RIGHT SHARES

11.1 The Transferor Companies shall not without the prior written consent of the Transferee Company utilize the profits if any, for the period from and after the Appointed Date, for declaring or paying any dividend except, in the event the Transferee Company declares dividend between the Appointed Date and the Effective Date in respect of the accounting period prior to the Appointed Date, in which case, the Transferor Companies shall be entitled, inter-alia, to declare such dividend received by it from the Transferee Company to its shareholders.

11.2 Further, the Transferor Companies shall not after the Appointed Date, issue or allot any further securities either rights or bonus or otherwise without the prior written consent of the Transferee Company.

12. CONSIDERATION

12.1 Consideration to Shareholders of the Transferor Companies:

12.1.1 Pursuant to the Scheme coming into effect and the transfer of the undertaking of the Transferor Companies into the Transferee Company, the Transferee Company shall issue and allot equity shares in its capital at par (hereinafter referred to as 'New Equity Shares'), to the shareholders of the Transferor Companies whose names appear in the Register of Members of the Transferor Companies as on the Effective Date as under: -

To the Shareholders of the First Transferor Company:

4,672.552 (Four Thousand Six Hundred and Seventy Two and Five Hundred and Fifty Two Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in ACSPL.

To the Shareholders of the Second Transferor Company:

7,843.811 (Seven Thousand Eight Hundred Forty Three and Eight Hundred and Eleven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in CCSPL.

To the Shareholders of the Third Transferor Company:

4,670.186 (Four Thousand Six Hundred Seventy and One Hundred Eighty Six Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in PCSPL.

To the Shareholders of the Fourth Transferor Company:

10,936.087 (Ten Thousand Nine Hundred Thirty Six and Eighty Seven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by him/her/it in PTPL.

To the Shareholders of the Fifth Transferor Company:

- *As a consequence of giving effect to the earlier amalgamation of the Second and Fourth Transferor Company with the Transferee Company, the Equity Shares held by the Second and the Fourth Transferor Company in VTPL stands extinguished and accordingly the Equity Shares of the Transferee Company are issued only to the remaining shareholders.*
- *1,713.547 (One Thousand Seven Hundred Thirteen and Five Hundred and Forty Seven Thousandths only) fully paid up Equity Shares of ₹ 2/- each of the Transferee Company credited as fully paid up, for every 1 (one) equity share of ₹ 100/- each held by remaining shareholder in VTPL.*

12.2 Any fractional entitlement arising out of issue and allotment of the New Equity Shares of the Transferee Company to the shareholders of the Transferor Companies pursuant to Clause 12.1 hereinabove shall be ignored.

- 12.3 The New Equity Shares to be issued to the members of the Transferor Companies by the Transferee Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company.
- 12.4 Upon New Equity Shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Companies, in accordance with Clause 12.1, the share certificates in relation to the shares held by the said shareholders in the Transferor Companies shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 12.5 The New Equity Shares shall be issued in dematerialized form only.
- 12.6 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the purpose of issue and allotment of the New Equity Shares by the Transferee Company to the members of the Transferor Companies under the Scheme.
- 12.7 The New Equity Shares of the Transferee Company shall be listed on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date.
- 12.8 The issue and allotment of New Equity Shares to the members of the Transferor Companies, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 81(1A) and any other provisions of the Act.

13 EMPLOYEES OF THE TRANSFEROR COMPANIES

- 13.1 There are no employees employed with the Transferor Companies.

14 CANCELLATION OF EQUITY SHARES

- 14.1 With effect from the Appointed Date, the investment held by each of the Transferor Companies in the Equity Share Capital of the Transferee Company shall stand cancelled and accordingly, the Equity Share Capital of the Transferee Company shall stand reduced to the extent of face value of Equity Shares held by each of the Transferor Companies in the Transferee Company as on the Appointed Date.
- 14.2 Such reduction of Equity Share Capital of the Transferee Company as provided in this Clause 14.1 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of

unpaid up share capital or payment to any shareholder of any paid up share capital and the order of the Bombay High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without the need on the part of the Transferee Company, to carry out any further act or deed. While approving the scheme as a whole, the Shareholders of the Transferee Company have also resolved and accorded the relevant consents as required under Sections 100 to 103 of the Act or any other provisions of the Act and therefore no separate resolution is required to be passed under the Act.

15 ACCOUNTING TREATMENT

15.1 On the Scheme becoming effective, the Transferee Company shall account for the merger in its books of accounts as under:

- 15.1.1 All the assets and liabilities (including reserves) as appearing in the books of the Transferor Companies shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values as appearing in the books of the Transferor Companies;
- 15.1.2 It is hereby clarified that the balance in Reserves account including Capital Redemption Reserve Account, General Reserve, Special Reserves, Capital Reserves and Profit and Loss Account of the Transferor Companies as on the Appointed Date shall be transferred to and aggregated with the corresponding Reserves in the books of the Transferee Company. It is clarified that identity of the reserves of the Transferor Companies shall be preserved upon transfer thereof to the transferee company.
- 15.1.3 The investments in the equity share capital of the Transferee Company as appearing in the books of accounts of the Transferor Companies, shall stand cancelled pursuant to the scheme;
- 15.1.4 The New Equity Shares issued by the Transferee Company pursuant to clause 14.1 shall be recorded at face value;
- 15.1.5 The difference between the net asset value of the Transferor Companies transferred to the Transferee Company, as reduced by the face value of New Equity Shares issued by the Transferee Company and adjusted for cancellation of the equity share

capital as mentioned in sub clause 15.1.3 above and expenses incurred in relation to the Scheme, would be adjusted first against the Capital Redemption Reserve Account, followed by the Capital Reserve and balance to the extent necessary against the General Reserve of the Transferee Company.

The application and consequential reduction of the Capital Redemption Reserve Account of the Transferee Company as stated above, shall be effected as an integral part of the Scheme, upon which the share capital of the Transferee Company shall be deemed to be reduced to the extent as the case may be and the Order of the High Court of Bombay sanctioning the Scheme shall be deemed to be an order under Sections 100-102 of the Act confirming the reduction.

- 15.1.6 In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the General Reserve Account of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 15.1.7 The Transferee Company (by its Board of Directors) may alter or modify the provisions of this Clause 15 in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws, the Income Tax Act and applicable Accounting Standards.

16 COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1 Upon coming into effect of the Scheme, the Authorised Share Capital of the Transferor Companies as mentioned in Clause 4 above, or such amount as may be on the Effective Date, shall be added to the Authorised Share Capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or the registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be replaced accordingly.
- 16.2 Under the accepted principle of single window clearance, it is hereby provided that the aforesaid alteration in the Memorandum of Association of the Transferee Company

viz. change in the capital clause, referred above of the Transferee Company shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under section 31, 94, and 97 of the Act or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

- 16.3 Consequent to the scheme, the Authorised Share Capital of the Transferee Company shall automatically stand increased to the following without any further act or deed on the part of the Transferee Company and without payment of stamp duty and registration fees to the concerned Registrar of Companies:

Particulars	Amount (₹)
Authorized Share Capital	
175,454,100 Equity Shares of ₹ 2/- each	350,908,200
50,000,000 Unclassified Shares of ₹ 2/- each	100,000,000
5,000,000 Preference Shares of ₹ 10/- each	50,000,000
100 6% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
300000 6% Redeemable Non Cumulative Preference Shares of ₹ 100/- each	30,000,000
100 9% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
100 11% Cumulative Redeemable Preference Shares of ₹ 100/- each	10,000
4500 2% Redeemable Preference Shares of ₹ 100/- each	450,000
1818 4% Cumulative Redeemable Preference Shares of ₹ 100/- each	181,800
300 Unclassified Shares of ₹ 100/- each	30,000
Total	531,600,000

17 CONDITIONALITY OF THE SCHEME

17.1 The Scheme is and shall be conditional upon and subject to:

- 17.1.1 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 as the case may be;
- 17.1.2 Approval of and agreement to the Scheme by the requisite majority in number and value of the respective members and / or Creditors of and such class of persons of the Transferor Companies and the Transferee Company as may be considered necessary to give effect to the Scheme;
- 17.1.3 Sanctions and Orders under the provisions of Sections 391 to 394 read with Sections 80,100 to 103 of the Act being obtained by the Transferor Companies and the Transferee Company from the High Court of Judicature at Bombay;
- 17.1.4 Certified copies of Orders of Bombay High Court, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai; and
- 17.1.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- 17.1.6 It is clarified that on the approval of the Scheme by the requisite majority of members as aforesaid, it shall be deemed that the said members have also resolved and accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable, it is further clarified that there will be no need to pass a separate shareholders' resolution under such other provisions of the Act.

18. WINDING UP OF THE TRANSFEROR COMPANIES

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

19. APPLICATION TO THE HIGH COURT

19.1 The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications/petitions to the High Court of Judicature at

Bombay where the registered offices of all the companies are situated, for sanctioning this Scheme of Arrangement and consequent reduction of Equity Share Capital of the Transferee Company under Section 391 to 394 read with Sections 80, 100 to 103 of the Act, and for dissolution of the Transferor Companies without winding up.

20. MODIFICATION OR AMENDMENT TO THE SCHEME

20.1 On behalf of the Transferor Companies and the Transferee Company, their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/ or consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the High 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). The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to give effect to the Scheme or to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

21. EFFECT OF NON-RECEIPT OF APPROVALS

21.1 In the event of any of the approvals or conditions enumerated in Clause 17 above not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay or does not otherwise become effective by March 31, 2012 or within such further period or periods as may be agreed upon between Transferee Company and the Transferor Companies through their respective Board of Directors, then the Scheme shall become null and void and be of no

effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

22. COSTS, CHARGES AND EXPENSES

22.1 All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto shall be borne by the Transferee Company.

————— X —————

Date: **January 12, 2022**