

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
ALEMBIC LIMITED**





Co. No. -04- 33

*Fresh Certificate of Incorporation Consequent on*

**CHANGE OF NAME**

*In the OFFICE OF THE REGISTRAR OF COMPANIES,*

*GUJARAT, Dadra & Nagar Haveli.*

*[Under the Companies Act, 1956 (1 of 1956)]*

**IN THE MATTER OF** ALEMBIC CHEMICAL WORKS  
**COMPANY LIMITED**

*I hereby certify that* ALEMBIC CHEMICAL WORKS COMPANY  
LIMITED

*which was originally incorporated on* 30-7-1907  
*INDIAN* VIO -1882  
*under the Companies Act, 1956 and under the name* ALEMBIC  
CHEMICAL WORKS COMPANY LIMITED

*having duly passed the necessary resolution in terms of Section 21/31/44*  
*of the Companies Act, 1956, on* 20-5-99 *and the*  
*approval of the Central Government signified in writing having been*  
*accorded thereto by the Registrar of Companies, Gujarat, vide his letter*  
*dated* 31-05-99 *in terms of Government of India, Ministry*  
*of Law, Justice & Company Affairs, (Department of Company Affairs)*  
*Notification No. GSR 507(E) dated 24-06-1985 the Name of the said*  
*Company is this day changed to* ALEMBIC LIMITED

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

*Given under my hand at AHMEDABAD*

*Dated this* 31st *day of* May 1999.

*One Thousand Nine Hundred NINETV* NINE



*S.S. Balani*  
(S.S. BALANI)  
Registrar of Companies, Gujarat  
Dadra & Nagar Haveli



**CERTIFICATE OF INCORPORATION**

I hereby certify that the **Alembic Chemical Works Company Limited,**

.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

**was incorporated under the Indian Companies Act, VI of 1882 as a Limited Company, on the Thirtieth day of July One Thousand Nine Hundred and Seven. Given under my hand at Bombay, this Ninth day of July One Thousand Nine Hundred and Thirty-seven.**

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



નં  $\frac{૨૮}{૨૦૫}$

## કંપની સંસ્થાપિત થયાનો દાખલો

વડોદરા રાજ્યના સંવત ૧૯૭૫ કંપની નિબંધ અન્વયે  
આથી દાખલો આપવામાં આવે છે કે :-

ધી એલેમ્બિક કેમીકલ વર્ક્સ કંપની લીમીટેડ મુ. વડોદરા, તા ૨૪ માહે જુન સન  
૧૯૩૧ના રોજ

વડોદરા રાજ્યના સંબત ૧૯૫૩ના કંપની નિબંધ અન્વયે સંસ્થાપિત કરવામાં આવી  
છે. અને તે ભાગોથી નિયમિત થયેલી (Limited) કંપની છે.

વડોદરા મુકામે તારીખ ૨ માહે માર્ચ સન ૧૯૨૧ના રોજ અમારી સહીથી સ્વહસ્તે  
આ દાખલો આપવામાં આવ્યો છે.

સહી  
કંપની નોંધણી અધિકારી  
વડોદરા રાજ્ય





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I

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OF THE  
ARTICLES OF ASSOCIATION  
ALEMBIC LIMITED**

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**MEMORANDUM OF ASSOCIATION  
OF  
ALEMBIC LIMITED**

- I. The name of the Company is Alembic Limited.  
(Substituted vide resolution dated 20<sup>th</sup> May, 1999)
- II. The Registered Office of the Company will be situated in Bombay or any other place that may be determined hereafter.
- III. The objects for which the Company is established are :-
  1. To start factories and other undertakings so as to further the development of Chemical and other Industries in India.
  2. To establish a well equipped Laboratory and carry on Analytical Experimental and Research Work for promoting the interest of the factories and other undertaking and objects of the Company in general.
  3. To purchase, rent or acquire such lands, buildings, and hereditaments as may be required for or in furtherance of any of the objects of the Company.  
(Amended vide Special Resolution passed through Postal Ballot on 01.07.2009)
  4. To erect and build on any such lands, such factories, warehouses, engine houses, water-tanks, godowns, offices, bungalows, chawls and other houses and buildings and fit them up with suitable machinery as may from time to time be necessary or advisable for the purpose of the Company and to enlarge, increase, alter and repair such buildings, water-tanks machinery etc.  
(Amended vide Special Resolution passed through Postal Ballot on 01.07.2009)
  - 4A. To carry on trade or business in India and abroad, notwithstanding anything contrary provided in any other sub-clause(s) of the object clause, as contractors, builders, land and estate agents, land developers, surveyors, architects, consulting engineers, decorators, house owners and house seller estate manager and to acquire flats and offices and sell them and to acquire land and building on leasehold or freehold, agricultural or non agricultural, interest in land and to build, develop, construct on those lands, residential, commercial, hotels, hospitals, resorts or industrial buildings and sell or otherwise alienate, the same on ownership basis, lease basis, rental basis, leave and license basis or to transfer such buildings to societies, companies or any other person and to undertake and execute civil, mechanical, electrical and structural works contracts and sub contracts in all their respective branches and generally to do any activities in real estate business.  
(Inserted vide Special Resolution passed through Postal Ballot on 01.07.2009)
  5. To purchase, take on lease or otherwise acquire or hold any interest in mines in India or elsewhere and to explore, work, exercise, develop and turn to account the same.  
(Substituted by resolution dated 19<sup>th</sup> June, 1997)
  6. To prospect, examine and explore any territories and places in India or elsewhere and to employ experts and other agents.
  7. To prepare for market, ore, metal and mineral substances of all kinds and to carry on any other metallurgical or other operations which may seem conducive to any of the Company's objects.
  8. To buy, sell, manufacture and deal in chemicals, spirit, shellac, varnishes, medicines, essential oils, perfumes, mahuwa flower, seedlac, starchy substances, drugs and other materials in raw, intermediate or manufacture state and minerals, plant machinery, implements, conveniences, provisions, and things capable of being used in connection with chemical or other operations carried on by the company or required by workmen and other employed by the Company.
  9. To buy, sell, manufacture and deal in chemical, physical and all kinds of scientific apparatus and appliances required for the use of Company or calculated directly or indirectly to benefit the Company.
  10. To carry on the business of iron foundries, brass foundries, metal workers, smiths, wood-workers, metallurgists, gas-makers, glass-makers, coal-tar colour makers, Manufacturing

and Analytical and consulting Chemists, wholesale and retail druggists in all branches, and merchants and to buy, sell, manufacture, repair, convert, let on hire and deal in machinery, chemical, mechanical and other appliances of all kinds (manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above or otherwise calculated directly or indirectly to enhance the interests of the Company.

11. To undertake and execute any contracts for works involving the supply or use of any machinery, raw materials and forest products and to carry out any ancillary or other works comprised in such contracts.
12. 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 businesses or commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection with any of the said businesses.
13. To purchase or otherwise acquire any patents, licenses, 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 to the Company capable of being profitably dealt with.
14. To use, exercise, develop and grant licenses, in respect of or otherwise turn to account any such patents, licenses, concessions and the like and with a view to the working and development of the same to carry on any business whether manufacturing or otherwise which the Company may think calculated directly or indirectly to effectuate these objects.
15. To invest and deal with the moneys of the Company not immediately required and in such manner as may from time to time be determined.
16. To borrow or raise money by promissory notes, deposit receipts, bills of exchange, hundies, debentures, and other negotiable or transferable instruments or in such other manner as the Directors may deem expedient.
17. To make arrangements for the concession to the Company's members, of any special rights, privileges and advantages and in particular in regard to the supply of goods manufactured or sold by the Company.
18. To adopt such means of making known the products of the Company as may be expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
19. To lend money to such persons and on such terms as may be expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons.
20. To let, lease, assign, mortgage, pledge or sell any undertaking of the Company or any part thereof or any of the movable or immovable property of the Company.
21. To enter into arrangements for joint working in business or for sharing profits or for amalgamation with any other company, firm or person carrying on business having objects altogether or in part similar to those of this Company.
22. To provide for the welfare of persons in the employment of the Company or formerly employed by the company and the wives, widows, and families of such persons by grants of money or other aid or otherwise as the Company shall think fit.
23. To subscribe or contribute to or otherwise aid benevolent, charitable, national or other institutions or objects of a public character or which have any moral or other claims to support or aid by the Company by reason of the locality of its operations or otherwise and to join and contribute to Provident and Benefit Funds for the benefit of any persons engaged by the Company.
24. To promote and form and to be interested in any other Company and to transfer to any such Company any property of this Company and to take, purchase, acquire, subscribe, hold and dispose of shares, debentures, securities or obligations in or of any such company and to subsidise or otherwise assist any other company absolutely or subject to any condition or contingency.

25. To act as Agents Representatives, Factors or Trustees of any company, syndicate, corporation, firm, or individuals, and to take part in the management, supervision and control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, trustees, accountants, technical, advisers, experts, engineers or agents.
26. To give to any person, firm company or employee rendering service, any share, cash payment, allotment of shares, interest in the profits of the Company's business or any branch or subsidiary companies thereof and whether carried on by means or through the agency of any subsidiary company or otherwise and for that purpose to enter into any arrangements the Company may think fit.
27. To pay all preliminary expenses of the Company, and any company promoted or formed by the Company, or any company in which this Company is or may contemplate being interested.
28. To enter into arrangement with any government authority, municipal or local or otherwise or any corporation, companies, firms or persons that may seem conducive to the Company's objects or any of them and to obtain from any such authority, corporation, company, firm or persons any contracts, rights, privileges and concessions, which the Company may think desirable.
29. To establish and maintain local registers, agencies and branch places of business and procure the Company to be registered or recognised and carry on business in any part of the world.
30. To distribute any of the Company's property amongst its members in specie or kind.
31. To do all or any of the above things and all such other things as are incidental or conducive to the attainment of the above objects or any of them in any part of the world.
32. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or by payment of any sum to an association or institution having the object of undertaking any programme of rural development 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 areas which the Directors consider it likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas for the purpose of the Income-tax Act, 1961 or any other Law relating to rural development for time being in force or as may be regarded by the Directors as rural areas and the Directors may, in order to implement any of the above mentioned objects or purposes, transfer or divest the ownership of any property of the Company without consideration, or at such fair or confessional value as the Directors may think fit to or in favour of any public or local body or authority or Central or State Government or any public institutions or trusts or funds or any society registered under the Societies Registration Act, 1860 or bodies corporate registered under the Companies Act, 1956 as the Directors may approve.
33. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or scholars or any other persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust etc. having anyone of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and the Directors may in order to implement any of the above mentioned objects or purposes, transfer or divest

the ownership of any property of the Company without consideration or at such fair or concessional value as the Directors may think fit to or in favour of any public or local body or authority or Central or State Government or any public institutions or trusts or funds or any society registered under the Societies Registration Act, 1860 or bodies corporate registered under the Companies Act, 1956, as the Directors may approve.

(Clauses 32 and 33 inserted pursuant to the order of the Company Law Board Bench dated 22<sup>nd</sup> December, 1978 in Company Petition No. 161(17)-CLB-WR-1978).

34. To manufacture, produce, use, buy and sell and otherwise deal or traffic in plastics including thermosetting and thermoplastics resins, moulding powders, plasticisers and all other allied chemicals required for plastic manufacturing and processing industries.
35. To manufacture, produce, use, buy and sell and otherwise deal or traffic in natural, man-made and synthetic yarns, staple fibres, monofilaments, multifilaments, and all other allied chemicals required for synthetic and man-made fibre manufacturing and processing industries; and to manufacture, produce, use, buy or sell and otherwise deal or traffic in any or all goods manufactured partly or wholly from or out of such natural, man-made and synthetic yarns, staple fibres, monofilaments, multi-filaments, etc., including fabric and cloth, ropes fish netting and other nets, items required for defence, parachutes, tents, uniforms, ready-made garments, carpets, and carpet backing blankets, padding, knitted goods, woven and non-woven bags, hosiery, gloves, sewing thread, tyre cord, hose, belts etc.
36. To fabricate, manufacture, repair, maintain plants, machineries, equipment, spare parts and component parts and other assets for pharmaceuticals, chemicals, dyes, textile and glass manufacturing industries.
37. To manufacture, produce, use, buy and sell and otherwise deal or traffic in any or all kinds of containers, including packing cases, boxes, drums, etc., made of wood, metal, card-board, paper, plastic, foamed plastic, glass or any other materials.
38. To establish, maintain and run industrial and/or residential estates together with all necessary facilities like water, drainage, roads, electricity, etc., and to let the same or the blocks of such estates on hire, lease, rent, hire-purchase or in any other manner whatsoever.  
(Amended vide Special Resolution passed through Postal Ballot on 01.07.2009)
39. To acquire, hold, finance or assist in financing the sale of goods, articles, commodities, plant, machinery, equipment, etc. of all and every kind or description for the purpose of selling or leasing or giving on hire purchase or otherwise make available for use to others on payment of rent or any other consideration and to enter into agreement with companies, firms and persons for the aforesaid purpose(s).
40. To act as a service organisation or bureau for providing, rendering and/or undertaking, general, administrative, secretarial, consultancy, commercial, engineering, financial, merchant banking, legal, liaison marketing, purchasing, technical, operational, industrial know-how, scientific personnel, quality control, research and to provide management information system and other services, including computer system development, and other allied computer services to individuals, firms, companies, corporate bodies, trusts, associations, organisations, or institutions in India or abroad, and to utilise the expertise already developed by the Company for the above purposes as also to employ experts on the relative subjects and make available their services to others in this behalf.  
(Clauses 34 to 40 inserted by an order dated 31<sup>st</sup> March, 1983 passed by Company Law Board, (Western Region Bench), Bombay, in Company Petition No. 216(17)CLB-WR of 1982).
41. To generate, receive, purchase, develop, use, sell, transmit, supply, distribute and accumulate electric power, solar power, hydraulic power and power of all kinds through transmission lines for industrial, commercial and domestic purposes.
42. To construct, lay out, establish, fix, carry out manage and run power stations, workshops, repairs shops, sub-stations, transmission lines and to manufacture, purchase, sell and deal in cables, wires, accumulators in connection with the activity mentioned in clause 41.
43. To carry on the business of manufacturers, importers, exporters, assemblers, hirers and repairers of and/or dealers in and marketing and distribution of computer parts, data

transmission circuit, audit-visual equipments and process control systems, electronic radio receivers, television receivers, television picture tubes, tape recorders, record changers, professional and defence electronic test and measuring instruments, inspection instruments, digital and analytical instruments, electronic environmental and pollution measuring instruments, photo-copying machines and all other office equipments.

44. To carry on the business of hotel, motel, cafeteria, refreshment rooms, restaurant, rest houses, guest houses, industrial canteens and in connection therewith run tavern, shopping arcades, shopping complexes,
45. To carry on the business of running nursing homes, clinics, pharmacies, indoor and outdoor hospitals, medical, anatomical, orthopaedic and X-ray units, nature-cure centres, hospitals, diagnostic centres, health resorts and other health care units and facilities.

(Clauses 41 to 45 inserted by an order dated 26<sup>th</sup> June, 1989 passed by the Company Law Board (Western Region Bench), Bombay, in Company Petition No. 371(17)/CLB/WR of 1988)

46. To act as a Registrar to an Issue and Share Transfer Agent and to carry out collection of applications from bank branches/agencies/investors in respect of an issue, keep a proper record of applications and monies received from investors or paid to the sellers of the securities, assist body corporate or persons or group of persons in (a) determining the basis of allotment of securities in consultation with stock exchange, (b) finalising the list of persons entitled to allotment of securities and (c) processing and despatching allotment letters, refund orders or certificates and other related documents in respect of the issue and on behalf of any body corporate, maintain the record of holders of securities issued by such body corporate and to deal with all matter connected with the transfer and redemption of its securities and any other activities related to such work.
47. To carry on business in India or elsewhere as a Dealer, Trader, Exporter, Importer manufacturers, converters, distributors, stockists, commission agents and processors of all sorts of bulk drugs, pharmaceutical and antibiotic formulation, chemicals, fine chemicals, veterinary and animal health products, man-made fibers and filament yarn and to act as Export House or Trading House or exporters and/or importers of any goods, products, various services, including consultancy services in all fields, e.g. Technical, Financial, Agency, Clearing Agent, Marketing or any other merchandise or any valuables, on ready or forwards basis.
48. To carry on business as Producers, In-vitro micro-propagators, developers of specific traits, genetic engineers, Breeders, Multipliers, Consultants, Contract producers, Collaborators, Processors, Diverters, Distributors, Technology developers, Technology transferors, Importers, Exporters, Marketers, Sellers, Manufacturers, Dealers, Stockists, Traders, Patentors, of different tissues, fruits, flowers, floriculture, ornamental, aromatic and medicinals and related varieties, which may be developed in future as a result of any research done or studies made in any part of the world.  
(Amended vide Special Resolution passed through Postal Ballot on 01.07.2009)
49. To act as support Service Engineers, Designers, Fabricators, Researchers, Suppliers, Indenting agents, Consultants, Job workers, Turnkey Project undertakers, Technology Developers, Technology transferors, Importers, Exporters, Marketers, Sellers, Manufacturers, Dealers, stockist, Traders of equipment related to Tissue culture labs, (like Growth chambers, Growth racks, Trolleys, Laminar flows, Media dispensers Auto clave, Hot air oven, Clean rooms and related equipment), Green houses equipped with facilities (like Humidification, Cooling, Heating, Misting, Irrigation, Fumigation, Photo cycle and Shade systems, Light panels, Agrinets), Plant hardening related equipment (like Pots, Potmixers, Racks, Trolleys), Chemicals (like Growth media conditioners, fertilisers, Plant hormones for rooting and shooting Jellying agents, Pesticides and fungicides.)
50. To carry on Research and Development activities in the field of Tissue culture, Horticulture, Media recipe, Inoculation, Mother stock development, fruits, flowers sprouts and whole plants of varieties like pulses, oil seeds, vegetables, floriculture, ornamental, aromatic and medicinals and related varieties which may be developed in future as a result of any research done or studies made in any part of the world.





## ARTICLES OF ASSOCIATION OF ALEMBIC LIMITED

1. The marginal notes hereto shall not affect the construction hereof. The reference to the provisions of the Act or Articles shall, consequent upon amendments or modifications to the Act or Articles be so amended or modified. **Interpretation**  
  
In the interpretation of these articles the following words and expressions shall have the following meaning unless repugnant to or inconsistent with the subject or context thereof:-
- (1) "The Act" or "the said Act" means the Companies Act 1 of 1956 and subsequent amendments and other Acts for the time being in force in India containing the provisions of the Legislature in relation to companies. **The Act**
- (2) "Alter" and "Alteration" shall include the making of additions and omissions. **Alter**
- (3) "Body Corporate" or "Corporation" includes a company incorporated outside India but does not include: **Body Corporate**
  - (a) a corporation sole;
  - (b) a Co-operative society registered under any law relating to co-operative societies and;
  - (c) any other body corporate (not being a company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.
- (4) "Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be Directors assembled at a Board meeting or the requisite number of Directors entitled to pass a circular resolution or the Directors of the Company collectively. **Board or Board of Directors**
- (5) "The Company" or "this Company" means Alembic Limited. **The Company or this Company**  
(Substituted vide resolution dated 20<sup>th</sup> May, 1999)
- (6) "Circular Resolution" means a resolution passed by circulation by the Board of Directors or by a Committee thereof in accordance with the provisions of the Act. **Circular Resolution**
- (7) "A Company" or "this Company" means Alembic limited. **A Company**
- (8) "The Directors" means the Directors for the time being of the Company or as the case may be the Directors assembled at a meeting of the Board or acting by circular under the Articles. **The Directors**
- (9) "Debenture" includes debenture-stock, bonds and other securities of the company, whether constituting a charge on the assets of the Company or not. **Debenture**
- (10) "Document" includes summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise. **Document**
- (11) "Dividend" includes bonus. **Dividend**
- (12) "Member" shall mean share-holder and vice-versa. **Member**
- (13) "Month" means calendar month. **Month**
- (14) "Office" means the Registered Office for the time being of the Company. **Office**
- (15) "Ordinary Resolution" and "Special Resolution" shall have the meaning assigned to these terms by the Act. **Ordinary Resolution and Special Resolution**

<b>Paid Up</b>	(16) "Paid-up" includes credited as paid up.
<b>Public Holiday</b>	(17) "Public Holiday" means a public holiday within the meaning of the Negotiable Instruments Act 1881 (XXV1 of 1881) provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
<b>Persons</b>	(18) "Persons" shall include corporations as well as individuals.
<b>Register</b>	(19) "Register" means the Register of Members to be kept under the Act.
<b>The Seal</b>	(20) "The Seal" means the Common Seal of the Company for the time being.
<b>Secretary</b>	(21) "Secretary" means any individual, firm or body corporate appointed to perform the duties which may be performed by a Secretary under the Act and any other purely ministerial or administrative duties and where two or more persons are appointed to act as Joint Secretaries shall mean and include anyone of these persons.
<b>These Presents</b>	(22) "These presents" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.
<b>Variation</b>	(23) "Variation" shall include abrogation and "vary" shall include abrogate.
<b>Writing</b>	(24) "Writing" shall include printing, lithography and other mode or modes of representing or reproducing words in a visible form or partly, in one and partly in the other.
<b>Singular Number</b>	(25) Words importing the singular number shall also include the plural number and vice-versa.
<b>Gender</b>	(26) Words importing the masculine gender shall also include the feminine gender.
<b>Year</b>	(27) "Year" means calendar year and "Financial Year" shall have the meaning assigned thereto by the Act.
<b>Expression in the Act to bear the same meaning in the Articles</b>	Subject as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

**Table "A" not to apply** 2. The regulations contained in Table "A" in the First Schedule to the Act shall not apply to the Company except so far as the same are repeated, contained or made applicable in these articles or by the Act.

**Reference in the Articles to be deemed to be amended by amendment of the Act** 3. The reference to the provisions of the Act or Articles shall, consequent upon amendments or modifications to the Act or Articles be so amended or modified.

## II. CAPITAL

**Capital** 4. The Authorised Capital of the Company shall be as per the Clause V of the Memorandum of Association of the Company.

(Inserted vide resolution dated 1<sup>st</sup> October, 1997)

**Preference Shares** 4. (A) Subject to provisions of the Act, and other applicable acts, rules, regulations etc. the Company shall have the power to issue Preference Shares from time to time with an authority for deciding various terms such as redemption, dividend, etc. for the same.

(Renumbered vide resolution dated 1<sup>st</sup> October, 1997)

**Preference Shareholder's rights** 5. The holders of the Redeemable Preference Shares in the Company shall have the following rights:

(a) The Redeemable Preference Shares shall carry the right to a fixed Dividend as may be fixed as per the terms of issue, subject to



deduction of tax at source (if applicable), on the capital paid up thereon. In case of inadequacy of profits of the relevant year, the Company may declare/pay the Dividend out of past profits/reserves subject to the rules/ regulations applicable, if any, in this regard. In case of inadequacy of past profits/reserves, the Company may resort to the profits of subsequent years in case of Cumulative Preference Shares and in priority to the Equity Shares of the Company for the time being, and the said Preference Shares shall rank for dividend to be declared for the financial year, during which they are allotted, on pro-rata basis.

- (b) The Redeemable Preference Shares shall, in a winding up, be entitled to rank, as regards repayment of capital paid up thereon and arrears of dividend (if any) whether earned; declared or not, upto the commencement of the winding up, in priority to Equity Shares of the Company for the time being, and shall not be entitled to any further participation in profits or any surplus assets.
- (c) The voting rights of Preference Shareholders shall be governed by the applicable provisions of the Companies Act, 1956 and applicable laws, if any, in this regard.

(Substituted vide resolution dated 1<sup>st</sup> October, 1997)

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| 6.  | (Deleted vide resolution dated 21 <sup>st</sup> September, 1995)   | <b>Redeemable preference shares</b>              |
| 7.  | The Company shall cause to be kept a register and index of members in accordance with the provisions of the Act.   | <b>Register of Members</b>                       |
| 8.  | Except to the extent allowed by Section 77 of the Act no part of the funds of the Company shall be employed in the purchase of or in loan on the security of shares of the Company.  | <b>Company's shares not to be purchased</b>      |
| 8A. | Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted under the law.  | <b>Buy-Back of Shares</b>                        |
|     | (Inserted vide resolution date 20 <sup>th</sup> May, 1999).  |  |
| 9.  | <ul style="list-style-type: none"> <li>(a) Subject to the provisions of the Act and these Articles the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such times as they may from time to time think fit and proper, and with the consent of the general meeting to give to any person the option to call for or be allotted any class of shares at par or at a premium or subject as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit.</li> <li>(b) Subject to the provision of the Act and of these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the</li> </ul> | <b>Shares under the control of the Directors</b> |

Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares.

**Application of premium received on shares**

- (c) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "the Share Premium" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in this clause, apply as if the Share Premium account were paid up Share Capital of the Company. The Share Premium account, may notwithstanding anything contained in this article, be applied by the Company for anyone or more of the purposes permitted by the Act.

**Issue of Shares at a discount**

- (d) The company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely:
- (i) the issue of the shares at a discount is authorised by a resolution passed by the Company in general meeting and sanctioned by the Court;
  - (ii) the resolution specifies the maximum rate of discount (not exceeding ten per cent or such higher percentages as the Central Government may permit in any special case) at which the shares are to be issued;
  - (iii) not less than one year has at the date of the issue elapsed since the date on which the Company was entitled to commence business; and
  - (iv) the shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

**Instalments on shares to be paid**

- (e) If by the terms of issue of any shares or otherwise the whole or any part of the amount or issue price thereof shall be payable by instalments at fixed time, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representatives.

**Acceptance of shares**

- (f) Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a member.

**Deposits and call etc. to be a debt payable immediately**

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

**Liability of Member**

- (h) Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the capital represented

by his share or shares which may for the time being, remain unpaid thereon in such amounts at such time or times, and in such manner, as the Board of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

10. In addition to and without derogating from the power for the purpose conferred on the Directors under Article 9 the Company in general meeting may determine subject to the provisions of the Act that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or at a discount, as such general meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted any class of shares of the Company either at a premium or at par or at a discount such option being exercisable at such times and for such consideration as may be directed by such general meeting or the Company in general meeting may make any other provision whatsoever for the issue allotment or disposal of any shares. **Power of General Meeting to offer Shares to such persons as the Company may resolve**
11. The Company may from time to time increase its Share Capital by the creation of new shares. Such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the regulations shall prescribe. Subject to the provisions of the Act the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine, and in particulars such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company. Wherever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act. **Increase of capital**
12. The Company may, subject to the provision of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe, (whether absolutely or conditionally) for any shares in, or debentures of, the company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any share in, or debenture of, the Company but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The company may also on any issue of shares or debentures pay such brokerage as may be lawful. **Commission or brokerage may be paid**
13. Subject to the provisions of the Act, the Directors may refuse to transfer a share or shares in the joint names of more than two persons. Where more than one person is registered as the holders of any share the person first named in the Register as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles.
  - (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. **Directors may refuse transfer to more than two names**
  - Joint and several liabilities for all payments in respect of shares**

<b>Title of survivors</b>	(b) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holder from any liability on share held by him jointly with any other person.
<b>The first named of joint holders deemed sole holder</b>	(c) If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of dividends or bonus, or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.
<b>Delivery of certificate and giving of notices in case of joint holders</b>	(d) Only the person whose name stands first in the register of members as one of the joint holders of any share Capital be entitled to receive documents from the Company and any document served on or sent to such person shall be deemed service on all the joint holders. It is declared that the certificate of any share which is the subject of joint ownership may be delivered to anyone of such joint holders on behalf of all of them.
<b>Votes of joint holders</b>	(e) Anyone of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such share 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 maybe) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case maybe) in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand shall for the purposes of this sub-clause be deemed joint holders.
<b>The Company not liable for disregard of a notice prohibiting registration of a transfer</b>	14. The Company shall incur no liability or responsibility whatever in consequence of . their registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

### III. CERTIFICATES

15. The shares in the capital shall be numbered progressively according to their denominations, and except in the manner mentioned in these articles no shares shall be sub-divided. **Shares to be numbered progressively**
16. (a) Subject to the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and any amendment thereof for the time being in force, the certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography provided always that notwithstanding anything contained 'in this Article the certificates of title to shares that may be in force for the time being shall continue to be valid and in force from time to time. **Certificates of shares**
- (b) Every member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or if the Directors so approve on payment of such fee or fees at the discretion of the Directors or without payment of fees as the Directors may from time to time determine, to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number and denote number of the shares in respect of which it is issued and the amount paid thereon. **Members' right to certificate**
- (c) Any two or more joint allottees of a share shall for the purpose of this Article, be treated as a single member, and the certificate of any share which may be the subject of joint ownership may be delivered to anyone of such joint allottees on behalf of all of them. **Delivery of share certificate to joint allottees**
17. If any certificate be worn out, defaced, torned or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space on the back thereof for endorsement of transfers, then upon surrender thereof to the Company the Directors may cause the same to be cancelled and may issue a new certificate in lieu thereof, without charging any fee in respect thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment of any such sum not exceeding Rupee one as also out of pocket expenses incurred by the Company in investigating evidence as the Directors may in their discretion determine. **Issue of new certificates in place of one defaced, lost or destroyed**
18. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that Share Capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions of the Act, and may charge the same to capital as part of the cost of construction of the works or building or the provision of the plant. **Interest on capital**



### IIIA. DEMATERIALISATION OF SECURITIES

<b>Dematerialisation of Securities</b>	18A. (1)	Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
<b>Definitions</b>	(2)	<p>For the purpose of this Article:</p> <p>‘Beneficial Owner’ means a person or persons whose name(s) is/ are recorded as such with a depository;</p> <p>‘SEBI’ means the Securities and Exchange Board Of India.</p> <p>‘Depository’ means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and</p> <p>‘Security’ means such security as may be specified by SEBI from time to time.</p>
<b>Options for Investors</b>	(3)	<p>Every persons subscribing to security offered by the company shall have the option to receive security certificates or to hold the security in a dematerialised form with a depository. Such a person who is the beneficial owner of the security can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and Rules, if any prescribed thereunder, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.</p> <p>If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p>
<b>Securities in Depositories to be in fungible form</b>	(4)	All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
<b>Rights of depositories and Beneficial Owners</b>	(5)	<p>(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p>
<b>Service of Documents</b>	(6)	Notwithstanding anything contained in the Act or these Articles where securities are held in depository the records of the beneficial ownership may be served by such depository on the

Company by means of electronics mode or by delivery of floppies or discs.

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| (7)  | Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.  | <b>Transfer of Securities</b>                                 |
| (8)  | Notwithstanding anything contained in the Act or these Articles, where, securities are dealt with in a dematerialised form with a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.                             | <b>Allotment of Securities dealt with in a Depository</b>     |
| (9)  | Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.   | <b>Distinctive numbers of Securities held in a Depository</b> |
| (10) | The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.   | <b>Register and Index of Beneficial Owners</b>                |
| (11) | Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act, 1996 relating to dematerialisation of securities, (Including any modification or re-enactment thereof and Rules Regulations made thereunder) shall prevail and apply accordingly’. | <b>Other matters</b>  |
- (Heading No.III/A and Article No. 18A inserted vide resolution dated 20<sup>th</sup> May, 1999)

#### IV CALLS

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| 19. | The Board of Directors may from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as they may think fit upon the members in respect of all the moneys unpaid on the shares held by them respectively (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, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board of Directors. A call may be made payable by instalments. | <b>Directors may make calls</b>                                      |
| 20. | Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Articles shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.  | <b>Calls on shares of the same class to be made on uniform basis</b> |
| 21. | At least thirty days’ notice of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.<br>(Substituted vide resolution dated 20 <sup>th</sup> May, 1999)   | <b>Notice of calls</b>   |
| 22. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members on the register of members on a subsequent date to be fixed by Directors.   | <b>Calls to date from resolution</b>                                 |

- Directors may extend time** 23. The Board of Directors may from time to time at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members to who from residence at a distance or any other cause. The Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour.
- Interest on failure to pay call in time** 24. If any member fails to pay call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors; but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.
- Proof on trial in suit for money due on Shares** 25. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove (i) that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the register of members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received; (ii) that the resolution making the call is duly recorded in the minute book; (iii) and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents. It shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payments in advance of call may carry interest** 26. The Board may, if it thinks fit, receive from any of the members willing to advance the same all or any part of the amounts of their respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest at such rate as the member paying the sum in advance and the Board may agree upon provided always that at any time after the payment of any such money so paid in advance it shall be lawful for the Board from time to time to repay such member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary and after such repayment such member shall be liable to pay and such shares shall be charged with payment of all future calls as if no such advance had been made. The member making such payment shall not, however, be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. Moneys paid in advance of calls shall not confer a right to dividend or to participate in profits.
- Money due to shareholders from the Company** 27. Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him to the Company for calls or otherwise.



## V. FORFEITURE AND LIEN

28. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on such member requiring him to pay so much of the call or instalment as is unpaid, together with any interest that may have been accrued and all expenses that may have been incurred by the Company by reason of such non-payment. **If call or instalment not paid, notice may be given**
29. The notice aforesaid shall name a day or days and a place or places on and at which such call or instalment and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time or times and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. **Form of notice**
30. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. **If notice not complied with share may be forfeited**
- 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 facts therein stated as against all persons claiming to be entitled to the share.
- (Substituted vide resolution dated 20<sup>th</sup> May, 1999)
31. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in Register. **Notice after forfeiture**
32. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it think fit. **Forfeited share to become property of Company**
33. The Board may at any time before any share so forfeited shall have been sold, re-allotted, or otherwise disposed of annul the forfeiture thereof upon such conditions as it think fit. **Power to annul forfeiture**
34. Any member whose shares shall have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding be, liable to pay and shall forthwith pay to the Company all moneys, owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment at the rate of rupees nine per cent per annum and the Board may enforce the payment of such moneys or any part thereof if it think fit, but shall not be under any obligation so to do. **Arreas to be paid notwithstanding forfeiture**
35. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares the Company shall have a first and paramount lien only upon all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends, from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares The Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. **Company's lien on shares**

- As to enforcement of lien by sale** 36. For the purpose of enforcing such lien the Board may sell or dispose of the shares as subject thereto in such manner as it think fit, but no sale or disposal shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell or dispose of shall have been served as provided in the Act on such member, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after notice.
- Application of proceeds of sale** 37. The net proceeds of any such sale or disposal after payment of the costs of such sale all shall be applied in or towards satisfaction of the said debts, liabilities or engagements or of such amount in respect of which the lien exists and is presently payable by such member and the residue shall subject to a like lien for sums not presently payable as existed upon the shares before the sale or disposal (if any) be paid to such member, his heirs, executors, administrators or assigns.
- Validity of sales under clauses 32 and 36** 38. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinbefore given, the Board shall be entitled or may authorise some person to cause the purchaser's name to be entered in the register in respect of shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Upon any such sale the Board may if it think fit, appoint some person to execute an instrument of transfer of shares sold and may cause to be issued a duplicate certificate in respect of the shares sold.
- Application of forfeiture provisions** 39. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## VI TRANSFER AND TRANSMISSION

- Execution of transfer etc.** 40. No transfer shall be registered unless a proper instrument of transfer duly stamped has been delivered to the Company. The instrument of transfer of any share shall be executed both by the transferor and transferee or by their duly constituted attorney/s and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.
- Form of transfer** 41. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
- In what cases Board may decline to register transfer** 42. Subject to the provisions of Section 111 of the Act the Board may at any time in its absolute and uncontrolled discretion and without assigning any reason decline to register any proposed transfer of shares. This Clause shall apply notwithstanding that the proposed transferee may be already a member.
- Provided that registration of a transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien.

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| 43. | If the Board refuse to register a transfer of any shares it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal.   | <b>Notice of refusal to transfer</b>   |
| 44. | The Company shall keep a book to be called the Register of transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share of the Company.  | <b>Register of Transfers</b>   |
| 45. | Every instrument of transfer shall be left at the office for registration, accompanied by a certificate of the shares to be transferred or allotment letter thereof and such other evidence as the Company may require to prove the title of the transferor, or his right to transfer the share. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall, on demand, be returned to the person depositing the same.  | <b>Transfer to be left at office and evidence of title given</b>               |
| 46. | Where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost, the Company may, if the Board think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Board may think fit.  | <b>Lost transfer form; registration on indemnity</b>                           |
| 47. | Nothing contained in Articles 40 and 46 shall prejudice any power of the Company to register as shareholder or debenture-holder any person to whom the right to any shares in or debentures of the Company has been transmitted by operation of law.  | <b>Power to register saved</b>   |
| 48. | No fee shall be charged by the Company for registering the transfer or transmission of shares.<br>(Substituted vide resolution dated 20 <sup>th</sup> May, 1999)  | <b>Fee on transfer</b>   |
| 49. | On giving seven days previous notice by advertisement in the manner specified in Section 154 of the Act, the transfer books and register of member and debenture-holders may be closed for any time or times not exceeding in the whole 45 days in each year but not exceeding 30 days at a time.   | <b>When transfer books and register may be closed</b>                          |
| 50. | The executor or administrator of a deceased member or holder of a succession certificate, (not being one of two or more joint holders) shall be the only person recognised by the Company as having any title to his shares, and the Company shall not be bound to recognise such executor or administrator or holder of a succession certificate unless such executor or administrator or holder shall have first obtained Probate or Letters of Administration or other legal representation, as the case may be, from a duly constituted Court in India or from any authority empowered by any law to grant such other legal representation.   | <b>Title to share of deceased holder</b>                                       |
| 51. | The Board may dispense with the production of Probate or Letters of Administration or other legal representation, and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, upon such terms as to indemnify or otherwise as the Directors may deem fit. Provided that if the member was a member of a joint Mitakshara family, the Directors on being satisfied that the shares, standing in his name in fact belonged to the joint family, may recognise the survivors thereof as having title to the shares registered in the name of such member but this provision shall in no way be deemed to modify or affect the provisions of the relevant Article prohibiting the Company from taking notice of any trust. | <b>Discretion of the Board to dispense with the production of probate etc.</b> |

- Registration of persons entitled to share otherwise than by transfer (transmission clause)** 52. Subject to the provisions of the Act and these Articles any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give), upon adducing such evidence that he sustains the character in respect of which he proposes to set up under this clause or of his title as the Board think sufficient and upon giving such indemnity as the Directors may require either be registered himself as the holder of the share or else to have some person nominated by him, and approved by the Board, registered as such holder, provided, nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the share. This Clause is herein referred to as "the Transmission Clause."
- Directors may refuse to transmit** 53. The Directors shall have the same right to refuse, to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.
- Board may require evidence of transmission** 54. Every transmission of shares shall be verified in such manner as the Directors may require and if the Directors so desire, accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity.
- Transfer by legal representative** 55. A transfer of the share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
- Sale of fractional certificate.** 56. If and whenever as the result of issue of new shares or any consolidation or sub-division of shares, any shares become held by members in fractions, the Directors shall subject to the provisions of the Act and the Articles and to the discretion of the Company in general meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof.
- The directors may authorise to transfer shares sold** 57. For the purpose of giving effect to any sale referred to in the above article the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## VII. INCREASE, REDUCTION AND ALTERATION OF CAPITAL

- How far new shares to rank with shares in original capital** 58. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting, surrender and otherwise.

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law :-
- (1) its share capital;
  - (2) any capital redemption reserve fund
  - (3) Security Premium Account.
- (Inserted vide Special Resolution passed by shareholders at AGM held on 30.08.2007)
60. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as may be specified in the resolution.
61. The Company by ordinary resolution in general meeting may, from time to time sub-divide or consolidate or convert into stock or vice versa its shares or any of them or sub-divide its existing shares or any of them into shares of smaller amount than fixed by the memorandum and exercise any of the powers conferred by section 94 of the Act, and shall file with the Register such notice of exercise of any such power as may be required by the Act.
62. Such of the regulation of the Company (other than those relation to share warrants), as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

**Alteration of capital****Increase of capital****Sub-division etc.****Provisions applicable to stock and stockholder**

### VIII. MODIFICATION OF RIGHTS

63. If at any time the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of sections 106 and 107 of the Act be modified, abrogated, or dealt with by the Company.

**Power to modify.**

### IX. BORROWING POWERS

64. Subject to the provisions of the Act, the Directors may from time to time at their discretion borrow any sum or sums of money for the purpose of the Company.
65. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
66. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Provided that bonds, debentures. debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares not be issued except with the sanction of the Company in general meeting.
67. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the Act, at a discount, premium or

**Power to borrow.****Conditions on which money may be borrowed.****Bonds, debentures etc. to be Subject to control of directors.****Issue at discount etc. or with special privileges.**



otherwise and with any special privileges as to redemption, surrender, drawings, attending at general meeting of the Company, appointment of Directors and otherwise and subject to the following:-

**Debentures with Voting rights not to be issued.**

- (1) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
- (2) The Company shall have power to re-issue redeemed debentures in certain cases in accordance with the provisions of the Act.
- (3) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of the Act.
- (4) Certain charges mentioned in Section 125 of the Act shall be void against the liquidator or creditors unless registered as provided in Section 125 of the Act.
- (5) The term "charge" shall include mortgage in these Articles.
- (6) A contract with the Company to take up and pay for any debenture of the Company may be enforced by a decree for specific performance.

**Right to obtain copies of and inspect trust deed.**

- 67 A. (a) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment of such fees as may be prescribed by the Board.
- (b) The Trust Deed referred to in item (a) above shall also be open to inspection by any member or debenture-holder of the Company in the same manner, to the same extent and on payment of the same fees, as if it were the Register of Members of the Company.

**Mortgage of uncalled capital**

68. If any uncalled capital of the Company is included, charged by any mortgage or other security, the Board may, by instrument under the Company's seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to call shall mutatis mutandis, apply to calls under such authority, and such authority may be made exercisable either conditionally or unconditionally, and either presently or contingently and either to the exclusion of the Boards' power or otherwise, and shall be assignable if expressed so to be.

**Charge of uncalled capital.**

69. Where any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

**Register of mortgages to be kept.**

70. The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the said Act in that behalf to be duly complied with so far as they fall to be complied with by the Company.

**Indemnity may be given.**

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

## X. GENERAL MEETING

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| 72. | The Board may, whenever it thinks fit, convene an Extraordinary General Meeting, and it shall on the requisition of such number of the members of the Company as specified under section 169 of the Act forthwith proceed to convene an Extraordinary General Meeting of the Company and in the case of such requisitioned meeting all the provisions of that Section shall apply.  | <b>When extraordinary General Meeting to be called, requisition</b> |
| 73. | Subject to the provisions relating to special resolution hereinafter contained atleast twenty one days notice in writing of every general meeting, annual or extraordinary and by whomsoever called specifying the place, day and hour of meeting with a statement of the business to be transacted at the meeting (and in case of a special resolution the intention to propose such resolution as a Special resolution) shall be served on every member in manner provided in the Act but with the consent of the members entitled to vote at the meeting may be convened by such a shorter notice as provided by section 171 of the Act. | <b>Notice of meetings</b>   |
| 74. | The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting.   | <b>As to omission to give notice</b>                                |

## XI. PROCEEDINGS AT GENERAL MEETINGS

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| 75. | The ordinary business of an annual general meeting shall be to consider the accounts the balance sheet and the reports of the Directors and of the Auditors, to appoint Directors in place of those retiring, to declare dividends, to appoint and fix the remuneration of the Auditors.<br><br>All other business transacted at any general meeting shall be deemed special.  | <b>Ordinary Business</b><br><br><b>Special business</b>                            |
| 76. | Seven members personally present shall be a quorum for a general meeting. No business shall be transacted at any general meeting unless the quorum requisite shall be present at the commencement of the business.   | <b>Quorum</b>  |
| 77. | The Chairman of the Board, shall be entitled to take the Chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act as Chairman, the members present shall choose another Director a Chairman, and if no Director shall be present, or if all the Directors present decline to take the Chair, then the members present, shall choose one of their numbers to be Chairman.  | <b>Chairman of General Meeting</b>   |
| 78. | If within thirty minutes from the time appointed for holding a meeting a quorum is not present, the meeting if called upon such requisition as aforesaid shall stand dissolved but in any other case it shall be adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for holding the meeting those members who are present shall be a quorum and may transact the business for which the meeting was called. | <b>When if quorum not present meeting to be dissolved and when to be adjourned</b> |
| 79. | Every question submitted to a meeting shall be decided, in the first instance, by a show of hands, and in the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.  | <b>How questions to be decided at meetings</b>                                     |

- What is not to be evidence of the passing of a resolution where poll not demanded** 80. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the voting on any resolution on a show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company, which confer a power to vote on the resolution not being less than 1/10th of the total voting power in respect of the resolution or on which an aggregate sum of not less than ₹ 50,000 is paid up and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.  
(Substitute vide resolution dated 3<sup>rd</sup> November, 1988)
- Poll how to be taken** 81. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded. The demand of a poll may be withdrawn.
- Power to adjourn General Meeting** 82. The Chairman of a general meeting may with the consent of the meeting, at which a quorum is present, and shall if so directed by the meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.  
However a fresh notice shall be given if the interval is more than 30 days or if the original meeting is adjourned without fixing the date of meeting.  
(Substituted vide resolution dated 20<sup>th</sup> May, 1999)
- In what cases poll taken without adjournment** 83. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- Business may proceed notwithstanding demand of poll** 84. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
- Chairman's decision conclusive** 85. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## XII. VOTES OF MEMBERS

- Member indebted to vote** 86. (1) No shareholder shall be entitled to vote, speak on any question or be present either personally or by proxy for any other member, at any meeting or upon a poll, or be reckoned in quorum, whilst any money due from him alone or jointly with other or others to the Company in respect of any share or shares remains unpaid.  
(2) Deleted vide resolution dated 20<sup>th</sup> May, 1999.
- Votes of members** 87. Upon a show of hands every member entitled to vote and present in person shall have one vote and upon a poll every member entitled to vote and present in person or by proxy or attorney shall have one vote for every share held by him.



88. No member not personally present shall be entitled to vote on a show of hands, unless such member is a Corporation present by a proxy or a Company present by a representative duly authorised under section 187 of the Act, in which case such proxy or representative may vote on the show of hands as if he were a member of the Company. **No voting of proxy on show of hands**
89. Anyone of two or more joint holders of any share may vote at any meeting either personally or by attorney or by proxy in respect of such share 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 person so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally 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 an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand shall for the purposes of this sub-clause be deemed joint holders. **Votes of Joint holders**
90. A member of unsound mind or in respect of whom an order has been made by any Court, having jurisdiction in a lunacy, may vote whether on a show of hands or on poll, by his committee or other legal guardian, and any such committee or guardian may on a poll vote by proxy. **Votes in respect of shares of member of unsound mind.**
91. Any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty eight hours atleast before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof. **Votes in respect of shares of Deceased and Bankrupt Members.**
92. No member shall be entitled to be present or to vote on any question either personally or by proxy or attorney or as proxy or attorney for another member at any general meeting or upon a poll, or be reckoned in a quorum, whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member. **No member entitled to vote etc. while call due to Company.**
93. The instrument appointing a proxy and the power of attorney or other authority (if any) shall be in writing be signed by the appointor or by his attorney or if such appointor is a corporation either under its common seal or be signed by an attorney. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. **Instrument appointing proxy to be in writing.**
94. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not less than forty eight 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. **And to be deposited at office.**
95. 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 revocation of the proxy or authority, or transfer of the **When vote by proxy valid, though authority revoked.**

share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer, shall have been received at the office before the meeting.

**Form of proxy.** 96. Every instrument of proxy whether for a specified meeting or otherwise, shall as nearly as circumstances will admit, be in the usual common form or in such other form as the Director's may approve from time to time. An instrument of proxy, if in any of the forms, set out in schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by the Articles.

**Time for objection to vote.** 97. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

**Resolutions by postal ballot.** 97A. Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode), instead of/in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf to all the shareholders, along with draft resolution explaining reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre-paid envelope to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf.

(Article No. 97A inserted vide resolution dated 30<sup>th</sup> June, 2001).

### **XIII. DIRECTORS**

**Number of Directors.** 98. Until otherwise determined by a general meeting, the number of the Directors shall not be less than four or more than twelve.

**Corporation Director.** 99. (a) So long as any monies be owing by the Company to any Finance Corporation or Credit Corporation or to any Financing Company or Body and/or so long as any Finance Corporation or Credit Corporation or any Financing Company or Body holds the shares of the Company acquired as a result of underwriting (which Corporation or Body is hereinafter in this Article referred to as "the Corporation"), the Directors may authorise such Corporation to appoint, from time to time, anyone or more person(s) as Director(s) of the Company (which Director(s) is hereinafter referred to as "Corporation Director") and the Corporation Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director. The Corporation may at any time and from time to time remove any such Corporation Director or Directors appointed by it and may, at the time of such removal and also in

the case of death or resignation of the persons(s) so appointed at any time, appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such director of Directors ceasing to hold that office for any reason whatever. Such appointment or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof authorised in this behalf and shall be delivered to the Company at its Registered Office. Every Corporation entitled to appoint Directors under this Article may appoint one or more person( s) as Director( s).

- (b) In connection with any collaboration arrangement with any Company or Corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such Company, Corporation, firm or person (hereinafter in this Clause referred to as “Collaborator”) to appoint, from time to time, anyone or more person(s) as Director(s) of the Company (hereinafter referred to as “Special Director(s)”) and may agree that such Special Director(s) shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office so such Directors, so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter. The collaborator may at any time and from time to time remove any such Special Director(s) appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person(s) as Special Director(s) in his place and such appointment or removal shall be made in writing signed by such Company or Corporation or any partner or such person and shall be delivered to the Company at its Registered Office.

**Special Director.**

It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one person as a Director and so that if more than one Collaborator is so entitled there may be at any time as many Special Directors as the Collaborators eligible to make the appointment. Every collaborator entitled to appoint Directors under this Article may appoint one or more person(s) as Director(s)

- (c) The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months, from the State of Gujarat. An alternate Director appointed under this Article shall vacate office if and when the original Director returns to the State of Gujarat. If the term of office of the original Director is determined before he so returns to the State of Gujarat, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the alternate Director. An alternate Director shall not be required to have any qualification shares.

**Alternate Director.**

100. If and when debentures of the Company shall be issued, the Board may agree that the holders thereof shall have the right to appoint and from time to time remove and reappoint a Director in accordance with the provisions of the Trust Deed securing the said debentures.

**Debenture Directors.**

**Power of board to appoint additional directors.**

101. The Board shall have power at any time, and from time to time, to appoint any qualified person as a Director, either to fill a casual vacancy or as an additional to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed as above. But any Director so appointed shall hold office only until the conclusion of the next following Annual General meeting of the Company, and shall then be eligible for re-election.

102. Deleted vide resolution dated 20<sup>th</sup> May, 1999.

103. Deleted vide resolution dated 20<sup>th</sup> May, 1999.

**Remuneration of directors**

104. (a) Each Director of the Company shall be paid out of the funds of the Company, by way of remuneration for his services, such sum as may be prescribed for each meeting of the Board or of a Committee thereof attended by him.

(Substituted vide resolution dated 3<sup>rd</sup> November, 1988)

(b) If any Director be called upon to perform extra services, or to make any special exertions or to go or reside abroad for any of the purposes of the Company, the Company shall remunerate the Directors so doing, either by a fixed sum or by salary or by a percentage of profits or otherwise as may be sanctioned by an ordinary resolution of the Company, in addition to the remuneration provided in sub-clause(a) hereof.

(c) The Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider a fair compensation for travelling, hotel and other expenses incurred by him, in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company. The Directors may also allow and pay to any Director such sum as the Board may consider a fair compensation for travelling, hotel and other expenses incurred by him in connection with the business of the Company.

**Payment of pension etc. to director who held salaried office with the company**

(d) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried or otherwise office of place of profit with the Company or to his widow or dependents and may make contributions to any fund such as Provident Fund etc. and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

(e) To pay remuneration, incur/reimburse expenses and to reimburse in any other manner (including but not limited to salary, medical expenses, telephone bills, conveyance, club fees, etc.) and to provide any other benefits and amenities free of charge within the meaning of remuneration, to/for any Director, subject to the applicable provisions of the Companies Act, 1956 and rules, guidelines framed/issued thereunder and amendments re-enactments thereof, for the time being in force and as may be applicable from time to time.

(Inserted vide Resolution dated 21<sup>st</sup> April, 1998)

**Directors may waive remuneration**

105. Notwithstanding anything contained in Article 104 hereof, the Directors may at any time and from time and from time at their absolute discretion resolve, without being bound, to do so, for reasons of commercial expediency, to waive or forego a part or the whole of the remuneration payable to one or more of them under the aforesaid Article.

106. (1) The office of a Director shall become vacant if: **Vacation of office by directors**
- (a) he fails to obtain within the time specified in sub-section (I) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles;
  - (b) he is found to be of unsound mind by a Court of competent jurisdiction;
  - (c) he applies to be adjudicated an insolvent;
  - (d) he is adjudged an insolvent;
  - (e) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
  - (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by notification in the Official Gazette removes the disqualification incurred by such failure;
  - (g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, which ever is longer without obtaining leave of absence from the Board.
  - (h) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act;
  - (i) he acts in contravention of Section 299 of the Act;
  - (j) he becomes disqualified by an order of Court under Section 203 of the Act;
  - (k) he is removed in pursuance of Section 284 of the Act;
  - (1) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
  - (m) he resigns his office by notice in writing given to the Company.
- (2) Notwithstanding anything in sub clause (d), (e), and (j) of Clause (1), the disqualification referred to in those sub-clauses shall not take effect;
- (a) for thirty days from the date of the adjudication, sentence or order;
  - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
  - (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.



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| <b>Directors, may act notwithstanding vacancy</b>                             | 107. The continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed, the Director shall not, except in emergencies or for the purpose of filling vacancies or for summoning a general meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum under the provisions of the Act.  |
| <b>Directors may Contract with company</b>                                    | 108. No Director shall be disqualified by his office from contacting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any Contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relations thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined on if his interest then exists, or in any other case at the first meeting of the Board after the acquisition of his interest. No Director shall as a Director vote in respect of any contract or arrangement in which he is so interested as aforesaid nor shall his presence count for the purpose of forming a quorum at the time of any such vote, and if he do so vote, his vote shall not be counted; provided that the Directors or any of them may vote on any contract of indemnity against, any loss which they or anyone or more of them may suffer by reason of becoming or being sureties or surety for the Company. A general notice that a Director is a member of any specified firm or a Director or member of any specified company and is to be regarded as interested in all transactions with such firm or Company, shall be sufficient disclosure under this clause as regards such Director and the said transactions and after such general notice it shall not be necessary to give any Special notice relating to any particular transaction with that firm or company. Provided always that except with the consent of the Board, a Director of the Company or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or Director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the Company. |
| <b>Directors not accountable for remuneration received from other company</b> | 109. A director of the Company may be or become a Director or other officer of, or otherwise interested in any Company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a Director or officer of, or from his interest in, such other Company unless the Company otherwise directs.  |
| <b>Loans to directors</b>   | 110. The Company shall not make any loan or guarantee any loan made to a Director of the Company or to a firm of which such Director is a partner or to a private Company of which such Director is a member or Director.   |
| <b>Directors may hold office of profit.</b>                                   | 111. Subject to the provisions of the Act, a Director, a firm in which he is a partner or a private Company of which he is a Director or member, may hold an office or place of profit under the Company.   |
| <b>Register of contracts.</b>   | 112. The Company shall keep a register in which shall be entered particulars of all contracts or arrangement in which any Director is concerned or interested directly or indirectly, as required by Section 301 of the Act.  |

#### **XIV. ROTATION OF DIRECTOR**

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| <p>113. At the annual General Meeting to be held in every year, one third of the directors for the time being or if their number is not three or a multiple of three, then the number nearest to one third, shall, except “Debenture Director”, “Special Director”, or “Corporation Directors” or Directors, retire from office.</p>  | <p><b>Retirement of directors by rotation.</b></p>                                 |
| <p>114. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment, where he has previously vacated office.</p>  | <p><b>Director Longest in the office to retire.</b></p>                            |
| <p>115. A retiring Director shall be eligible for re-election.</p>  | <p><b>Retiring directors eligible for re-election.</b></p>                         |
| <p>116. The Company at the Annual General Meeting at which a Director retires in manner, aforesaid may fill up the vacated office by electing a person thereto.</p>   | <p><b>Annual general meeting to fill up vacancies</b></p>                          |
| <p>117. If at any meeting at which an election of Directors ought to take place, the places of the vacating Directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating Directors are not filled up the vacating Directors or such of them as have not had their places filled up shall subject to the provisions of the Act be deemed to have been re-elected at the adjourned meeting.</p>  | <p><b>What is to happen if vacancies not filled up.</b></p>                        |
| <p>118. Subject to the provisions of Sections 252 and 254 of the Act and subject to the provisions of these Articles the Company may from time to time in General meeting, appoint new Directors and may increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office and may alter their qualification.</p>   | <p><b>Powers of general meeting to increase or reduce number of directors.</b></p> |
| <p>119. The Company may by Special resolution remove any Director, whose period of office is liable to determination at any time by retirement of Directors in rotation, before the expiration of his period of office and may by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected Director. A Director so removed shall not be reappointed a Director by the Board of Directors.</p> | <p><b>Removal of directors.</b></p>  |
| <p>120. No person, not being a retiring Director, shall unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless he, or some other member intending to propose him has atleast fourteen days before the meeting, left at the office, a notice in writing under his hand duly signed signifying his candidature for the office, or the intention of such member to propose him.</p>   | <p><b>When candidate for office of director must give notice.</b></p>              |
| <p>121. The Company shall keep at its registered office a register of Directors in accordance with Section 303 of the Act and shall comply with other requirements of the Act in that behalf.</p>   | <p><b>Register of directors and notification of change to registrar.</b></p>       |

#### **XV. PROCEEDINGS OF BOARD**

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| <p>122. (a) The Directors may meet together for despatch of business adjourn and otherwise regulate their meetings and proceedings as they may think fit.</p> | <p><b>Proceedings of directors.</b></p> |
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- (b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in each year.
- (c) The Chairman or the Managing Director may and the Managing Director or Secretary shall, on the requisition of any three Directors, at any time summon a meeting of the Board.
- (d) Notice of every meeting of the Directors of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director.
- (e) "The Board may, if the circumstances so require, meet by means of telephone, video conferencing or through any other audio-visual links. The provisions relating to Notice, Agenda, Quorum and Minutes stated herein shall *mutatis mutandis* apply to the meetings held through such audio or audio-visual media."

(Inserted by resolution dated 12<sup>th</sup> September, 2002)

**Quorum.**

123. (a) The quorum for a meeting of the Directors shall be one-third of the total strength of Directors (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher provided that where at anytime the number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.
- (b) For the purpose of this sub-clause.
- (i) "Total strength" means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of Directors, if any, whose place may be vacant at the time;
  - (ii) "Interested Director" means any Director whose presence cannot, by reason of these presents, or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.
  - (iii) If a meeting of the Board could not be held for want of quorum, then, the meeting shall stand dissolved.

**Decision of Questions.**

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

**Board may appoint Chairman.**

125. The Board may elect a Chairman of their meeting, and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be the Chairman of the meeting.

**Power of Board meeting.**

126. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion which by or under the Act or the Articles or the regulations of the Company are for the time being vested in or exercisable by the Directors generally.

**Power to appoint committee and delegate powers.**

127. The Directors may, subject to the provisions of the Act and these Articles delegate any of their powers to committees consisting of such member or member(s) of their body as they think fit and may from time to time revoke such delegation, either wholly or in part, and may also discharge any such committee. Any such committee so formed shall,



in exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article.

128. Deleted vide resolution dated 20<sup>th</sup> May, 1999.

129. (a) All acts done by any meeting of the Board or by a committee of the Board, or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

**Acts of Board or Committee valid notwithstanding defective appointment etc.**

(b) A resolution may be passed by circular without any meeting of the Board or a Committee thereof. No resolution shall be deemed to have been duly passed by the Directors or by a Committee thereof by circular, unless the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India. (not being less in number than the quorum fixed for a meeting of the Directors or committee as the case may be) and to all other Directors or members at their usual address in India and has been approved by a majority of Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

**Passing of resolution by circular.**

## **XVI. POWER OF BOARD**

130. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do, and are 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 any other Act 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 Directors which would have been valid if such regulation had not been made.

**General powers of the company vested in directors.**

131. Without prejudice to the general powers conferred by Article 130 and the other powers conferred by these presents and so as not in any way to limit any or all these powers it is hereby expressly declared that subject as aforesaid, the Directors shall have the following powers:

**Special powers of the board.**

(1) to pay and charge to the capital account of the Company any

interest lawfully payable thereout under the provisions of the Act;

- (2) to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- (3) to acquire by purchase, lease or in exchange or otherwise, lands, buildings, hereditaments, machinery, rights, privileges, or properties, movable or immovable;
- (4) to erect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures necessary or convenient for the purpose of the Company and to acquire lands for the purpose of the Company;
- (5) to let, mortgage, charge, sell or otherwise dispose of, subject to the provisions of Section 293 of the Act. any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- (6) at their discretion to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures. debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (7) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores. produce and other movable property of the Company either separately or co-jointly also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- (8) subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- (9) to secure the fulfilment of any contracts or arrangements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- (10) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for service rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof, as they think fit;
- (11) to accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

- (12) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may. be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
- (13) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment of satisfaction of any debts due, or any claims or demands by or against the Company;
- (14) to refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
- (15) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (16) to make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;
- (17) to determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents;
- (18) subject to the provisions of Sections 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such shares, securities or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
- (19) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of Company such mortgages of the Company's property (Present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- (20) subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company;
- (21) to provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants by contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of amusement and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

- (22) to subscribe or contribute or otherwise to assist or guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions, objects or purposes or for any exhibition;
- (23) to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or service of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families, and dependents of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid, and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- (24) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other Special Fund to meet contingencies or to repay redeemable preference shares, debentures or debentures-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purpose as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by section 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit. and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such rate as the Directors may think proper;
- (25) to appoint and at their discretion to remove or suspend such managers, secretaries, officers, clerks, agents and servants for

permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India in such manner as they think fit and the provision contained in Clause (27) following shall be without prejudice to the general powers conferred by this Clause;

- (26) To comply with the requirements of any local law which in their opinion, it shall be in the interest of the Company necessary or expedient to comply with;
- (27) at any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of any Company or the members, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body or persons whether nominated, directly or indirectly, by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them;
- (28) subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, officer or officers or employee for the time being of the Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper;
- (29) to enter into all such negotiations and contracts and rescind and vary all such contracts and to execute and do all such acts, deeds and things in the name and on behalf of the Company they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;
- (30) from time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants;
- (31) to redeem redeemable preference shares.

131A The Directors of the Company shall exercise the following powers on behalf of the Company, and they shall do so, only by means of resolution passed at meeting of the Directors :-

**Certain powers to be exercised by directors only at a meeting.**

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

provided that the Directors may by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Directors, Secretaries and Treasurers or the Manager of the Company or any other principal officer of the Company or to a principal officer of any branch of the Company the powers (1) to borrow moneys otherwise than on debentures, (2) to invest the funds of the Company and (3) to make loans, to the extent specified below :-

- (i) Every resolution delegating the power to borrow moneys otherwise than on debentures shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.
- (ii) Every resolution delegating the power to invest the funds of the Company shall specify the total amount upto which the funds may be invested, and the nature of the investment which may be made by the delegate.
- (iii) Every resolution delegating the power to make loans shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Nothing in this Article contained shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Directors of any of the powers herein specified.

## **XVII. MANAGING DIRECTORS**

<b>Power to appoint managing director.</b>	132	<p>*(1) Subject to the provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), the Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>Provided that an individual can be appointed or reappointed or continue as Chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time.</p>
<b>Will not be subject to retirement by rotation.</b>		<p>(2) Subject to the provisions of the Act, a Managing Director shall not, while he continues to hold that office be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but subject to the provisions of any contract between him and the Company he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Directors from any cause.</p>
<b>Remuneration of managing director.</b>		<p>(3) Subject to the provisions of Section 198, 309, 310 and 311 of the Act the remuneration of a Managing Director shall (subject to the</p>



provisions of any contract between him and the Company) from time to time be determined by the Company in general meeting and may be by way of fixed salary of commission on dividends, profits or turnover of the Company or of any other Company in which the Company is interested or by participation in any such profits, or by any or all of those modes.

- (4) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon a Managing Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers. All the provisions of this Article shall also apply to whole-time Directors, if appointed by the Board of Directors.

**Powers and duties of managing director.**

\* (Amended vide special resolution passed by the shareholders at their 107<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2014)

- 133 The Company in general meeting may, subject to the provisions of the Act, from time to time appoint, any Director as a Managing Director of the Company and may exercise all the powers conferred by the Articles on the Directors in regard to the appointment and remuneration of Managing Directors.
- 134 Subject to the provisions contained in Section 318 and 319 of the Act, the Company shall make payment to a Managing Director, by way of compensation for loss of office or as compensation for retirement from such office or in connection with such loss or retirement from office, except in the cases specified in Section 318 (3) and payment shall be subject to the limit specified in Section 318 (4) of the Act.
- 134A The Managing Director or Managing Directors shall not exercise the powers to :-
- (a) make calls on shareholders in respect of moneys unpaid on the shares in the Company;
  - (b) issue debentures; and

**Powers of general meeting to appoint managing director.**

**Compensation for loss of office.**

**Managing directors not to exercise certain powers.**

## **XVIII. MINUTES**

135. The Company shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board, to be entered in the books to be kept as may be required by the Act.
- 135A. Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings take place or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.
- 135B. Where minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of the Directors have been made and signed in accordance with the provisions of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings threat to have duly taken place, and in particular, all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

**Minutes of proceedings of general meetings and of board & other meetings.**

**Minutes to be evidence.**

**Presumption to be drawn where minutes duly drawn and signed.**

- Inspection of minutes book of general meetings & copies thereof.** 135C(1) The books containing the minutes of the proceedings of any general meeting of the Company shall be kept at the Registered Office of the Company and shall be open to inspection of members without charge between the hours of 1 p.m. and 3 p.m. during business hours on each working day except a Saturday.
- \* (2) Any member of the Company shall be entitled to be furnished, within the period prescribed under the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in sub-clause (1) hereof, on payment of such fees as may be decided by the Board of Directors of the Company.
- Provided that the fees so decided by the Board in any case shall not exceed the maximum fees prescribed in this regard under the Act.
- \* (Amended vide special resolution passed by the shareholders at their 107<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2014)

### **XIX. THE SEAL**

- The seal, its custody and use.** 136. The Directors shall provide a common seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and the seal shall never be used except by the authority of Directors or committee of Directors previously given. Every deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney of the Company, be signed by anyone of the official authorized by the Board for the purpose, provided nevertheless that the certificates of shares or debentures may be sealed and signed in the manner as provided in Article 16.
- (Amended vide Special Resolution passed by the members at AGM held on 30/8/2006)
- Foreign seal** 136A. The Company may, subject to the provisions of Section 50 of the Companies Act, 1956 have for use in any territory, district or place not situated in the Union of India, and official seal which shall be a facsimile of the common seal of the Company, with the addition on its face of the name of the territory, district or place where it is to be used.
- Provisions applicable to foreign seal** 136B. The following provisions shall apply on the Company having a foreign seal under the preceding Article:
- (i) The Company shall, by a document under its common seal, authorise any person appointed for the purpose in that territory, district or place, to affix the official seal to any deed or other document to which the Company is a party in that territory, district or place.
  - (ii) The authority of any agent under the preceding sub-clause shall, as between the Company and any person dealing with the agent, continue during the period, if any, mentioned in the document conferring authority, or if no period is therein mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with them.
  - (iii) The person affixing any such official seal shall, certify on the deed or document to which, such a seal is affixed, the date on which and the place at which such a seal is affixed.
  - (iv) A deed or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.



## XX. DIVIDENDS

- |      |  |   |
|------|--|---|
| 137  | Subject as aforesaid the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares and secondly in paying a dividend for such year or other period on the capital paid up on the equity shares.  | <b>Application of profits for paying dividends.</b>                         |
| 137A | All dividends shall be apportioned and paid proportionally 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.   | <b>Apportionment of dividends.</b>  |
| 138  | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these presents as paid up on the shares.  | <b>Amount paid in advance of call not to be treated as paid up capital.</b> |
| 139  | The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.   | <b>Declaration of dividends.</b>  |
| 140  | No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.   | <b>Restriction of amount of dividends.</b>                                  |
| 141  | No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.   | <b>Dividend out of profit only and not to carry interest.</b>               |
| 142  | The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.   | <b>The amount to be deemed net profit.</b>                                  |
| 143  | The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.   | <b>Interim dividends.</b>   |
| 144  | The Directors may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.   | <b>Debts may be deducted.</b>   |
| 145  | Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary general meeting which declares a dividend. | <b>Adjustment of call against dividend.</b>                                 |
| 146  | Any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular, of paid up shares, debenture stock of the Company or paid up shares, debentures or debenture stock of any other Company or in anyone or more of such ways.  | <b>Dividend in specie.</b>  |
| 147  | A Transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.  | <b>Effect of Transfer.</b>  |
| 148. | The Directors may retain the dividends payable upon shares in respect of which any person is under these presents entitled to become a member or which any person under these presents is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.   | <b>Retention in certain cases.</b>  |

- No member to receive interest or dividend whilst indebted to company and company's right to reimburse.** 149. No member shall be entitled to receive payment of any interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
- Notice of dividends and forfeiture of unclaimed dividends.** 150. Notice of interest or dividends to become payable shall be given to each shareholder entitled thereto, as herein provided, and all interest or dividends unclaimed for ten years after notice thereof is given, may be forfeited by the Board for the benefit of the Company and if the Board think fit may before or after forfeiture, be applied in augmentation of the Reserve Fund or any Special Fund. No dividend or bonus or unpaid interest shall bear interest as against the Company. Provided however, the Directors' may at any time annul such forfeiture and pay such dividend or interest.
- Payment by post.** 150A Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the members or person entitled, or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person whom it is sent. The Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.
- Dividend to be paid within 42 days.** 150B The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend, within forty two days from the date of the declaration of the dividend unless:
- (a) where the dividend could not be paid by reason of the operation of any law,
  - (b) where a shareholder has given directions to the Company regarding the payment of the dividend and these directions cannot be complied with,
  - (c) where there is a dispute regarding the right to receive the dividend,
  - (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or
  - (e) where, for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
- Capitalisation of reserves.** 150C (a) Any general meeting may, upon the recommendation of the Directors resolve that any moneys, investments or other assets forming part of the individual profits of the Company standing to the credit of any of the Company's reserve accounts including reserves created on restructuring, merger or demerger and capital reserves or to the credit of the profit and loss account or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premium received on the issue of securities and standing to the credit of the securities premium account, be capitalised and distributed

amongst the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions and on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards;

- (1) paying either at par or at such premium as the resolution may provide, any unissued shares, debentures or debenture stock of the Company which shall be allotted, distributed and credited as fully paid up and amongst such members in the proportions aforesaid; or
- (2) paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture stock held by such members respectively; or
- (3) paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2); and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

Provided that any sum standing to the credit of Securities Premium Account and Capital Redemption Reserve Account, If capitalized, shall be utilized only for issue of fully paid. Bonus shares to the members of the company.

(Amended pursuant to Special Resolution passed by the shareholders on 6/9/2013.)

- (b) (1) Any moneys, investments or other assets representing premiums received on the issue of shares and standing to the credit of share premium account; and
- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares; may by resolution of the Company be applied only in paying up in full or part any new shares or any shares then remaining unissued to be issued to such members of the Company as the general meeting may resolves upto an amount equal to the nominal amount of the shares so issued.
- (c) Any general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any member on the footing of the value so fixed and may vest any such cash, shares, debentures debenture stock, bonds or other obligation in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement

**Fractional certificates.**

for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

**Sale of fractional shares.**

- (e) If and whenever any shares become held by any member in fraction, the Directors may subject to the provisions of the Act and these Articles and to the direction of the Company in general meeting, if any, sell these shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- (I) Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the provisions of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## **XXI. ACCOUNTS AND AUDIT**

**Books of accounts to be kept.** 151 The Company shall cause to be kept proper books of account with respect to :

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

**Books where to be kept.** 152 The books of account shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit and shall be open to inspection by any Director during business hours.

**Inspection of books by members.** 152A The Board of Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board of Directors or by a resolution of the Company in general meeting.

**Balance sheet and profit & loss account.** 152B At every general meeting, the Board of Directors shall lay before the Company a profit and loss account and a balance sheet, made up to a date not earlier than the date of the meeting by more than six months or such extended period as may be permitted under the Act.

**Balance sheet and profit & loss account to be in conformity with act.** 152C (a) Subject to the provisions of the Act, every balance sheet and profit and loss account of the Company shall be in the forms set out in Schedule VI to the Act, or as near thereto as circumstances admit.

- (b) Any reference to benefits expected from contracts not executed, shall not be made in the balance sheet but shall be made in the Board's report.
- (c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated the fact that Board is of that opinion shall be stated.

152D Every balance sheet shall be accompanied by a report of the Board of Directors as to the state of the Company's affairs and as to the amounts, if any which it proposes to carry to any reserves and the amount, if any, which it recommends should be paid by way of dividend. The Board's report shall, so far as is material for the appropriation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company, deal with any changes which have occurred during the financial year in the nature of the Company's business and generally in the classes of business in which the Company has an interest. The Board shall also give the fullest information and explanations in its report aforesaid, or in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors' report. The Board's report and any addendum thereto shall be signed by not less than two Directors or by the Chairman of the Board of Directors if authorised in that behalf by the Board. **Board's report.**

152E The profit and loss account and balance sheet shall be signed by at least two Directors one of whom shall be the Chairman of the Board of Directors and countersigned by the Managing Director, if any, of the Company, provided that if there is only one Director present in India at the time, the profit and loss account and balance sheet shall be signed by such Directors but in such case there shall be subjoined to the profit and loss account and balance sheet a statement signed by such Director explaining the reason for non-compliance with the aforesaid provision. The profit and loss account and balance sheet shall be audited by the Auditors as hereinafter provided and the Auditor's report shall be attached thereto, or there shall be inserted at the foot thereof, a reference to the Auditors' report. **Balance sheet & auditor's report.**

152F A copy of every such profit and loss account and balance sheet so audited (including the Auditor's report and every other document required by law to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof), to the trustees for the holders of such debentures and to all persons entitled to receive notices of general meetings of the Company. **A copy of balance sheet and profit & loss account to be sent to each member.**

152G After the balance sheet and profit and loss account have been laid before the Company at the annual general meeting, three copies thereof signed as may be required by the Act shall be filed with the Registrar in accordance with the provisions of the Act. **Three copies of balance sheet to be filed with Registrar**

152H Every balance sheet and profit & loss account shall be audited by one or more Auditors to be appointed as hereinafter mentioned. **Accounts to be audited.**

152I (1) The Company at the annual general meeting, in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting. **Appointment to auditors.**

(2) At every annual general meeting, a retiring Auditor shall be



reappointed, unless

- (a) he is not qualified for re-appointment;
  - (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
  - (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
  - (d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor and by reason of death, incapacity or disqualification of that person or of all those persons, as the case may be the resolution cannot be proceeded with.
- (3) Where at an annual general meeting no Auditor is appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
  - (4) The Company shall, within seven days of the Central Government's power under sub-clause (3) becoming exercisable, give notice of that fact to the Government.
  - (5) The Board of Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the remaining of Auditor or Auditors, (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in general meeting.
  - (6) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be reappointed.

**Qualification of auditors.** 152J The persons qualified for appointment as Auditors shall be only those referred to in the Act.

**Remuneration of auditors.** 152K In case of Auditors appointed by the Company the remuneration of Auditors shall be fixed by the Company in general meeting.

**Rights and duties of auditors.** 152L (1) Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditor.

(2) All notices of, and other communications relating to, any general meeting of a company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.

(3) The Auditor shall make a report to the member of the Company on the accounts examined by him and on every balance sheet and profit and loss account, and on every other document declared

by the Act to be part of or annexed to the balance sheet or profit and loss account which are laid before the Company in general meeting, during his tenure of office, and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view:

- (i) in the case of the balance sheet of the state of the Company's affairs as the end of its financial year; and
  - (ii) in the case of the profit and loss account, of the profit or loss for its financial year.
- (4) The Auditor's report shall also state:
- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of his audit;
  - (b) whether; in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his examination of these books, and proper returns adequate for the purposes of his audit have been received from branches, if any, of the Company, and not vested in him;
  - (c) whether the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns.
- (5) Where any of the matters referred to in clauses (i) and (ii) of sub- clause (3) or in Clause (a), (b) and (c) of sub-clause (4) is answered in the negative or with a qualification, the Auditor's report shall state the reason for the answer.

152M The Auditor's report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

**Reading and inspection of auditor's report.**

152N Every account of the Company when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and thenceforth shall be conclusive.

**When accounts to be deemed conclusive.**

## **XXII. SECRECY CLAUSES**

153. No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.

**Members not entitled to enter premises of the company.**

153A Every manager, auditor, officer, servant, accountant or other person employed in the business of the Company shall when required, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customer and state of accounts with individuals and in the matter relating thereto, and shall by such

**Secrecy undertaking of employees, etc.**



declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by and meeting of the shareholders, if any, or by a Court of law, or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

### **XXIII. RECONSTRUCTION**

- Distribution of assets.** 154 On any sale of the undertaking of the Company the Board or the Liquidators on a winding up may, if authorised by a special resolution accept fully paid or partly paid up shares, debentures or securities of any other company, whether Indian or foreign, either than existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the liquidators (on a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by valuation or distribution so authorised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 484 of the Act as are capable of being varied or excluded by these presents.

### **XXIV. WINDING UP**

- Power of liquidator to accept shares, etc. as consideration for sale of property of Company.** 155 (1) 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.
- (2) 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.
- (3) 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 as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **XXV. INDEMNITY**

- Company to indemnify.** 156 Subject to the provisions of the Act, every Director, manager and other officer or servant of the Company shall be indemnified by the Company and it shall be the duty of Directors to payout of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any

contract entered into or not or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

- 157 Subject to the provisions of the Act, no Director, manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight, on his part, or for any other loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

**Directors and other officers not liable in certain cases.**

## XXVI. NOTICE

- 158 (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address, or if he has no registered address in India, to the address if any, within India supplied by him to the Company for service of notices to him.
- (2) where a document of notice is sent by post-
- (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so. Service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
  - (b) unless the contrary is proved, such service shall be deemed to have been effected -
    - (i) in the case of a notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and
    - (ii) in any other case at the time at which the letter would be delivered in the ordinary course of post.
- (3) A document or notice may be served by the Company on the joint holders or a share by serving it on the joint holder named first in the register in respect of the share.

**Service of documents on members.**

- (4) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of an insolvent, or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death of insolvency had not occurred.
- (5) A certificate in writing signed by the manager, secretary or other officer or employee of the Company that notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.
- (6) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

**Service of documents on company.** 159 A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post, or by leaving it at its Registered Office.

**Service of documents on registrar.** 160 A document may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to or leaving it for him at his office.

**Authentication of documents & proceeding.** 161 Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Secretary, or other authorised officer of the Company and need not be under the common seal of the Company.

**Knowledge implied.** 162 Each member of the Company, present or future, is deemed to join the Company with full knowledge of all the contents of these presents.

**Registers and Documents to be maintained by the Company** \*163. The Company shall keep and maintain Registers, Books and Documents required by the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), to the extent applicable to the Company from time to time.

**Inspection of Registers** \*164. The Registers, Books and Documents as provided in the foregoing Article shall (a) subject to such restrictions as provided in the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), and on payment of such fees as may be decided by the Board of Directors of the Company, be open to persons so authorized/entitled for inspection and extracts may be taken therefrom on working days except Saturdays and Sundays between 11.00 AM to 1.00 PM and (b) copy thereof may be required by such persons who are entitled for the same and on payment of such fees as may be decided by the Board of Directors of the Company.

Provided that the fees (in case (a) or (b) above) so decided by the Board, in any case shall not exceed the maximum fees prescribed, in respect of inspection or for copies thereof, as the case may be, for respective document/register, under the Act.

\* (Inserted vide special resolution passed by the shareholders at their 107<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2014)

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**  
**ORIGINAL JURISDICTION**

In the matter of Companies Act, 1956

**AND**

In the matter of Alembic Chemical Works Co. Ltd.,  
Company Petition No. 3 of 1967 connected with  
COMPANY APPLICATION NO. 35 of 1966

Alembic Chemical Works Co. Ltd.,  
Registered Office: Alembic Road,  
Baroda-3.

PETITIONER

**Coram : Divan J.**

4<sup>th</sup> April, 1967

**ORDER ON PETITION**

The above petition coming on for hearing on 4<sup>th</sup> April, 1967 AND UPON READING the said Petition, the order dated 9<sup>th</sup> November, 1966 whereby the said Company was ordered to convene a meeting of the Equity and 6¼% Cumulative First Preference Share-holders of the above Company for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the said Company and the Members of the Company, Gujarat Government Gazette dated 26<sup>th</sup> November, 1966, the Free Press Journal dated 26<sup>th</sup> November, 1966 and the Navbharat dated 26<sup>th</sup> November, 1966, each containing an advertisement of the said notice convening the said meeting, the report of the Chairman of the said meeting dated 31<sup>st</sup> December, 1966 as to the results of the said meeting AND UPON HEARING Shri C.C. Gandhi, Advocate for the said Company and it appearing from the Report that the proposed arrangement has been approved unanimously by Members present and voted in person or by Proxy. This Court doth hereby sanction the arrangement set forth in para 5 of the Petition herein and in the Schedule hereto and it is hereby declared that the same be binding on the Members of the above named Company and also on Alembic Distributors Limited, Bombay. AND THIS Court doth further order :-

- (a) That the parties to the arrangement or other persons interested shall be at liberty to apply to this court for and directions that may be necessary in regard to the working of the arrangement: and
- (b) That the said Company do file with the Registrar of Companies a certified copy of this order within 30 days from the date hereof.

## SCHEDULE

(Scheme of Arrangement as sanctioned by the Court)

SCHEME OF AMALGAMATION

OF

ALEMBIC DISTRIBUTORS LIMITED, BOMBAY

WITH

ALEMBIC CHEMICAL WORKS COMPANY LIMITED. BARODA

1. The Scheme set out hereinafter when sanctioned by the Honourable the High Court of Judicature at Bombay and the Honourable the High Court of Gujarat at Ahmedabad (Original Jurisdiction) will take effect from 1<sup>st</sup> January, 1967. The said date is hereinafter referred to as the "Appointed Day".
2. As from the appointed day the undertaking and business of Alembic Distributors Limited (the Transferor Company) which is hereinafter for brevity's sake referred to as "Alembic Distributors", shall without further act or deed be deemed to be and is transferred to and vested in Alembic Chemical Works Co. Ltd., (The transferee Company) hereinafter called "Alembic Chemicals".

Explanation :- The undertaking of Alembic Distributors shall include all rights, powers, authorities and privileges and all property movable or immovable including Leases and tenancy rights and cash balances, reserves, revenues, balances and investments of Alembic Distributors as on 31-12-1966 and all other interests and rights in or a rising out of such properties as may belong to or be in possession, of Alembic Distributors immediately before the Appointed Day all books of accounts and documents relating thereto and also all debts and liabilities of Alembic Distributors as on 31-12-1966 and all other obligations of whatsoever kind then existing of Alembic Distributors including the rights, duties, obligations and liabilities under the Trust Deed dated 18<sup>th</sup> June, 1957 between Alembic Distributors and its employees in respects of the Gratuity Fund.

3. Out of the properties and assets taken over subject to the liability as per Clauses (1) and (2), hereof interim dividend for the year 1966 as may be recommended by the Board of Directors of Alembic Distributors be paid to the Members who are on register of members as on 30-11-1966 or such other date as may be decided.
4. That as from the Appointed Day all and singular the debts and liabilities and obligations including duties of Alembic Distributors under the Distributorship Agreement with Alembic Chemical commencing from the 1<sup>st</sup> of January, 1965 for a period of five years shall be without any further acts of deeds transferred to the Alembic Chemical pursuant to the Section 394 of the Act so as to become the debts, liabilities, obligations and duties of the Alembic Chemicals, and on the scheme being sanctioned neither Companies will have any right, claim, demand, each against the other for the unexpired period of the said Agreement and the said Agreement shall ipso facto lapse.
5. That all such actions, suits or proceedings, if any pending on the Appointed Day by or against Alembic Distributors the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of Alembic Distributors or of anything contained in this scheme but the said suit, appeal, proceedings may be continued, prosecuted and endorsed by or against Alembic Chemicals in the same manner and to the same extent as it would or might have been continued, prosecuted and endorsed by or against Alembic Distributors as if this Scheme had not been framed.

6. Alembic Chemicals will on the Scheme being effective take over all such employees of the Alembic Distributors as are willing to join the Alembic Chemicals as far as possible on the same terms on which they were employed by Alembic Distributors subject to Gratuity Fund Rules, and their services with Alembic Distributors prior to the scheme being effective will not be treated as having been broken for the purpose of provident Fund or Gratuity or for any other purposes as will be reckoned from all purposes from the date of the respective appointment with Alembic Distributors.
7. Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements, and other instruments of whatsoever nature to which Alembic Distributors are parties subsisting or having effect immediately before amalgamation shall be in as full force and effect against or in favour of Alembic Chemicals and may be enforced as fully and effectually as if instead of Alembic Distributors Alembic Chemicals had been a party thereto.
8. The transfer of properties and liabilities under Clauses (1) and (2) hereof and all continuance of proceedings by the Alembic Chemicals under Clause (5) hereof shall not effect any transaction or proceedings already concluded by Alembic Distributors on and after the Appointed Day to the end and intent that Alembic Chemicals accept and adopt all acts, deeds and things done and executed by Alembic Distributors in regard thereto as done and executed on behalf of itself and that as from the Appointed Day Alembic Distributors shall be deemed to have carried on and to be carrying on its business on behalf of Alembic Chemicals until such time as the Scheme become effective.
9. In Consideration of the transfers aforesaid as soon as may be after the Appointed Day Alembic Chemicals shall allot to every person (save and except to Alembic Chemicals who holds 1721 Equity shares) registered as shareholder in Alembic Distributors, one fully paid up equity share of ₹ 100/- each against one fully paid up equity share' of ₹ 100/- each of Alembic Distributors (joint share holder being deemed to be one person).
10. That such shares as aforesaid of the Alembic Chemicals shall be distributed amongst and allotted to the shareholders of the Alembic Distributors without any other or further application by any of them for allotment or otherwise in respect thereof.
11. That such shares of Alembic Chemicals to be so distributed amongst and allotted to the shareholders of the Alembic Distributors as aforesaid shall be treated in all respects and for all purposes as an increase in the amount of the share capital of the Alembic Chemicals by ₹ 12,27,900/- and not as income.
12. That such shares of the Alembic Chemicals to be so distributed amongst and allotted to the shareholders of the Alembic Distributors as aforesaid shall be entitled to participate with and rank for dividend out of the profits of the Alembic Chemicals as from 1-1-1967 and in all other respects pari passu with the fully paid up equity shares existing as on 1-1-1967 of the Alembic Chemicals.
13. That such shares of the Alembic Chemicals to be so distributed amongst and allotted to the shareholders of the Alembic Distributors as aforesaid shall be subject to the said terms and conditions as are contained in the Memorandum of Association of the Alembic Chemicals, and the rules and regulations of the Alembic Chemicals for the time being in force and, from the Appointed Day, shall be treated for all purposes and in all respects as part of the share capital of the Alembic Chemicals.



14. That the certificates of such shares of the Alembic Chemicals to be so distributed and allotted to the shareholders of Alembic Distributors shall be made ready for delivery within six months from the date of the surrender for cancellation of relative certificates of shares of Alembic Distributors held by them.
15. That the Board of Directors of Alembic Chemicals shall give all such consent and do and cause to be done all such acts, deeds and things, exercise all such powers and authorities and make all such arrangements of and incidental and in relation to the issue and allotment, including the terms thereof with power and authority to the Board in case of difficulty arising in respect thereof, to settle the same or otherwise. as in its discretion may seem expedient in the premises.
16. That upon the sanctioning of the Scheme but subject nevertheless to any formalities required to be complied with under the provisions of the Companies Act I of 1956 in that behalf the Board of Directors of the Alembic Chemicals shall be constituted of the following Directors:
  1. Shri R. B. Amin
  2. Dr. K. T. Gajjar
  3. Dr. Mangaldas J. Shah
  4. Dr. Indubhai Bhailalbhai Amin
  6. Shri Dinubhai Bhailalbhai Amin
  7. Dr. Jayant K. Gajjar
  8. Shri Pranlal J. Patel
17. That upon the same being accepted, approved and adopted by majority in number of shareholders of the Alembic Chemicals and Alembic Distributors as required by Section 391 of the Companies Act I of 1956 at their Extra-Ordinary General Meetings, the Alembic Chemicals and Alembic Distributors respectively shall apply to the Honourable High Court of Gujarat at Ahmedabad (original Jurisdiction) and High Court of Judicature at Bombay respectively under Section 391 read with Section 394 of the Companies Act I of 1956 for obtaining an order for the sanction thereof and for further and other orders and directions in the premises including the dissolution of Alembic Distributors without winding up.

Witness N. M. MIYABHOY Esqr, Chief Justice, High Court of Gujarat at Ahmedabad.

By the Court

sd/- R. L. Dave

Deputy Registrar (I)

This 29<sup>th</sup> day of April, 1967

sd/- K.K. Mehta,

29-4-1967

Sealer

This 29<sup>th</sup> day of April, 1967



V

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
ORIGINAL JURISDICTION

In the matter of Companies Act, 1956

AND

In the matter of Alembic Chemical Works Co. Ltd.

COMPANY PETITION NO. 3 of 1967

connected with

COMPANY APPLICATION NO. 35 of 1966

Alembic Chemical Works Co. Ltd.,  
Registered Office : Alembic Road,  
Baroda.

PETITIONER

**Coram : Divan J.**

4th April, 1967

**ORDER UNDER SECTION 394**

UPON the above petition coming on for hearing on 4<sup>th</sup> April, 1967 AND UPON READING the said petition, the order dated 9<sup>th</sup> November, 1966 whereby the said Company was ordered to convene a meeting of the Equity and 6¼% Cumulative First Preference Shareholders of the above Company for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the said Company and the Members of the Company, Gujarat Government Gazette dated 26<sup>th</sup> November, 1966, The Free Press Journal dated 26<sup>th</sup> November, 1966 and the Navbharat dated 26<sup>th</sup> November, 1966 each containing an advertisement of the said notice convening the said meeting, the report of the Chairman of the said meeting dated 31<sup>st</sup> December, 1966 as to the result of the said meeting AND UPON READING the Free Press Journal dated 25<sup>th</sup> January, 1967 and the Navbharat Dated 20<sup>th</sup> January, 1967 each containing the advertisement of the above Petition, the Affidavit of Shri Manindra Krishna Benarji, the Under Secretary of the Company Law Board, New Delhi dated 15<sup>th</sup> February, 1967, the Affidavit in reply filed by shri Deodatt Purshottamdas Patel on 13<sup>th</sup> day of March, 1967, the affidavit in rejoinder filed by Manindra Krishna Benarji on 28<sup>th</sup> day of March, 1967 AND UPON HEARING Shri C.C. Gandhi, advocate for the said Company;

THIS COURT DOTH ORDER

1. That all the property, rights and powers of the Transferor Company specified in the first and second parts of the Schedule hereto and all the other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956, be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394 (2) of the Companies Act. 1956, be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. That the Transferee Company do without further application allot to such members of the Transferor Company the shares in the Transferee Company to which they are entitled to under the said arrangement; and

5. That the Transferee Company will on such transfer take over all such employees of the Transferee Company as are willing to join the Transferor Company as far as possible on the same terms on which they were employed by the Transferor Company and their services with the Transferor Company prior to such taking over will not be treated as having been broken for the purpose of Provident Fund, or gratuity or for any other purpose and will be reckoned for all purposes from the date of respective appointment with the Transferor Company; and
6. That the Transferee Company do within thirty (30) days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies, State of Gujarat at Ahmedabad and the Registrar of Companies, State of Maharashtra at Bombay, for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved and the Registrar of Companies, State of Maharashtra at Bombay shall forward all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferor Company to the Registrar of Companies, State of Gujarat, at Ahmedabad and the files relating to the Transferor and Transferee Companies shall be consolidated accordingly; and
7. That any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary.

## **SCHEDULE**

### **PART - I**

Short description of the freehold property of the Transferor Company.

- (a) Land bearing Survey No. 277/C admeasuring about 350 Sq. Yds. situated at Alexandra Road, Opposite Sir Hind Club, Ambala Cant. Ambala with buildings thereon.
- (b) Blocks Nos. 1 and 13 situated at the 3<sup>rd</sup> Floor of the building at 7/ C Pitamber Lane, Mahim, Bombay-16 admeasuring above 4885 Sq. ft. under survey No. 816 and part of Survey No. 1/816 of Mahim Division Bombay.
- (c) The land bearing part of Municipal Khasra Plot No. 957 and Municipal holding Nos. 158 (new) 152 (old) 159 (new) 153(old) 160(new) and 164 (old) in Ward No. 2, Sheet No. 45, Circle No.9 in Mohalla Moharrampon, Sulimper Ahra, Touzi No. 205 Old, at present Touzi No. 524 Thana Phulwari present Thana Kotwali, Thana No. 137, District Patna in the State of Bihar admeasuring about 1 Bigha.
- (d) The open plot of land in Municipal Word No. 19 bearing Nazul sheet No. 6/b and Nazul Plot No. 5/4 admeasuring about 16767 Sq. ft. situated at near Jathar Peth Road, Akola.
- (e) The Part of the land bearing Municipal No. 41, Circle J-2 Chowkri Haveli, Shahar Garbi, Jaipur admeasuring about 1600 Sq. yds. situate at Near Gulab Niwas, Mahavir Marg, Jaipur.
- (f) The land of open plots Nos. 2, 3 and 4 in Non-Agricultural Revision Survey No. 807 admeasuring about 19,800 Sq. ft. situate at the corner where the road from Marathe Mills joins the road called Chakkar Sadak in the Municipal limits of Miraj Town, District South Satara.

**PART-II**

Short description of all stocks, shares, debentures and other choses in action of the Transferor Company.

1. 12 year National Plan Savings Certificate of the face value of ₹ 3,770/- bearing the following

<b>Distinctive Numbers</b>	<b>Face Value</b>
F/O 450332	₹ 1,000-00
F/O 450333	₹ 1,000,00
D/Z 013673	₹ 100-00
D/1 710823-24	₹ 200-00
7373719-20	₹ 200-00
B /6 994860-63	₹ 270-00
D/1 228866	
C/O 666774-75	
B/6 994857-59	
F/1 140916	₹ 1,000-00

2. Government of India Loans of the face value of ₹ 8,700/- bearing the following distinctive Numbers.

<b>Distinctive Numbers</b>	<b>Value</b>
BY 1037	₹ 1,000-00
BY 006143	₹ 1,000-00
BY 006121	₹ 500-00
BY 005152	₹ 5,000-00
BY 006122	₹ 500-00
BY 006123	₹ 500-00
BY 005760	₹ 100-00
BY 005759	₹ 100-00

3. One Fully paid Equity Share of Ganesh Co-operative Housing Society Limited of ₹ 50/- bearing No. 11429.
4. Three Certificates of 4¼% Maharashtra State Development Loan 1976 of face value of ₹ 300/- bearing Nos. BY 002583, BY 002584 and BY 002585.
5. One Certificate of 5½% Madhya Pradesh State Development Loan 1978 of face value of ₹ 1,000/- bearing No. NG 003880.
6. 400 Equity shares of ₹ 100/- each of Light Publications Pvt. Ltd. of the face value of ₹ 40,000/- bearing Nos. 436 to 835.

Witness N.M. MIYABHOY Esqr. Chief Justice, High Court of Gujarat at Ahmedabad.

By the Court  
Sd/- R.L. Dave,  
Deputy Registrar (I)  
This 29<sup>th</sup> day of April, 1967.  
Sd/- K.K. Mehta.  
29-4-67.  
Sealer



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD.**

COMPANY PETITION No. 30 OF 1986,  
CONNECTED WITH  
COMPANY APPLICATION No. 231 OF 1985.

In the matter of the Companies Act, 1956

AND

In the matter of Alembic Chemical Works Co. Ltd.

Alembic Chemical Works Company Ltd.,  
a Company governed by the Companies  
Act, 1956 and having its Registered  
Office at Alembic Road, Baroda-390 003.

Petitioner

**BEFORE THE HON'BLE MR. JUSTICE D.C. GHEEWALA**

**DATED 12<sup>TH</sup> SEPTEMBER 1986.**

**ORDER UNDER SECTION 394.**

UPON the above Petition and Company Application No. 231 of 1985 coming on further hearing on 10<sup>th</sup> July 1986, 11<sup>th</sup> July 1986, 18<sup>th</sup> July 1986, 8<sup>th</sup> August 1986 and 14<sup>th</sup> August 1986 and upon reading the said Petition dated 6<sup>th</sup> February 1986, the order dated 6<sup>th</sup> December 1985 as modified by the Order dated 11<sup>th</sup> December 1985 whereby the said Company was ordered to convene separate meetings of Equity Shareholders, Preference Shareholders, Depositors, Trade Creditors, Debentureholders and Secured Creditors of the Petitioner Company for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Amalgamation proposed to be made between the Neomer Limited and Alembic Chemical Works Company Limited, Petitioner Company and annexed to the Affidavit dated 28<sup>th</sup> November 1985 of Shri R. M. Kapadia, filed on the 2<sup>nd</sup> day of December 1985, the public notices published in the newspaper INDIAN EXPRESS in its issue dated 23<sup>rd</sup> December 1985 and the notices in Gujarati Language in the Gujarati newspaper LOKSATTA in its issue dated 23<sup>rd</sup> December 1985 each containing the advertisements of the said notices of the said meetings directed to be held by the Order dated 6<sup>th</sup> December 1985 as modified by the Order dated 11<sup>th</sup> December 1985, the affidavit of Shri Ramanbhai B. Amin, Chairman appointed for the said meetings dated 31<sup>st</sup> December 1985 showing the publication and despatch of the notices convening the said meetings, the Report of the Chairman of the said meetings dated 31<sup>st</sup> January 1986 as to the results of the said meetings, the affidavit of Shri R.M. Kapadia dated 6<sup>th</sup> February 1986 and the Report of the Official Liquidator dated 10<sup>th</sup> April 1986 and upon hearing Shri G.N. Shah for the Petitioner and it appearing from the Report that the proposed Scheme of Amalgamation has been approved by 99.78% of the total votes cast by the equity shareholders present in person or by pro'xy in favour of the Scheme, 100% of the Preference Shareholders in favour, 99.1% in value of the Depositors Creditors in favour, 100% in value of Trade Creditors in favour, 100% in value of Debentureholders in favour and 100% in value of the Secured Creditors in favour of the Scheme of Amalgamation having a majority of not less than ¾th in value of the Creditors or Class of Creditors or Members present and attended the meetings either in person or by proxy. THIS COURT DOTH ORDER :-

1. That all the property, rights and powers of the Transferor Company specified in the first and second parts of Schedule hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor company therein but subject to nevertheless to all charges now affecting the same and
2. That all the liabilities and duties of the Transferor Company be transferred without further

act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company and

3. That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company and
4. That the Transferee Company do without further application allot to the Members of the Transferor Company the shares in the Transferee Company to which they are entitled under the said Compromise or Arrangement and
5. That the Transferor Company do within 30 days after the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for Registration and on such certified copy being so delivered; the Transferor Company shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Company and the files relating to the said two Companies shall be consolidated accordingly and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary.

## **SCHEDULE**

### **Part-I**

All that piece or parcel of freehold lands or grounds situate, lying and being at Moje Panelav, Taluka : Halol, District: Panchmahals bearing Survey Nos. 82, 83 and 131 admeasuring about 10 acres and 19 gunthas, Survey No. 133 admeasuring about 3 acres and 27 gunthas, Survey No. 134 admeasuring about 3 acres and 24 gunthas, and Survey No. 121 admeasuring about 5 acres and 22 gunthas, and Survey No. 88 admeasuring about 4 acres and 38 gunthas, Survey No. 84, 119 and 120 admeasuring about 13 acres and 35 gunthas, Survey No. 79 /part admeasuring about 2 acres and 00 gunthas, Survey No. 138 admeasuring about 3 acres and 11 gunthas and Survey No. 87 admeasuring about 3 acres and 10 gunthas, aggregating to 50 acres and 26 gunthas together with the lands, buildings, structures, constructions etc. on the aforesaid lands.

### **Part-II**

7 years National Savings Certificates of the face value of ₹ 2,500/-

WITNESS PULIYANGUDI RAMAIYAPILLAI GOKULAKRISHNAN Esquire, Chief Justice aforesaid at Ahmedabad this 12<sup>th</sup> day of September One Thousand Nine Hundred and Eighty Six.

By the Order of Court  
sd/- (A.H. THAKAR)

Joint Registrar,  
This 24<sup>th</sup> day of September, 1986.

Sealer

This 24<sup>th</sup> day of September, 1986.

Drawn by

(Girish N. Shah)  
Advocate for the  
Petitioner.



**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD.**

COMPANY PETITION No. 30 OF 1986,  
CONNECTED WITH  
COMPANY APPLICATION No. 231 OF 1985.

In the matter of the Companies Act, 1956

AND

In the matter of Alembic Chemical Works Co. Ltd.

Alembic Chemical Works Company Ltd.,  
a Company governed by the Companies  
Act, 1956 and having its Registered  
Office at Alembic Road, Baroda-390 003.

Petitioner

**BEFORE THE HON'BLE MR. JUSTICE D.C. GHEEWALA**

**DATED 12<sup>TH</sup> SEPTEMBER 1986.**

**ORDER ON PETITION**

UPON the above Petition and Company Application No. 231 of 1985 coming on further hearing on 10<sup>th</sup> July 1986, 11<sup>th</sup> July 1986, 18<sup>th</sup> July 1986, 8<sup>th</sup> August 1986 and 14<sup>th</sup> August 1986 and upon reading the said Petition dated 6<sup>th</sup> February 1986, the order dated 6<sup>th</sup> December 1985 as modified by the Order dated 11<sup>th</sup> December 1985 whereby the said Company was ordered to convene separate meetings of Equity Shareholders, Preference Shareholders, Depositors, Trade Creditors, Debenture holders and Secured Creditors of the Petitioner Company for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Amalgamation proposed to be made between the Neomer Limited and Alembic Chemical Works Company Limited, Petitioner Company and annexed to the affidavit dated 28<sup>th</sup> November 1985 of Shri R.M. Kapadia, filed on the 2<sup>nd</sup> day of December 1985, the public notices published in the newspaper INDIAN EXPRESS in its issue dated 23<sup>rd</sup> December 1985 and the notices in Gujarati Language in the Gujarati newspaper LOKSATTA in its issue dated 23<sup>rd</sup> December 1985 each containing the advertisements of the said notices of the said meetings directed to be held by the Order dated 6<sup>th</sup> December 1985 as modified by the Order dated 11<sup>th</sup> December 1985, the affidavit of Shri Ramanbhai B. Amin, Chairman appointed for the said meetings, dated 31<sup>st</sup> December 1985 showing the publication and despatch of the notices convening the said meetings, the Report of the Chairman of the said meetings dated 31<sup>st</sup> January 1986 as to the results of the said meetings, the affidavit of Shri R.M. Kapadia dated 6<sup>th</sup> February 1986 and the Report of the Official Liquidator dated 10<sup>th</sup> April 1986 and upon hearing Shri G.N. Shah for the Petitioner and it appearing from the Report that the proposed Scheme of Amalgamation has been approved by 99.79% of the total votes cast by the equity shareholders present in person or by proxy in favour of the Scheme, 100% of the Preference Shareholders in favour, 99.1% in value of the Depositors Creditors in favour, 100% in value of Trade Creditors in favour, 100% in value of Debenture holders in favour and 100% in value of the Secured Creditors in favour of the Scheme of Amalgamation having a majority of not less than 3/4<sup>th</sup> in value of the Creditors or Class of Creditors and of Members present and attended the meetings either in person or by proxy, THIS COURT DOTH hereby sanction the Scheme of Amalgamation set forth in paragraph 23 of the Petition herein and the Scheme hereto, and DOTH hereby declare the same to be binding on the Equity Shareholders, Preference Shareholders, Depositors, Trade Creditors, Debenture holders and Secured Creditors of the Company and also on the said Company and THIS COURT DOTH FURTHER ORDER:

That the Transferee Company Alembic Chemical Works Co. Ltd. shall not close down the undertaking of the Transferor Company Neomer Ltd. for a period of 10 years except in accordance with law.

That the Transferee Company Alembic Chemical Works Co. Ltd. shall not transfer any employee working with Alembic to the undertaking of Transferor Company Neomer Ltd. at Panelav.

That the parties to the Compromise or arrangement or other persons interested shall be at liberty to apply to this Court in the above matter for any direction that may be necessary in regard to the working of the compromise or arrangement.

That the said Company do file with the Registrar of Companies a certified copy of the Order within 30 days from the receipt of this order.

## SCHEDULE

### SCHEME OF AMALGAMATION

#### OF

NEOMER LIMITED, a Public Company Registered under the Companies Act, 1956 and having its Registered Office at Alembic Road, Baroda - 390 003.

(hereinafter referred to as "NEOMER")

#### With

ALEMBIC CHEMICAL WORKS COMPANY LIMITED., a Public Company registered under the Companies Act, 1956 and having its Registered Office at Alembic Road, Baroda - 390 003 (hereinafter referred to as "ALEMBIC").

1. With effect from the 1<sup>st</sup> day of January 1983 (hereinafter called 'the appointed day') the entire business and undertaking of NEOMER including all its properties, moveable or immoveable and assets of whatsoever nature and kind such as industrial and other licences and quota rights, trade marks and other industrial property, leases, tenancy rights and all other interests, rights or powers of every kind, nature and description whatsoever (all of which undertaking, property, assets, rights and powers are hereinafter for brevity's sake referred to as 'the undertaking') shall, without any further act or deed, be and stand transferred to and vested in ALEMBIC pursuant to Section 391 and 394 of the Companies Act, 1956 PROVIDED ALWAYS that this Scheme shall not operate to :-
  - (a) enlarge the security for any loan, deposit or facility created by or available to NEOMER which shall vest in ALEMBIC by virtue of the amalgamation and ALEMBIC shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise.
  - (b) the provisions, if any in any agreement or documents between NEOMER and anyone or more of the banks/financial institutions by which the concerned banks/financial institutions are entitled to convert any loan or financial assistance sanctioned by them to NEOMER into equity shares of NEOMER shall stand deleted.
2. Subject to the other provisions of this Scheme, with effect from the appointed day, all debts, liabilities, duties and obligations of NEOMER shall also be and stand transferred without further act or deed to ALEMBIC pursuant to Sections 391 and 394 of the said Act.
3. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature of which the undertaking of NEOMER is a party, subsisting or having effect immediately before this scheme becomes effective as hereinafter provided shall be in full force and effect against or in favour of ALEMBIC as the case may be and may be enforced as fully and effectually as if, instead of the undertaking of NEOMER as the case may be ALEMBIC had been a party thereto.
4. All legal proceedings by or against the undertaking of NEOMER PENDING ON the appointed day shall be continued and enforced by or against ALEMBIC as the case may be.
5. With effect from the appointed day NEOMER shall be deemed to have been carrying on and to be carrying on all business and activities in respect of the undertaking for and on

account of ALEMBIC until the undertaking becomes transferred to and vested in ALEMBIC as aforesaid by an Order or Orders of the High Court of Gujarat at Ahmedabad or otherwise in accordance with the terms of this scheme and until this Scheme finally takes effect in accordance with the terms hereof, and until then NEOMER shall carry on the business of the undertaking with proper prudence and shall not without the concurrence of ALEMBIC alienate, charge or otherwise deal with, during the pendency of this scheme, the undertaking or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees. Profits accruing to the undertaking of NEOMER or losses arising or incurred by it after the appointed day in respect of its undertaking up to the date on which this scheme finally takes effect as hereinafter provided shall for all purposes be treated as the profits and losses of ALEMBIC, as the case may be.

6. (a) The authorised capital of NEOMER is ₹ 5,00,00,000 divided into 30,00,000 equity shares of ₹ 10/- each, and 20,00,000/- Unclassified shares of ₹ 10/- each. The issued and subscribed capital of NEOMER as on 31.5.1985 is ₹ 2,95,77,500 divided into 29,57,750 equity shares of ₹ 10/- each, fully paid up, and a sum of ₹ 1,42,875/- being the amount of forfeited shares, aggregating to ₹ 2,97,20,375/-.
- (b) The authorised capital of ALEMBIC is ₹ 8,00,00,000/- divided into 7,90,000/- equity shares of ₹ 100/- each and 10,000 Redeemable Cumulative Preference shares of ₹ 100/- each. The issued and subscribed capital of ALEMBIC as on 31.5.1985 is ₹ 3,46,92,000/- divided into 3,44,920 equity shares of ₹ 100/- each, fully paid up and 2,000 9% Redeemable Cumulative Preference shares of ₹ 100/- each, fully paid up. Of these shares, 12,786 equity shares fully paid were allotted pursuant to a contract without payment being received in cash, 74,667 equity shares were allotted as Bonus Shares by capitalisation from Share Premium Account and from Reserve, and the 2000 9% Redeemable Cumulative Preference Shares represent balance of 10,000 shares redeemable at par, in 10 equal annual instalments by drawing of lots from 1<sup>st</sup> January 1978.
7. With effect from the Appointed day the Capital Reserve of NEOMER shall become the Capital Reserve of ALEMBIC, to the end and intent that the book value of the assets of NEOMER on the appointed day shall be the values at which the said assets shall be transferred to and vested in ALEMBIC subject to the provisions of and in accordance with this scheme.
8. M/s. Dalal and Shah, Chartered Accountants are the statutory auditors of NEOMER. Consequent upon this scheme becoming effective, the said M/s. Dalal and Shah shall be appointed as Branch Auditors of ALEMBIC on such terms and conditions as may be mutually agreed upon by and between the said M/s. Dalal and Shah and the Board of Directors of ALEMBIC.
9. (a) In consideration of the transfer, ALEMBIC shall issue and allot equity shares at par, credited as fully paid up to members of NEOMER whose names are recorded in its Register of Members or to such of their respective heirs, executors, administrators or legal representatives or successors in title as may be recognised by the Board of Directors of Alembic on a date to be fixed by the Directors of Alembic in the following ratio viz. one equity share of the face value of ₹ 100/- of Alembic shall be issued and allotted at par, credited as fully paid up for every forty equity shares of the face value of ₹ 10/- each, of NEOMER to members of NEOMER or their heirs, executors, administrators or other legal representatives or their successors in title, as the case may be. Such shares of Alembic when allotted as aforesaid shall be deemed to have been allotted retrospectively as on 1<sup>st</sup> January, 1983, shall be eligible for dividend that Alembic may declare for the period commencing from 1<sup>st</sup> January 1983, and save as otherwise stated, such shares shall rank pari passu in all respects with the existing equity shares of Alembic.
- (b) No coupons/ certificate shall be issued in respect of fractional rights to which members of NEOMER may be entitled on issue and allotment of the shares of Alembic as aforesaid. The Directors of Alembic shall consolidate such fractional rights to which members of NEOMER may be entitled to on issue and allotment of the shares of Alembic as aforesaid and issue and allot shares in lieu thereof to a Director or an Officer

of Alembic upon trust for being sold in the market and to pay to Alembic the net sale proceeds thereof and Alembic shall distribute such net sale proceeds to members of NEOMER or their heirs, executors, administrators or other legal representatives or their successors in title in the proportion in which they are entitled to such fractional rights.

- (c) Certificates of title to shares shall be sent by Alembic under registered post or delivered only on surrender and in exchange for share certificates held by members of NEOMER and where such share certificates cannot be so surrendered or exchanged for valid reasons, such procedure for delivery of certificates of title to shares of ALEMBIC shall be followed as may be laid down by the Board of Directors of ALEMBIC. Notice for surrender of share certificates of NEOMER will be issued on behalf of ALEMBIC soon after the amalgamation becomes effective.
  - (d) The Board of Directors of Alembic is hereby authorised to settle any question or difficulty that may arise with regard to the issue and allotment of the equity shares and distribution of the proceeds of sale aforesaid including any question or difficulty relating to any deceased or insolvent member or a member suffering from any disability, of NEOMER, in such manner as it shall determine in its absolute discretion.
10. On this Scheme finally taking effect as hereinafter provided all officers and employees of NEOMER shall be deemed to have become the officers and employees of Alembic with effect from the effective date and their employment by ALEMBIC shall be on the following terms and conditions :-
- (i) The terms and conditions of service applicable to such officers and employees of NEOMER shall not be less favourable than those applicable to them respectively prior to the effective date.
  - (ii) the service of such officers and employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or otherwise and for all purposes will be reckoned from the date of their respective appointments by NEOMER.
  - (iii) Alembic shall be liable to pay and shall pay to each of the said officers and employees such compensation in the event of retrenchment of any of them as they may be entitled to receive according to any agreement between them and NEOMER or between them and ALEMBIC as the case may be, or as may be required by any law for the time being in force, such compensation to be paid to each of them on the basis that his services has been continuous and has not been interrupted by virtue of the undertaking having been taken over by ALEMBIC under this Scheme.
11. NEOMER shall, with all reasonable despatch make applications under Section 391 and 394 of the said Act, to High Court of Gujarat at Ahmedabad for sanctioning this Scheme of Amalgamation and for dissolution of NEOMER without winding up. ALEMBIC shall also make applications to the High Court of Gujarat at Ahmedabad for sanctioning this Scheme of Amalgamation of NEOMER with ALEMBIC under the said provisions of law.
12. NEOMER (by its Directors) and ALEMBIC (by its Directors) may assent to any modification or amendments of this Scheme or of any conditions which the Court may deem fit to approve of or impose and are hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of an Order of the Court or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerned or connected therewith.
13. This Scheme is conditional on and subject to :-
- (i) approval of and agreement to this Scheme by the requisite majority of members of NEOMER and ALEMBIC.
  - (ii) Sanction by the High Court under Section 391 of the Companies Act, 1956 and to the necessary order or orders under Section 394 of the said Act, being obtained.
  - (iii) It being fully effective in accordance with sections 391 and 394 of the said Act.
  - (iv) Consent of Controller of Capital Issues for issue and allotment of equity shares under this Scheme.

- (v) Approval of the Specified Authority under Section 72-A of the Income-tax Act, 1961 and
  - (vi) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
14. This Scheme, although operative from the appointed day, shall take effect finally upon and from the date on which any of the aforesaid sanctions or approvals of Orders shall be last obtained which shall be effective date for the purposes of this scheme.
15. In case this Scheme is not sanctioned by the High Court of Gujarat at Ahmedabad, or for any other reasons this Scheme cannot be implemented, this Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme of Amalgamation.

WITNESS PULIYANGUDI RAMAIYAPILLAI GOKULAKRISHNAN Esquire, Chief Justice aforesaid at Ahmedabad this 12<sup>th</sup> day of September one Thousand Nine Hundred and Eighty Six.

By the Order of Court

sd/- (A.H. THAKAR)

Joint Registrar,

This 24<sup>th</sup> day of September 1986.

Drawn by  
(Girish N. Shah)  
Advocate for the  
Petitioner.

Sealer

This 24<sup>th</sup> day of September 1986.





**IN THE HIGH COURT OF KARNATAKA AT BANGALORE**  
**IN THE MATTER OF COMPANIES ACT, 1956**  
**AND**  
**IN THE MATTER OF M/S. DARSHAK LTD.**  
**AND**  
**IN THE MATTER OF THE SCHEME OF ARRANGEMENT**  
**BETWEEN**  
**DARSHAK LIMITED**  
**AND**  
**ALEMBIC LIMITED**  
**COMPANY PETITION NO. 198/2001**  
**CONNECTED WITH**  
**COMPANY APPLICATION NO : 515/2001**

Darshak Limited,  
 Bank of India Building,  
 No. 11, Kempegowda Road,  
 Bangalore-560 009.

Represented by its Director Sri. A.M. Kamdar..... Petitioner.

**BEFORE THE HONOURABLE Mr. JUSTICE H.L. DATTU**

Dated: 2<sup>nd</sup> July 2002

**Order under Section 394**

The above petition coming on for hearing on 02-07-2002, upon reading the said petition, the order dated: 01-08-2001 whereby the said petitioner company, was ordered to convene the meeting of secured and unsecured creditors and permitting to accept the voting through postal ballot as per Section 192A, read with clauses (a) & (b) of Sub-Section (1) of Section 642 of the Companies Act, 1956, of the share holders of the applicant company for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Arrangement proposed to be made between the applicant company and the company M/s. Alembic Limited and annexed to the affidavit dtd: 20-07-01, of Sri. A.M. Kamdar, Director of the applicant company filed on the 23<sup>rd</sup> day of July 2001 and the Indian Express, Bangalore & Gujarat editions and Kannada Prabha, Bangalore edition all dated: 12-08-01, each containing the advertisement of the said notice convening of the said meetings directed to be held by the said order dtd : 01-08-01, the affidavit dtd.: 25-08-01 of Sri. Haramanbhai T. Patel chairman appointed by this court filed on the 28<sup>th</sup> day of August 2001 and the affidavit dtd : 13-08-01 filed by Sri. Bhanuprakash appointed as Scrutinizer for postal ballot filed on the 14<sup>th</sup> day of August 2001 showing the publication & despatch of the notices convening the said meetings the reports of the Chairman of the said meetings dated 21<sup>st</sup> day of September 2001 as to the result of the said meetings, and upon hearing Sri. Chaitanaya Hegade, Advocate for the petitioner and Sri. G. Shanthappa, Additional Central Government Standing Counsel and it appearing from the reports that the proposed Scheme of Arrangement has been approved by requisite majority of the share holders and unanimously by the creditors. This Court doth hereby sanction the Scheme of Arrangement set forth in para 12 of the petition herein and in the Schedule-I hereto, and doth hereby declare the same to be binding on the creditors and share holders of the applicant/petitioner company and also on the companies M/s. Darshak Limited and M/s. Alembic Limited.

**THIS COURT DOTH ORDER**

- 1) That all the property, rights and powers of the transferor company specified in the first, second & third parts of the Schedule-II hereto be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein, but subject nevertheless to all charges now affecting the same; and
- 2) That the transferor company do within 30 days after the date of the order cause a certified copy of this order to be delivered to the Registrar of Companies, Karnataka and Gujarat; and
- 3) That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

**SCHEDULE-I**  
**SCHEME OF ARRANGEMENT (DE-MERGER)**  
**BETWEEN**  
**DARSHAK LIMITED**  
**AND**  
**ALEMBIC LIMITED**

**PRELIMINARY :-**

**1A. DEFINITIONS**

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

- 1.1 "The De-merged Company" means DARSHAK LIMITED(DL), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Bank of India Building, No. 11, Kempegowda Road, Bangalore - 560 009.
- 1.2 "The Resulting Company" means ALEMBIC LIMITED(AL), a Company incorporated under the Indian Companies Act, VI of 1882 and having its Registered Office at Alembic Road, Vadodara - 390 003.
- 1.3 "The Undertaking" means the Bulk Drug Division (BDD) the manufacturing unit of the De-merged Company situated at Village Panelav, Taluka Halol, Dist. Panchmahals, Gujarat.
- 1.4 "The Act" means Companies Act, 1956.
- 1.5 "The Appointed Date" means 1<sup>st</sup> day of April, 2000.
- 1.6 "The De-merged Company Shareholders" means the persons who are registered as the holders of the Equity Shares in the capital of the De-merged Company as on such date (after the effective date hereinafter defined) as the Board of Directors of the Resulting Company may determine.
- 1.7 "The Effective Date" means the day as specified in Clause 14(a) of this Scheme.

**IB. CAPITAL STRUCTURE OF BOTH COMPANIES**

**1.1 Capital Structure of DL**

The Capital Structure of De-merged Company as on 31<sup>st</sup> March, 2000 is as follows:

- |    |                             |  |           |
|----|-----------------------------|--|-----------|
| a) | Authorised Share Capital    | ₹ 4,00,00,000/- divided into Equity Shares of ₹ 10/- each. | 40,00,000 |
| b) | Issued & Subscribed Capital | ₹ 3,00,00,000 divided into Equity Shares of ₹ 10/- each.   | 30,00,000 |
| c) | Paid-up Share Capital       | ₹ 2,92,91,700 divided into Equity Shares of ₹ 10/- each.   | 29,29,170 |

**1.2 Capital Structure of AL**

The Capital Structure of Resulting Company as on 31<sup>st</sup> December, 2000 is as follows:

- |    |                             |   |                          |
|----|-----------------------------|---|--------------------------|
| a) | Authorised Share Capital    | ₹ 50,00,00,000/- divided into Equity Shares of ₹ 10/- each and Preference Shares of ₹ 100/- each. | 1,00,00,000<br>40,00,000 |
| b) | Issued & Subscribed Capital | ₹ 7,21,56,100 divided into Equity Shares of ₹ 10/- each.  | 72,15,610                |
| c) | Paid-up Share Capital       | ₹ 7,21,38,600 divided into Equity Shares of ₹ 10/- each.  | 72,13,860                |

**2. HIGHLIGHTS OF THE SCHEME**

- 2.1 Pursuant to this Scheme of Arrangement, the aforesaid undertaking namely, the bulk drug manufacturing unit situated at Village Panelav, Taluka Halol, Dist. Panchmahals, Gujarat, of the De-merged Company shall, w.e.f. 1<sup>st</sup> April, 2000 (the Appointed Date) and without any further act or deed, be deemed to have been transferred to and vested in the Resulting Company under Sections 391 to 394 of the Act in the manner that:

- i) All the property of the undertaking, being transferred by the De-merged Company, immediately before the de-merger, shall become the property of the Resulting Company by virtue of the de-merger.
- ii) All the liabilities relatable to the undertaking, being transferred by the De-merged Company immediately before the de-merger, shall become the liabilities of the Resulting Company by virtue of the de-merger.
- iii) The properties and liabilities of the undertaking being transferred by the De-merged Company shall be transferred to the Resulting Company at values appearing in the books of the De-merged Company immediately before the de-merger.
- iv) The transfer of the undertaking is on going concern basis including the stock-in-trade so as the Resulting Company shall be in a position to carry on the business which was being carried on in the said premises by the De-merged Company without interruption.
- v) Upon the transfer of the said undertaking of the De-merged Company pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the consideration in respect of the transfer of the said undertaking shall subject to the provisions of this Scheme be paid and satisfied by the Resulting Company by issuing and allotting to the shareholders of the De-merged Company on proportionate basis, shares in the Resulting Company credited as fully paid up as per the applicable rules, regulations and guidelines of various authorities.
- vi) The shareholders holding not less than three-fourths in value of shares in the De-merged Company (other than shares already held therein immediately before the de-merger or by a nominee for the Resulting Company or, its subsidiary) shall become shareholders of the Resulting Company by virtue of this Scheme.

### **3. TRANSFER OF UNDERTAKING**

- 3.1 With effect from the appointed date all debts, liabilities, duties and obligations of every kind, nature and description relatable to (BDD) the said undertaking of the De-merged Company shall be and stand transferred or deemed to be transferred, without any further act or deed, pursuant to the said Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.
- 3.2 Without prejudice to the generality of Clause 3.1 above, the undertaking of the De-merged Company shall mean and include, inter alia, all the relatable properties and assets including land and buildings, plant and machinery, current assets, cash and bank balances, stock-in-trade, work-in-progress, goodwill and other intangibles, investments, rights, titles, interests, powers, authorities, licenses, contracts and registrations of whatsoever nature including, without being limited to all patents, trade marks, trade names, know-how and other intellectual property rights of whatsoever nature and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use of telephone, telexes, fax machines, e-mail, internet, electricity connections, utilities and other services etc. (hereinafter collectively referred to as "the said assets") pertaining to the undertaking.
  - (a) 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 De-merged Company, and shall become the property of the Resulting Company in pursuance of the provisions of Section 394 of the Act.
  - (b) In respect of such of the said assets other than those referred to in sub para (a) above, the same shall, as more particularly provided in sub-clause 3.2 above, without any further act, instrument or deed, be transferred to and vested in

and/or be deemed to be transferred and vested in the Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act.

- 3.3 The transfer/vesting of the undertaking as aforesaid shall be subject to existing charges/hypothecation/mortgage /lien/ encumbrances (if any, as may be subsisting), of whatsoever nature and of whatsoever priority/preference, over or in respect of the assets of the said undertaking or any part thereof. However, that any reference in security documents or arrangements relating to the undertaking to which the De-merged Company is a party, to the said assets of the De-merged Company which it has offered or agreed to be offered as security for any financial assistance or obligation, to the secured creditors of the said undertaking of the De-merged Company, shall be construed as reference only to the assets pertaining to the said undertaking of the De-merged Company as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the asset or to any of the other units or divisions of the Resulting Company, unless specifically agreed to by the Resulting Company with such secured creditors and subject to the consent and approvals of the existing secured creditors of the Resulting Company.
- 3.4 The Resulting 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 De-merged Company relating to the said undertaking or in favour of any other party to any contract or arrangement to which the De-merged Company is a party or any writing as may be necessary to execute in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of this Scheme be deemed to be authorised to execute any such writings on behalf of the De-merged Company as the case may be and to implement or carry out all such formalities or compliances as are required to be carried out or performed by the De-merged Company under any loan agreements or contracts or otherwise.

#### **4. CONDUCT OF BUSINESS BY DE-MERGED COMPANY TILL EFFECTIVE DATE**

From the appointed date until the effective date,

- (a) The De-merged Company shall carry on and shall be deemed to have carried on its business and activities and shall hold and shall stand possessed and shall be deemed to have held and stood possessed of all the assets of the said undertaking on account of and in trust for the Resulting Company and shall act and be entitled to be indemnified accordingly.
- (b) Subject to the provisions of this Scheme, all the profits or income accruing or arising to the De-merged Company or expenditures or losses incurred by it on account of the said undertaking shall for all purposes be treated and deemed to be the income, profit, loss or expenditure (as the case may be) of the Resulting Company.
- (c) The De-merged Company shall carry on the business activities of the undertaking with reasonable diligence, business prudence and the De-merged Company shall not without the written concurrence of the Resulting Company, alienate, charge or otherwise deal with any of the properties or assets of the said undertaking (except incurring necessary and reasonable expenses to carry on the day-to-day operations and manufacturing activities of the said undertaking and attending to its statutory obligations) or vary the terms and conditions of employment of its employees, if any.
- (d) During the pendency of the Scheme, the De-merged Company shall not, without the prior written permission of the Board of Directors of the Resulting Company, undertake or commence any new business in the said undertaking.

#### **5. LEGAL PROCEEDINGS**

All proceedings, (including all suits, appeals, revisions, petitions, references, applications or other proceedings of whatsoever nature) if any, by or against the De-merged Company relating to and in respect of the said undertaking (BDD), pending as on the appointed date in respect of any property, rights, assets, debts, liabilities, duties and obligations, if any,

thereof referred to in Clauses 3.1 & 3.2 hereinabove, shall be continued without being prejudicially affected by reason of transfer of assets and liabilities of the said undertaking of the De-merged Company, and enforced until the effective date by the De-merged Company as desired by the Resulting Company and as from the effective date, the same shall be continued and enforced by or against the Resulting Company, as the case may be.

**6. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all lawful contracts, duties, bonds, agreements and other instruments of whatever nature in respect of the said undertaking to which the De-merged Company is a party subsisting or having effect immediately before the de-merger, shall be in full force and effect against or in favour of the Resulting Company, and may be enforced as fully and as effectively as if instead of the De-merged Company the Resulting Company had been a party thereto.

**7. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES & RESERVES OF DE-MERGED COMPANY**

- (i) For the purpose of this Scheme, the relatable assets and liabilities of BDD, the said undertaking of the De-merged Company shall be the values as appearing in the books of the De-merged Company immediately before the de-merger, as certified by the Statutory Auditors of the De-merged Company as detailed in Schedule-I.
- (ii) Upon this Scheme becoming effective, the liabilities of the De-merged Company in respect of and relating to BDD, the said undertaking shall be paid and discharged by the Resulting Company in accordance with the terms of borrowing of the said moneys and the security, if any, given to the creditors of the De-merged Company over any of the assets of the said undertaking, shall continue to enure to the benefit of the creditors in the same manner and to the same extent as if the scheme had not been implemented.
- (iii) The difference in the value of the net assets of the undertaking transferred by the De-merged Company as on 31-03-2000 (the date immediately preceding the transfer date) and the consideration value determined pursuant to this Scheme, if any, shall be accounted for in the books of the Resulting Company by adjusting the same against the general reserves of the Resulting Company.

**8. ISSUE OF SHARES BY THE RESULTING COMPANY**

- a) Upon the transfer of BDD, the said undertaking of the De-merged Company pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the Resulting Company shall issue and allot in its capital at par, credited as paid up to the extent indicated below, to all the Members of the De-merged Company whose names appear in the Register of Members on the date to be fixed by the Directors of the Resulting Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Resulting Company and approved by them to be placed on its register of members in the following proportion viz:-  
 6 (Six) Equity Shares of ₹ 10/- each credited as fully paid up of the Resulting Company i.e. (AL) shall be issued and allotted at par against 100 (One Hundred) Equity Shares of ₹ 10/- each to the Shareholders of the De-merged Company (DL), whose names are recorded in its Register of Members, or their heirs, executors, administrators or other legal representatives or their successors in title as the case may be, on a date (Record Date) to be fixed by the Board of Directors of the Resulting Company for Equity Shares held by the said Shareholders in the De-merged Company.
- b) The said Equity Shares in the Resulting Company to be issued to the shareholders of the De-merged company shall rank pari passu in all respects with existing equity shares of the Resulting Company except that they shall be entitled to dividend if any, declared by the Resulting Company in the year in which they are issued and allotted only on pro-rata basis from the date on which they are allotted.
- c) The fractions arising due to the above Exchange Ratio shall be treated as under:  
 No fractional certificates shall be issued by the Resulting Company in respect of the fractional entitlements, if any, to which the members of the De-merged Company



may be entitled on issue or allotment of the shares by the Resulting Company as aforesaid. The directors of the Resulting Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an Authorised Officer of the Resulting Company with the express understanding that such Director or the Officer shall sell the same at the best available price in one or more lots and by private sale / placement or by auction as deemed fit (the decision of such Director or the Officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sale proceeds to the Resulting Company. The net sale proceeds thereupon, shall be distributed among the members of the De-merged Company in proportion of their fractional entitlements by the Resulting Company.

- d) For the purpose as aforesaid, the Resulting Company shall, if and to the extent required, apply for and obtain any approvals including that of the SEBI, Reserve Bank of India . and other concerned authorities, for the issue and allotment by the Resulting Company to the respective Members of the De-merged Company, the Equity Shares in the said reorganised share capital of the Resulting Company in the ratio as aforesaid.
- e) The Equity Shares of the Resulting Company issued in terms of the Clause 8. a) above shall be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad, where the equity shares of the Resulting Company or the De-merged Company are listed and/or admitted to trading. The Resulting Company shall enter in such arrangement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchanges shall list and/or admit the said new shares also for the purpose of trading.
- f) The Resulting Company shall not issue any shares against the shares held by it in the De-merged Company.

**9. DE-MERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES**

All employees of BDD, the said undertaking of the De-merged Company on the effective date in terms of the Scheme shall become the employees of the Resulting Company and their services shall be deemed to have continued without interruption by the vesting of the assets and liabilities of the undertaking to the Resulting Company under the Scheme and the terms and conditions of service applicable to them on the effective date, as aforesaid, will continue to govern them as employees of the Resulting Company.

**10. OPERATIONS OF THE DE-MERGED COMPANY**

The De-merged company shall not stand dissolved or wound up by virtue of or upon the sanction of the scheme by the competent courts under Section 394 of the Act and shall continue with its business as a going concern, for the remaining undertaking and business as may be existing /subsisting at that moment of time.

**11. APPLICATIONS TO HIGH COURT**

The De-merged Company and the Resulting Company shall with all reasonable despatch, make applications to the competent courts viz. High Court of Karnataka for the De-merged Company and to the High Court of Gujarat for the Resulting Company for sanctioning the Scheme of Arrangement under Section 391 of the Companies Act, 1956 and for an order under Section 394 of the Companies Act, 1956 and for carrying the Scheme into effect.

**12. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

For the purpose of giving effect to this Scheme, the Board of Directors of the De-merged Company, and the Board of Directors of the Resulting Company, shall be entitled to give such directions as may be deemed necessary or desirable by them to settle any questions of doubt or difficulty of whatsoever nature.

The respective Board of Directors of the De-merged Company and Resulting Company may consent to any modifications or amendments of this Scheme which may either be required by the courts or any other authority or which in the exercise of the discretion by such directors may be considered necessary, desirable or appropriate by them in the best interest of the shareholders.



**13. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS**

This Scheme is conditional upon and subject to the following provisions-

- a) to the approval of and agreement to the Scheme by the requisite majorities of such classes of shareholders and creditors of the De-merged Company and the Resulting Company as may be directed by the High Courts of Judicature on the applications made for directions under Section 391 of the Act, for calling meeting and/or necessary resolutions being passed under the Act for the purpose.
- b) The sanction of the Scheme by respective High Courts of Judicature and to the necessary order or orders being obtained under Section 391, 394 and other applicable provisions of the Companies Act, 1956 by the De-merged Company and the Resulting Company.
- c) The approvals, sanctions and permissions, if any, of the other concerned authorities as may be required.
- d) The De-merged Company and/or the Resulting Company shall obtain such other Consent or approval as may be required under any statute or contract not specifically referred to in this Scheme.

**14. MISCELLANEOUS**

- a) The Scheme, although operative from the appointed date, shall take effect upon and from the date on which the last of the confirmation, sanctions and approvals or orders are finally obtained and the certified copies of the order(s) of the competent courts under Section 394 of the Companies Act, 1956 are filed with the respective Registrar of Companies, which date shall be the effective date for the purpose of the Scheme. Provided, however, that in the event of the aforesaid sanctions, approvals, or orders, for any reason not being obtained on or before 30.06.2002 or within such further period or periods as may be mutually agreed upon between the De-merged Company and the Resulting Company, through their respective Board of Directors, this Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of this Scheme and both the parties will be absolved from the effect of any action/inaction taken by them in response of the Scheme.
- b) Till the event of this Scheme being effective both the De-merged Company and the Resulting Company shall continue to hold their Annual General Meeting and other meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this scheme is not existing.
- c) All costs, charges and expenses in relation to or in connection with this Scheme and its implementation and of carrying out and completing the terms and provisions of this Scheme and of and incidental to completion of the arrangement under this Scheme, if identifiable with respective companies shall be borne and paid by the respective Company and if common and non-identifiable with respective companies shall be borne and paid in equal i.e. 50:50 proportion by the respective companies.

## SCHEDULE-I

## DARSHAK LIMITED

**STATEMENT OF ASSETS & LIABILITIES OF BULK DRUG MANUFACTURING UNIT OF  
DARSHAK LIMITED TO BE TRANSFERRED  
TO AND TO BE MERGED WITH ALEMBIC LIMITED  
(AS ON 01/04/2000 - THE APPOINTED DATE)**

PARTICULARS				AMOUNT (₹)
<b>I. SOURCES OF FUNDS:</b>				
Loan Funds:				
Secured Loans				3,13,03,266
Unsecured Loans				3,07,62,544
Division Accounts				10,27,04,918
<b>Total</b>				<b>16,47,70,728</b>
<b>II. APPLICATION OF FUNDS :</b>				
<b>Fixed Assets</b>	<b>Gross Block</b>	<b>Accumulated Depreciation</b>	<b>Net Block</b>	
	₹	₹	₹	
Land	3,89,874		3,89,874	
Building	4,37,00,989	44,89,595	3,92,11,394	
Plant & Machinery	12,90,53,591	1,50,48,449	11,40,05,142	
Others	38,12,232	8,30,297	29,81,935	
<b>Total</b>	17,69,56,686	2,03,68,341	15,65,88,345	15,65,88,345
Investments				41,406
Current Assets, Loans & Advances:				
Inventories				2,00,56,422
Sundry Debtors				44,98,664
Cash & Bank Balance				41,91,731
Loans & Advances				2,20,13,820
				<b>5,07,60,637</b>
<b>Less : Current Liabilities &amp; Provisions</b>				
Current liabilities				9,98,84,670
Provisions				-
				<b>9,98,84,670</b>
Net Current Assets				<b>(4,91,24,033)</b>
Miscellaneous Expenditure (to the extent not written off)				-
Profit & Loss Nc debit balance				5,72,65,010
<b>Total</b>				<b>16,47,70,728</b>

**SCHEDULE-II****PART-I**

Short description of the Free hold property of the undertaking, of the transferor Company :-

**A. Details of Land :**

Address: Village Panelav, Tal: Halol, Dist Panchmahal, Gujarat State

<b>Survey No.</b>	<b>Area (acre &amp; gunthe)</b>
119	3.26
120	4.12
121	5.22

**B1. Details of Building:**

Factory building, utility building situated on survey no. 119, 120, 121 at Village Panelav, Tal Halol, Dist. Panchmahal, Gujarat State.

**B2. Details of Residential Accommodation:**

Address : Mansarovar, Opp. Garden, Halol Vadodara Road, Tal Halol, Dist Panchmahal, Gujarat.

The details of flats are specified hereunder:

<b>Flat No.</b>	<b>Area in Sq. Meter</b>	<b>Particulars</b>
45	66-05-41	Third Floor
28	66-05-41	Second Floor
58	63-91-72	Third Floor
38	63-91-72	Second Floor
55	63-91-72	Third Floor
23	66-05-41	Second Floor
60	60-10-83	Third Floor
8	66-05-41	First Floor
46	63-94	Third Floor
29	69-88	First Floor
26	63-94	Second Floor
6	63-94	First Floor
47	63-94	Third Floor
9	69-88	First Floor
30	60-13	Second Floor
37	66-05-41	Second Floor

**C. Details of Plant and Machinery :**

Plant and machinery including Air Compressors, Steam Generation System, Water storage tanks, Soft water tanks, Cooling water pumps, Waste Water Pumps, Under ground tank, Over head tank, Air receiver, Chilled water plant, Brine Plant, Wastering Vacuum plant, Oilring high vacuum pump, Hot themicfluid system, Thermopac, Various reactors, Fire fighting system, Air Tray Dryer, Fluid Bad Dryer, Multi MILL, Layers separation tank, and such other Plant & Machineries situated at Village Panelav, Tal Halol, Dist Panchmahal. Gujarat State.

**D. Details of Furniture and fixtures:**

Computers, other furniture and fixtures like locker, tablets, chairs, cupboard, file cabinets, computer tables, round tables, ceiling fans, wall mounted fans, pedestal fan, A.C., telephone Instruments, fax machine, other office equipments placed at the factory/plant situated at Village Panelav, Tal Halol, Dist Panchmahal, Gujarat, and placed at the Baroda Office situated at Mezzanine floor, Admin Building, Alembic Ltd., Vadodara-390 003.

**Part-II**

Short description of the leasehold property of the transferor company: **NIL**

**PART-III**

Short description of all stocks, shares, debentures and other changes / hypothecations :

<b>Investment Particulars</b>	<b>Amount ₹</b>
100 EQUITY SHARES OF J.K. PHARMA LTD.	760.00
100 EQUITY SHARES OF KREBS BIOCHEM	15050.00
100 EQUITY SHARES OF NEULAND LAB LTD.	13000.00
100 EQUITY SHARES OF TORRENT GUJ BIOTECH LTD.	1596.25
NATIONAL SAVING CERTIFICATE	1000.00
SARSWAT CO. OP. BANK LTD.	10000.00

**Note :**

Change-Hypothecation charge on all movable Plant and Machineries of the undertaking in favour of Pragati Sahakari Bank Ltd., Alembic Colony, Vadodara - 390 003, Gujarat State against the Banks loan of ₹ 300 Lacs.

Dated this the 24<sup>th</sup> day of August 2002

(By the court)

Sd/-

Assistant Registrar

High Court of Karnataka,  
Bangalore

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
(ORIGINAL JURISDICTION)  
COMPANY PETITION NO. 199 OF 2001  
CONNECTED WITH  
COMPANY APPLICATION NO. 213 OF 2001**

In the matter of : **Alembic Limited**  
a Company registered under the Companies Act,  
1956 and having its registered office at Alembic  
Road, Vadodara 390 003 in the State of Gujarat.

**Alembic Limited**

a Company registered under the Companies Act. 1956 and  
having its registered office at Alembic  
Road, Vadodara 390 003 in the State of Gujarat.....Petitioner

**BEFORE HONOURABLE Mr. JUSTICE M.S. Shah**

Date: 15<sup>th</sup> February 2002

**Order on Petition**

The above petition coming on for hearing on 15<sup>th</sup> February 2002, upon reading the said petition, the order dated 9.8.2001 in the Company Application No. 213 of 2001 whereby the said company was ordered to obtain the approval of its shareholders by postal ballots and to convene two separate meetings for its secured and unsecured creditors, for the purpose of considering, and if thought fit, approving, with or without modification the compromise or arrangement proposed to be made between the said Company and its shareholders and creditors in the nature of De-merger and transfer of the Bulk Drugs Manufacturing unit of 'Darshak Limited' to the Petitioner Company, and annexed to the affidavit of Shri Chirayu Amin filed on 1<sup>st</sup> day of September 2001 and the Indian Express- the English daily, and Jansatta - the Gujarati daily (both Vadodara editions) dated 29.08.2001, and additionally Indian Express (Ahmedabad & Mumbai editions) and Jansatta (Ahmedabad edition) dated 30.8.2001 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 9.08.2001) the affidavit of Mr. Chirayu Amin filed on the 1<sup>st</sup> day of September 2001 showing the publication and dispatch of the notices convening the said meetings) the report of the Chairman of the said meetings dated 1.10.2001 as to the result of the said meetings, and the postal ballot, and upon hearing Shri Saurabh N. Soparkar Senior Advocate appearing with Smt. Swati Soparkar, Advocate for the Petitioner Company and upon hearing Shri D. J. Shah, an Objector as party in person and Smt. P. J. Dawawala, Additional standing Counsel appearing for the Central Government and it appearing from the report that the proposed compromise or arrangement has been approved by a majority of not less than three fourths in value of the equity shareholders who responded to the request for postal ballots and unanimously by the secured and unsecured creditors present and voting in person or by proxy.

This Court doth hereby sanction the compromise or arrangement set forth in para 8 of the petition herein and in the Schedule hereto and doth hereby declare the same to be binding on the Equity Shareholders, secured and unsecured creditors of the above named company and also on the above named company.

And that the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further orders payment of ₹ 2,500/- in aggregate as the cost of this petition awardable to Smt. P. J. Dawawala, Additional Central Government Standing Counsel.

**SCHEDULE**

Scheme of Compromise or Arrangement as sanctioned by the court.

Dated this 15<sup>th</sup> day of February 2002

**SCHEME OF ARRANGEMENT (DE-MERGER)  
BETWEEN  
DARSHAK LIMITED  
AND  
ALEMBIC LIMITED**

**PRELIMINARY:-****1A. DEFINITIONS**

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

- 1.1 **“The De-merged Company”** means DARSHAK LIMITED(DL), a Company incorporated under the Companies Act, 1956 and having its Registered Office at Bank of India Building, No. 11, Kempegowda Road, Bangalore-560 009.
- 1.2 **“The Resulting Company”** means ALEMBIC LIMITED(AL), a Company incorporated under the Indian Companies Act, VI of 1882 and having its Registered Office at Alembic Road, Vadodara-390 003.
- 1.3 **“The Undertaking”** means the Bulk Drug Division (BDD) the manufacturing unit of the De-merged Company situated at Village Panelav, Taluka Halol, Dist. Panchmahals, Gujarat.
- 1.4 **“The Act”** means Companies Act, 1956.
- 1.5 **“The Appointed Date”** means 1<sup>st</sup> day of April, 2000.
- 1.6 **“The De-merged Company Shareholders”** means the persons who are registered as the holders of the Equity Shares in the capital of the De-merged Company as on such date (after the effective date hereinafter defined) as the Board of Directors of the Resulting Company may determine.
- 1.7 **“The Effective Date”** means the day as specified in Clause 14(a) of this Scheme.

**1B. CAPITAL STRUCTURE OF BOTH COMPANIES**

## 1.1 Capital Structure of DL

The Capital Structure of De-merged Company as on 31<sup>st</sup> March, 2000 is as follows:

a)	Authorised Share Capital	₹ 4,00,00,000/- divided into	40,00,000
		Equity Shares of ₹ 10/- each.	
b)	Issued & Subscribed Capital	₹ 3,00,00,000 divided into	30,00,000
		Equity Shares of ₹ 10/- each.	
c)	Paid-up Share Capital	₹ 2,92,91,700 divided into	29,29,170
		Equity Shares of ₹ 10/- each.	

## 1.2 Capital Structure of AL

The Capital Structure of Resulting Company as on 31<sup>st</sup> December, 2000 is as follows:

a)	Authorised Share Capital	₹ 50,00,00,000/- divided into	1,00,00,000
		Equity Shares of ₹ 10/- each and	40,00,000
		Preference Shares of ₹ 100/- each.	
b)	Issued & Subscribed Capital	₹ 7,21,56,100 divided into	72,15,610
		Equity Shares of ₹ 10/- each.	
c)	Paid-up Share Capital	₹ 7,21,38,600 divided into	72,13,860
		Equity Shares of ₹ 10/- each.	

**2. HIGHLIGHTS OF THE SCHEME**

- 2.1 Pursuant to this Scheme of Arrangement, the aforesaid undertaking namely, the bulk drug manufacturing unit situated at Village Panelav, Taluka Halol, Dist. Panchmahals, Gujarat, of the De-merged Company shall, w.e.f. 1<sup>st</sup> April, 2000 (the Appointed Date) and without any further act or deed, be deemed to have been transferred to and vested in the Resulting Company under Sections 391 to 394 of the Act in the manner that:
  - i) All the property of the undertaking, being transferred by the De-merged



Company, immediately before the de-merger, shall become the property of the Resulting Company by virtue of the de-merger.

- ii) All the liabilities relatable to the undertaking, being transferred by the De-merged Company immediately before the de-merger, shall become the liabilities of the Resulting Company by virtue of the de-merger.
- iii) The properties and liabilities of the undertaking being transferred by the De-merged Company shall be transferred to the Resulting Company at values appearing in the books of the De-merged Company immediately before the demerger.
- iv) The transfer of the undertaking is on going concern basis including the stock-in-trade so as the Resulting Company shall be in a position to carry on the business which was being carried on in the said premises by the De-merged Company without interruption.
- v) Upon the transfer of the said undertaking of the De-merged Company pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the consideration in respect of the transfer of the said undertaking shall subject to the provisions of this Scheme be paid and satisfied by the Resulting Company by issuing and allotting to the shareholders of the De-merged Company on proportionate basis, shares in the Resulting Company credited as fully paid up as per the applicable rules, regulations and guidelines of various authorities.
- vi) The shareholders holding not less than three-fourths in value of shares in the De-merged Company (other than shares already held therein immediately before the de-merger or by a nominee for the Resulting Company or, its subsidiary) shall become shareholders of the Resulting Company by virtue of this Scheme.

### **3. TRANSFER OF UNDERTAKING**

- 3.1 With effect from the appointed date all debts, liabilities, duties and obligations of every kind, nature and description relatable to (BDD) the said undertaking of the De-merged Company shall be and stand transferred or deemed to be transferred, without any further act or deed, pursuant to the said Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.
- 3.2 Without prejudice to the generality of Clause 3.1 above, the undertaking of the De-merged Company shall mean and include, inter alia, all the relatable properties and assets including land and buildings, plant and machinery, current assets, cash and bank balances, stock-in-trade, work-in-progress, goodwill and other intangibles, investments, rights, titles, interests, powers, authorities, licenses, contracts and registrations of whatsoever nature including, without being limited to all patents, trade marks, trade names, know-how and other intellectual property rights of whatsoever nature and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use of telephone, telexes, fax machines, e-mail, internet, electricity connections, utilities and other services etc. (hereinafter collectively referred to as "the said assets") pertaining to the undertaking.
  - (a) 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 De-merged Company, and shall become the property of the Resulting Company in pursuance of the provisions of Section 394 of the Act.
  - (b) In respect of such of the said assets other than those referred to in sub para (a) above, the same shall, as more particularly provided in sub-clause 3.2 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Resulting Company on the appointed date pursuant to the provisions of Section 394 of the Act.

- 3.3 The transfer/vesting of the undertaking as aforesaid shall be subject to existing charges/ hypothecation/mortgage /lien/ encumbrances (if any, as may be subsisting), of whatsoever nature and of whatsoever priority/preference, over or in respect of the assets of the said undertaking or any part thereof. However, that any reference in security documents or arrangements relating to the undertaking to which the De-merged Company is a party, to the said assets of the De-merged Company which it has offered or agreed to be offered as security for any financial assistance or obligation, to the secured creditors of the said undertaking of the De-merged Company, shall be construed as reference only to the assets pertaining to the said undertaking of the De-merged Company as are vested in the Resulting Company by virtue of this Scheme, to the end and intent that such security, mortgage and charge shall not extend or be deemed to extend, to any of the asset or to any of the other units or divisions of the Resulting Company, unless specifically agreed to by the Resulting Company with such secured creditors and subject to the consent and approvals of the existing secured creditors of the Resulting Company.
- 3.4 The Resulting 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 De-merged Company relating to the said undertaking or in favour of any other party to any contract or arrangement to which the De-merged Company is a party or any writing as may be necessary to execute in order to give formal effect to the above provisions. The Resulting Company shall under the provisions of this Scheme be deemed to be authorised to execute any such writings on behalf of the De-merged Company as the case may be and to implement or carry out all such formalities or compliances as are required to be carried out or performed by the De-merged Company under any loan agreements or contracts or otherwise.

#### **4. CONDUCT OF BUSINESS BY DE-MERGED COMPANY TILL EFFECTIVE DATE**

From the appointed date until the effective date,

- (a) The De-merged Company shall carry on and shall be deemed to have carried on its business and activities and shall hold and shall stand possessed and shall be deemed to have held and stood possessed of all the assets of the said undertaking on account of and in trust for the Resulting Company and shall act and be entitled to be indemnified accordingly.
- (b) Subject to the provisions of this Scheme, all the profits or income accruing or arising to the De-merged Company or expenditures or losses incurred by it on account of the said undertaking shall for all purposes be treated and deemed to be the income, profit, loss or expenditure (as the case may be) of the Resulting Company.
- (c) The De-merged Company shall carry on the business activities of the undertaking with reasonable diligence, business prudence and the De-merged Company shall not without the written concurrence of the Resulting Company, alienate, charge or otherwise deal with any of the properties or assets of the said undertaking (except incurring necessary and reasonable expenses to carry on the day-to-day operations and manufacturing activities of the said undertaking and attending to its statutory obligations) or vary the terms and conditions of employment of its employees, if any.
- (d) During the pendency of the Scheme, the De-merged Company shall not, without the prior written permission of the Board of Directors of the Resulting Company, undertake or commence any new business in the said undertaking.

#### **5. LEGAL PROCEEDINGS**

All proceedings, (including all suits, appeals, revisions, petitions, references, applications or other proceedings of whatsoever nature) if any, by or against the De-merged Company relating to and in respect of the said undertaking (BDD), pending as on the appointed date in respect of any property, rights, assets, debts, liabilities, duties and obligations, if any, thereof referred to in Clauses 3.1 & 3.2 hereinabove, shall be continued without being prejudicially affected by reason of transfer of assets and liabilities of the said undertaking of the De-merged Company, and enforced until the effective date by the De-merged Company

as desired by the Resulting Company and as from the effective date, the same shall be continued and enforced by or against the Resulting Company, as the case may be.

**6. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all lawful contracts, duties, bonds, agreements and other instruments of whatever nature in respect of the said undertaking to which the De-merged Company is a party subsisting or having effect immediately before the de-merger, shall be in full force and effect against or in favour of the Resulting Company, and may be enforced as fully and as effectively as if instead of the De-merged Company the Resulting Company had been a party thereto.

**7. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES & RESERVES OF DE-MERGED COMPANY**

- (i) For the purpose of this Scheme, the relatable assets and liabilities of BDD, the said undertaking of the De-merged Company shall be the values as appearing in the books of the De-merged Company immediately before the de-merger, as certified by the Statutory Auditors of the De-merged Company as detailed in Schedule-I.
- (ii) Upon this Scheme becoming effective, the liabilities of the De-merged Company in respect of and relating to BDD, the said undertaking shall be paid and discharged by the Resulting Company in accordance with the terms of borrowing of the said moneys and the security, if any, given to the creditors of the De-merged Company over any of the assets of the said undertaking, shall continue to enure to the benefit of the creditors in the same manner and to the same extent as if the scheme had not been implemented.
- (iii) The difference in the value of the net assets of the undertaking transferred by the De-merged Company as on 31-03-2000 (the date immediately preceding the transfer date) and the consideration value determined pursuant to this Scheme, if any, shall be accounted for in the books of the Resulting Company by adjusting the same against the general reserves of the Resulting Company.

**8. ISSUE OF SHARES BY THE RESULTING COMPANY**

- a) Upon the transfer of BDD, the said undertaking of the De-merged Company pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the Resulting Company shall issue and allot in its capital at par, credited as paid up to the extent indicated below, to all the Members of the De-merged Company whose names appear in the Register of Members on the date to be fixed by the Directors of the Resulting Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Resulting Company and approved by them to be placed on its register of members in the following proportion viz:-  
6 (Six) Equity Shares of ₹ 10/- each credited as fully paid up of the Resulting Company i.e. (AL) shall be issued and allotted at par against 100 (One Hundred) Equity Shares of ₹ 10/- each to the Shareholders of the De-merged Company (DL), whose names are recorded in its Register of Members, or their heirs, executors, administrators or other legal representatives or their successors in title as the case may be, on a date (Record Date) to be fixed by the Board of Directors of the Resulting Company for Equity Shares held by the said Shareholders in the De-merged Company.
- b) The said Equity Shares in the Resulting Company to be issued to the shareholders of the De-merged company shall rank pari passu in all respects with existing equity shares of the Resulting Company except that they shall be entitled to dividend if any, declared by the Resulting Company in the year in which they are issued and allotted only on pro-rata basis from the date on which they are allotted.
- c) The fractions arising due to the above Exchange Ratio shall be treated as under :  
No fractional certificates shall be issued by the Resulting Company in respect of the fractional entitlements, if any, to which the members of the De-merged Company may be entitled on issue or allotment of the shares by the Resulting Company as aforesaid. The directors of the Resulting Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an Authorised Officer of the Resulting Company with the express understanding that such Director

or the Officer shall sell the same at the best available price in one or more lots and by private sale / placement or by auction as deemed fit (the decision of such Director or the Officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sale proceeds to the Resulting Company. The net sale proceeds thereupon, shall be distributed among the members of the De-merged Company in proportion of their fractional entitlements by the Resulting Company.

- d) For the purpose as aforesaid, the Resulting Company shall, if and to the extent required, apply for and obtain any approvals including that of the SEBI, Reserve Bank of India and other concerned authorities, for the issue and allotment by the Resulting Company to the respective Members of the De-merged Company, the Equity Shares in the said reorganised share capital of the Resulting Company in the ratio as aforesaid.
- e) The Equity Shares of the Resulting Company issued in terms of the Clause 8. a) above shall be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad, where the equity shares of the Resulting Company or the De-merged Company are listed and/or admitted to trading. The Resulting Company shall enter in such arrangement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchanges shall list and/or admit the said new shares also for the purpose of trading.
- f) The Resulting Company shall not issue any shares against the shares held by it in the De-merged Company.

#### **9. DE-MERGED COMPANY'S STATE, WORKMEN AND EMPLOYEES**

All employees of BDD, the said undertaking of the De-merged Company on the effective date in terms of the Scheme shall become the employees of the Resulting Company and their services shall be deemed to have continued without interruption by the vesting of the assets and liabilities of the undertaking to the Resulting Company under the Scheme and the terms and conditions of service applicable to them on the effective date, as aforesaid, will continue to govern them as employees of the Resulting Company.

#### **10. OPERATIONS OF THE DE-MERGED COMPANY**

The De-merged company shall not stand dissolved or wound up by virtue of or upon the sanction of the scheme by the competent courts under Section 394 of the Act and shall continue with its business as a going concern, for the remaining undertaking and business as may be existing /subsisting at that moment of time.

#### **11. APPLICATIONS TO HIGH COURT**

The De-merged Company and the Resulting Company shall with all reasonable despatch, make applications to the competent courts viz. High Court of Karnataka for the De-merged Company and to the High Court of Gujarat for the Resulting Company for sanctioning the Scheme of Arrangement under Section 391 of the Companies Act, 1956 and for an order under Section 394 of the Companies Act, 1956 and for carrying the Scheme into effect.

#### **12. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

For the purpose of giving effect to this Scheme, the Board of Directors of the De-merged Company, and the Board of Directors of the Resulting Company, shall be entitled to give such directions as may be deemed necessary or desirable by them to settle any questions of doubt or difficulty of whatsoever nature.

The respective Board of Directors of the De-merged Company and Resulting Company may consent to any modifications or amendments of this Scheme which may either be required by the courts or any other authority or which in the exercise of the discretion by such directors may be considered necessary, desirable or appropriate by them in the best interest of the shareholders.

#### **13. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

This Scheme is conditional upon and subject to the following provisions-

- a) to the approval of and agreement to the Scheme by the requisite majorities of such classes of shareholders and creditors of the De-merged Company and the Resulting

Company as may be directed by the High Courts of Judicature on the applications made for directions under Section 391 of the Act, for calling meeting and/or necessary resolutions being passed under the Act for the purpose.

- b) The sanction of the Scheme by respective High Courts of Judicature and to the necessary order or orders being obtained under Section 391, 394 and other applicable provisions of the Companies Act, 1956 by the De-merged Company and the Resulting Company.
- c) The approvals, sanctions and permissions, if any, of the other concerned authorities as may be required.
- d) The De-merged Company and/or the Resulting Company shall obtain such other consent or approval as may be required under any statute or contract not specifically referred to in this Scheme.

#### **14. MISCELLANEOUS**

- a) The Scheme, although operative from the appointed date, shall take effect upon and from the date on which the last of the confirmation, sanctions and approvals or orders are finally obtained and the certified copies of the order(s) of the competent courts under Section 394 of the Companies Act, 1956 are filed with the respective Registrar of Companies, which date shall be the effective date for the purpose of the Scheme. Provided, however, that in the event of the aforesaid sanctions, approvals, or orders, for any reason not being obtained on or before 30.06.2002 or within such further period or periods as may be mutually agreed upon between the De-merged Company and the Resulting Company, through their respective Board of Directors, this Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of this Scheme and both the parties will be absolved from the effect of any action/inaction taken by them in response of the Scheme.
- b) Till the event of this Scheme being effective both the De-merged Company and the Resulting Company shall continue to hold their Annual General Meeting and other meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this scheme is not existing.
- c) All costs, charges and expenses in relation to or in connection with this Scheme and its implementation and of carrying out and completing the terms and provisions of this Scheme and of and incidental to completion of the arrangement under this Scheme, if identifiable with respective companies shall be borne and paid by the respective Company and if common and non-identifiable with respective companies shall be borne and paid in equal i.e. 50:50 proportion by the respective companies.



**SCHEDULE - I**  
**DARSHAK LIMITED**

**STATEMENT OF ASSETS & LIABILITIES OF BULK DRUG MANUFACTURING  
UNIT OF DARSHAK LIMITED TO BE TRANSFERRED  
TO AND TO BE MERGED WITH ALEMBIC LIMITED.**

**(AS ON 01/04/2000 - THE APPOINTED DATE)**

PARTICULARS				AMOUNT (₹)
I. SOURCES OF FUNDS :				
Loan Funds :				
Secured Loans				3,13,03,266
Unsecured Loans				3,07,62,544
Division Accounts				10,27,04,918
Total				16,47,70,728
II. APPLICATION OF FUNDS :				
Fixed Assets	Gross Block (₹)	Accumulated Depreciation (₹)	Net Block (₹)	
Land	3,89,874		3,89,874	
Building	4,37,00,989	44,89,595	3,92,11,394	
Plant & Machinery	12,90,53,591	1,50,48,449	11,40,05,142	
Others	38,12,232	8,30,297	29,81,935	
Total	17,69,56,686	2,03,68,341	15,65,88,345	15,65,88,345
Investments				41,406
Current Assets, Loans & Advances :				
Inventories				2,00,56,422
Sundry Debtors				44,98,664
Cash & Bank Balance				41,91,731
Loans & Advances				2,20,12,820
				5,07,60,637
Less : Current Liabilities & Provisions				
Current Liabilities				9,98,84,670
Provisions				-----
				9,98,84,670
Net Current Assets				(4,91,24,033)
Miscellaneous Expenditure (to the extent not written off)				-----
Profit & Loss A/c debit balance				5,72,65,010
Total				16,47,70,728

Dated this 7<sup>th</sup> day of July, 2005.

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Dated this 15<sup>th</sup> day of February, 2002

Witness Devdutta Madhav Dharmadhikari Esquire

The Chief, Justice at Ahmedabad

aforesaid this 15<sup>th</sup> day of February, Two Thousand Two

By the order of the Court

Joint Registrar

This 14<sup>th</sup> day of March, 2002

Order drawn by :

(Swati Saurabh Soparkar)

Advocate - Code No. : 870

Sealer

This 14<sup>th</sup> day of March, 2002





**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
ORIGINAL JURISDICTION  
COMPANY PETITION NO. 186 OF 2007**

In the matter of  
Sec. 78, 100 to 103 of the Companies  
Act, 1956;

And

In the matter of  
Alembic Limited.

A Company registered under the Companies Act,  
VI, 1882 having its registered office at Alembic  
Road, Vadodara 390 003 in the state of Gujarat.

And

In the matter of Reduction of capital  
of Alembic Limited.

Alembic Limited.

A Company registered under the Companies Act,  
VI 1882 and having its registered office at  
Alembic Road, Vadodara 390 003 in the state  
Gujarat.....Petitioner

BEFORE HONOURABLE MR. JUSTICE K.A. Puj

Dated : 28<sup>th</sup> December 2007

**ORDER ON PETITION**

Upon the above petition of Alembic Limited presented on 26<sup>th</sup> day of September 2007, upon hearing Smt. Swati Saurabh Soparkar, advocate for the petitioner and upon reading the said petition and the affidavit in support thereof filed on the 24<sup>th</sup> day of September 2007 and the exhibits therein referred to, the order on the summons made on 30<sup>th</sup> day of November, 2007 dispensing with an enquiry into the debts and liabilities of the said company, and upon perusing the Indian Express and Loksatta-Jansatta, both Vadodara Editions dated 5<sup>th</sup> December 2007, containing the notice of the date of hearing of this petition and none of the creditors or shareholders of the company appearing in person or by the advocate, to oppose the said petition.

**THIS COURT DOTH ORDER**

- (1) That the reduction of the share capital of the above company resolved on and effected by the special resolution passed in according with Section 189 of the Companies Act, 1956, at a General meeting of the said company held on 30<sup>th</sup> day of August 2007, which resolution was in the words and figures following, viz.

“RESOLVED THAT pursuant to the provisions of Section 78 read with Section 100 of the Companies Act, 1956 (hereinafter referred to as “the Act”) and other applicable provisions, if any, of the Act, pursuant to Article 59 of the Articles of Association of the Company and subject to sanction of Hon’ble High Court of Gujarat or National Company Law Tribunal and also subject to such other consents, approvals, permissions and sanctions as may be required, an amount not exceeding ₹ 29.17 crores out of the balance standing in the Share Premium account and an amount not exceeding ₹ 102.58 crores out of the balance standing in the General Reserve both aggregating to an amount not exceeding ₹ 131.75 crores be reduced by transfer to the credit of Profit & Loss Account of the Company for the year ending on 31<sup>st</sup> March, 2008 of an amount not exceeding ₹ 176.83 crores out of the balance in the

following asset accounts namely trademarks, copyrights, business and commercial rights and other intangibles (hereinafter called "Intangible Assets"), after making due adjustment for deferred tax, which deferred tax adjustment will be reversed in subsequent years by corresponding debit to the General Reserve Account.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any committee of Board constituted to exercise its powers including the power conferred by this resolution or any person which the Board may nominate/constitute to exercise its power, including the powers by this Resolution) be and is hereby authorized.

1. to give effect to such modifications, changes, variations, alterations, deletions, additions as may be suggested by Hon'ble High Court of Gujarat and other authorities;
2. to settle any doubt, question or difficulty that may arise including but not limited to that with regard to computation, utilization or adjustment of share premium account, general reserve, intangible assets or deferred tax, including passing such accounting entries and/or making such other adjustments in the books of account as may be required.
3. to do all such other acts, deeds matters and things as may be required to give effect to this resolution.
4. to delegate all or any of the powers herein conferred to any committee of Directors or any other Directors or any other Director or any other officer of the Company.

be and the same is hereby confirmed.

- (2) That the minute set forth in the schedule hereto be and is hereby approved.
- (3) That a certified copy of this order including the minute as approved be delivered to the Registrar of Companies within 21 days from this date.
- (4) That notice of the registration by the Registrar of Companies of this order and of the said minute be published once each in the Gujarat Government Gazette and Indian Express - and Loksatta Jansatta - both Vadodara editions within 14 days of the registration aforesaid.

Dated this 28<sup>th</sup> day of December 2007.

## **SCHEDULES**

### **SCHEDULE - I : Minute**

B3

**SCHEDULE**

**MINUTE**

MINUTE UNDER SEC. 103(1)

The Share Premium Account and General Reserve Account of Alembic Limited is by virtue of a Special Resolution of the Company dt. 30<sup>th</sup> August, 2007 and by virtue of the sanction granted by the High Court of Gujarat on 28<sup>th</sup> day of December 2007, reduced from ₹ 69.74 crores to ₹ 40.57 crores and ₹ 245.30 crores to ₹ 142.72 crores respectively.

Dated 28<sup>th</sup> day of December 2007

Witness Yad Ram Meena Esquire,

the Chief Justice at Ahmedabad

aforesaid this Twenty Eighth day of December Two Thousand

Seven.

By the order of the Court

sd/-

G.K. Upadhyaya

Registrar (Judicial)

This 17<sup>th</sup> day of January 2008

Sealer

sd/-

M.P. Chacko

This 17<sup>th</sup> day of January 2008

Order drawn by :

sd/-

(Swati Saurabh Soparkar)

Advocate

204, Aakanksha, Opp. Vadilal House,  
Nr. Mount Carmel Railway Crossing,  
Navrangpura, Ahmedabad.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**  
**ORIGINAL JURISDICTION**  
**COMPANY PETITION NO. 152 OF 2010**  
**CONNECTED WITH**  
**COMPANY APPLICATION NO. 215 OF 2010**

In the matter of Sections 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956;

And

In the matter of  
 Alembic Limited.

A Company incorporated under the Indian Companies Act, VI of 1882 and having its registered office at Alembic Road, Vadodara, 390 003 in the state of Gujarat.

And

In the matter of  
 Composite Scheme of Arrangement in the nature of Demerger and transfer of the Pharmaceutical Undertaking of Alembic Limited to Alembic Pharma Limited and consequential reorganization of Share Capital in form of Utilisation of the Share Premium Account of Alembic Limited.

Alembic Limited.

A Company incorporated under the Indian Companies Act, VI of 1882 and having its registered office at Alembic Road, Vadodara, 390 003 in the state of Gujarat. ....PETITIONER

**BEFORE HONOURABLE Mr. JUSTICE A.S.DAVE**

Date: 24<sup>th</sup> January, 2011

**Order On Petition**

The above petition coming on for hearing on 24<sup>th</sup> January, 2011, upon reading the said petition, the order dated 2<sup>nd</sup> August 2010 and further order dated 9<sup>th</sup> August 2010, passed in the Company Application No. 215 of 2010 whereby the said Company was directed to convene separate meeting of the Equity Shareholders, Secured Creditors, Unsecured Creditors and Fixed Depositors of the Petitioner Company for the purpose of considering, and if thought fit, approving, with or without modifications, the arrangement proposed to be made between the said Company and its members and creditors by the Scheme of Arrangement in the nature of de-merger and transfer of the Pharmaceutical Undertaking of Alembic Limited to Alembic Pharma Limited and Reorganisation of Share Capital in form of Utilization of the Share Premium Account of Alembic Limited and annexed to the affidavit to Mr. Raj Kumar Baheti filed on 28<sup>th</sup> July, 2010, and the Indian Express and Sandesh, both Vadodara editions dated 18<sup>th</sup> August, 2010 each containing the advertisement of the said notice convening the said meetings directed to be held by the said orders dated 2<sup>nd</sup> August, 2010, the affidavit of Mr. Chirayu Amin filed on 25<sup>th</sup> August, 2010 showing the publication and dispatch of the convening the said meetings, the report of Mr. Chirayu R. Amin, the Chairperson for the said meetings alongwith the affidavit dated 27<sup>th</sup> September, 2010

as to the result of the said meetings and it appearing from the report of the chairman for the meeting that proposed scheme has been unanimously approved by the Equity Shareholders, Secured Creditors, Unsecured Creditors and Fixed Depositors; considering the affidavit dated 25<sup>th</sup> October, 2010 filed by the Alembic Karmachari Union and the affidavit in reply filed by the petitioner dated 26<sup>th</sup> November, 2010 and considering the affidavit dated 8<sup>th</sup> December 2010 filed by Uttam Chand Nahta, the Regional Director, North Western Region, Ministry of Corporate Affairs, and considering the order dated 13<sup>th</sup> December 2010 passed in Company Application No. 367 of 2010 and considering the Additional Affidavit dated 17<sup>th</sup> December, 2010 filed by the petitioner and upon hearing Smt. Swati Soparkar, Advocate for the Petitioner Company, Mr. Pavan Godiawala appearing with M/s H. L. Patel Advocates appearing for the Alembic Karmachari Union and hearing Shri M. I. Shaikh, Standing Counsel, appearing for the Central Govt.,

This Court doth hereby sanction the scheme of arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders, Secured Creditors, Unsecured Creditors and Fixed Depositors of the above named Company and also on the said Company.

This Court doth hereby further sanction the Reduction of Capital in terms of Clause 13 of the Scheme and Para 22 of the petition and Special Resolution passed at the Extra Ordinary General Meeting dated 16<sup>th</sup> September, 2010, and doth hereby specifically confirm that the minute proposed to be registered under Sec. 103(1)(b) for the purpose, is hereby approved.

And this Court doth further order that parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the said arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

This Court doth further order payment of ₹ 7,500/- in aggregate as the cost of this petition awardable to Shri M. I. Shaikh, Standing Counsel.

### **SCHEDULE**

Scheme of Arrangement as sanctioned by the court.

Dated 24<sup>th</sup> day of January 2011

### **MINUTE UNDER SEC. 103(1)**

“The Share Premium Account of Alembic Limited was by virtue of a Special Resolution approving the proposed scheme of arrangement, passed by the Equity Shareholders of the company at the meeting dated 16<sup>th</sup> September 2010 and by virtue of the sanction granted by the High Court of Gujarat on 24<sup>th</sup> day of January 2011, by fully utilized to adjust / write off the amount representing the surplus of the assets over the liabilities of the Undertakings of the De-merged Company being transferred to the Resulting Company.”



**SCHEME OF ARRANGEMENT  
BETWEEN  
ALEMBIC LIMITED - DEMERGED COMPANY  
AND  
ALEMBIC PHARMA LIMITED - RESULTING COMPANY  
AND THEIR RESPECTIVE MEMBERS AND CREDITORS  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956**

This Composite Scheme of Arrangement provides for Demerger/ Spin off of the Pharmaceutical Undertaking (as defined hereinafter) of **Alembic Limited** as a going concern to Alembic Pharma Limited, and consequential Re-organisation of its Share Capital, pursuant to Sections 391 to 394 read with Sections 78 and 100 to 104 and other relevant provisions of the Companies Act, 1956 as well as reorganization of the Vadodara Undertaking of Alembic Limited (defined hereinafter).

**1. PREAMBLE**

**A. DESCRIPTION OF COMPANIES**

The Demerged Company viz. Alembic Limited (AL) was incorporated on 30/07/1907, under the name and style Alembic Chemical Works Company Limited under the provisions of the Indian Companies Act, VI of 1882. The name of the Company was changed to Alembic Limited and the Demerged Company obtained a new incorporation certificate on 31<sup>st</sup> May, 1999. The Equity Shares of AL are presently listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Demerged Company is presently engaged in manufacturing and marketing of fermentation and chemistry based Active Pharmaceuticals Ingredients (API) at Vadodara Plant and is also engaged in power generation through its co-generation power plant and through wind mills. The Company is also engaged in leasing out real estate and holding certain strategic and long term Investments. It is also engaged in manufacturing, marketing and trading of branded & generic Formulations and Active Pharmaceuticals Ingredients (API) at other manufacturing facilities. It is also engaged in research & development activities.

- (a) The Resulting Company viz. Alembic Pharma Limited (**APL**) was incorporated on 16/06/2010 under the name and style "Alembic Pharma Limited". The main object of APL is to manufacture, sale, purchase, deal in various pharmaceuticals products, bulk drugs, medicines, chemicals, raw materials, intermediates for various pharmaceutical products and to engage in business of healthcares, life-sciences, research and development, contract manufacturing in India and/or abroad.

**B. RATIONALE AND OBJECTIVE OF THE SCHEME OF ARRANGEMENT**

- a) Alembic Limited is a leading pharmaceutical company with a global vision. Alembic is into the top bracket of Indian pharmaceutical companies with many of its brands amongst the top five in their respective categories. With such competitive advantages, the Company is uniquely poised in its pursuit of being amongst the largest Indian pharmaceutical companies. Its business comprises of (i) manufacturing, marketing and trading of formulations & bulk drugs (Active Pharmaceutical Ingredients or APIs) and R & D Activities (the Pharmaceutical Undertaking), (ii) manufacture of predominantly fermentation and chemistry based bulk drugs (APIs) at its Vadodara Undertaking and (iii) power generation through its co-generation power plant and through wind mills (the Power Business) . The Company also has some real estate in Vadodara which can be potentially developed.
- b) The Pharmaceutical Undertaking is poised for significant growth. The international pharmaceutical industry is seeing greater share of generics with a large number of drugs expected to go off patent in the next few years offering tremendous growth opportunities to well managed and focused Indian pharmaceutical

companies. The domestic pharmaceutical industry is also witnessing double digit growth riding on increasing economic development, increasing per capita income and greater focus on healthcare. However, in order to capitalize on the available opportunities there is a need for specialized attention, focus, resources, etc. Further this business is capable of attracting different set of investors, strategic partners, lenders and other stakeholders. Therefore, it is proposed to demerge the Pharmaceutical Undertaking into a separate company (Alembic Pharma Limited). As a new company the Pharmaceutical Undertaking will have the necessary independence, accountability and freedom to chart its own course of growth without the legacy of the other businesses / activities of the Company.

- c) The Vadodara Undertaking of Alembic Limited consisting of the assets (hereinafter referred to as “the Assets”) more particularly described in Schedule II is engaged in the business of manufacture of predominantly fermentation and chemistry based bulk drugs (APIs) and is currently going through many challenges. The Vadodara Undertaking was established many decades ago and hence, some of its plant, machineries and other equipments are very old. Further, being an old facility, it is not designed in line with present regulatory and business requirements. The business is facing stiff price competition from Chinese manufacturers. The Company together with other manufacturers had applied for levy of anti dumping duty on such imports, which has not been favourably considered by the Government of India. In view of this situation the Vadodara Undertaking needs to be reorganized and right sized to enable it to survive the competitive pressures. The activities of the Vadodara Undertaking will also need greater focus and other restructuring measures to make it cost efficient and competitive. The Assets of the Vadodara Undertaking which are carried at historical costs do not reflect their true value and it has become imperative to revalue them so as to reflect their fair values.
- d) The Company owns some land area at Vadodara which can be potentially used for real estate development in future. Similarly the Power Business also has good opportunity for growth and consolidation
- e) The risk-reward profile and the competition involved in each of these businesses is distinct from each other and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. The demerger will create two separate entities with management focus on clearly laid out objectives, pursuant to which Alembic Pharma Limited would focus on the Pharmaceutical Undertaking consisting of the business of manufacturing, marketing and trading of formulations & APIs and Research & Development activities and Alembic Limited would focus on its existing business and activities other than the Pharmaceutical Undertaking.
- f) It is believed that the proposed demerger will create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of both AL & APL, its shareholders, creditors and all persons connected with AL and APL. The demerger proposed by this Scheme of Arrangement will enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which would best suit their investment strategies and risk profiles.
- g) The demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.
- h) The demerger will facilitate more transparent benchmarking of the Companies with their peers in their respective industries.

- i) The Board of Directors of the Demerged Company and Resulting Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company.
- j) With the aforesaid rationale and objectives, it is proposed to demerge AL's Pharmaceutical Undertaking comprising manufacturing, marketing and trading of Formulations & API and research & development activities from AL to APL and reorganize the Vadodara Undertaking.

### **C. OPERATION OF THE SCHEME**

- a) In furtherance of the rationale and objectives mentioned above, this Scheme of Arrangement provides for:
  - (i) The Demerger of the Pharmaceutical Undertaking from Demerged Company to the Resulting Company;
  - (ii) The reorganization of the capital of the Demerged Company and the Resulting Company;
  - (iii) Reorganization of the Vadodara Undertaking of Alembic Limited.
- b) The Demerger of the Pharmaceutical Undertaking of the Demerged Company under this Scheme of Arrangement will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956. The Demerger complies with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:
  - (i) All the properties of the Pharmaceutical Undertaking (as defined hereinafter) being transferred by the Demerged Company immediately before the Demerger become the properties of the Resulting Company by virtue of the Demerger;
  - (ii) All the liabilities relatable to the Pharmaceutical Undertaking being transferred by the Demerged Company, immediately before the Demerger become the liabilities of the Resulting Company by virtue of the Demerger;
  - (iii) The properties and the liabilities, if any, relatable to the Pharmaceutical Undertaking being transferred by the Demerged Company are transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;
  - (iv) The Resulting Company issues shares to the shareholders of the Demerged Company in consideration of the Demerger on a proportionate basis;
  - (v) All the shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and
  - (vi) The transfer of the Pharmaceutical Undertaking will be on a going concern basis.
- c) This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of Section 2(19AA) and related provisions of the Income Tax Act, 1961, the provisions of Section 2(19AA) and related provisions of the Income Tax, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and the related provisions of the Income Tax Act, 1961; such modification shall not affect other parts of the Scheme.

## **2. DEFINITIONS:**

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

- (a) **'Act'** means the Companies Act, 1956 including any statutory modifications or re-enactments for the time being in force.

- (b) **‘Appointed Date’** means the commencement of 1<sup>st</sup> day of April, 2010 or such other date as may be approved by the High Court of Judicature at Gujarat;
- (c) **‘Court’ or ‘High Court’**, shall mean Hon’ble High Court of Gujarat, and shall be deemed to include the National Company Law Tribunal, if applicable.
- (d) **‘Company’ or ‘AL’ or ‘Demerged Company’** means Alembic Limited, a listed limited company incorporated under the Indian Companies Act VI of 1882 and having its Registered Office at Alembic Road, Vadodara, Gujarat, India 390 003.
- (e) **‘Effective Date’** means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 22 of this Scheme have been obtained and the order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. References in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme becoming effective” shall be construed accordingly.
- (f) **‘Pharmaceutical Undertaking’ or ‘Demerged Undertaking’** means the Demerged Company’s undertaking, business activities and operations pertaining to pharmaceutical business other than Vadodara Undertaking comprising all the assets, (moveable and immoveable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) and liabilities, which relate thereto or are necessary therefor and including specifically the following:
- I) The manufacturing facilities and research & development centre as described in Schedule I-A, together with all that pieces or parcels of freehold and leasehold lands, hereditaments and premises situate, lying and being thereat together with all the buildings and structures standing thereon as on the Appointed Date.
  - II) All secured and unsecured debts, fixed deposits, liabilities (including contingent liabilities), duties and obligations of every kind and nature whatsoever and howsoever accruing or arising out of and all loans or borrowings raised and incurred and utilized for its businesses, activities and operations pertaining to Pharmaceutical Undertaking, along with any charge, encumbrance, lien or security thereon, of the Demerged Company as on the Appointed Date (hereinafter referred to as ‘the said Liabilities’). All other regional offices relating to pharmaceutical business whether owned or leased.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Pharmaceutical Undertaking include:

- the liabilities, including contingent liabilities, which arise out of the respective activities or operations of the Pharmaceutical Undertaking;
  - specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Pharmaceutical Undertaking;
  - liabilities other than those referred to in sub-clauses above, being the amounts of general or multipurpose borrowings of the Demerged Company, allocated to the Pharmaceutical Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme.
- III) All strategic investments of the Demerged Company pertaining to Pharmaceutical Undertaking as described in Schedule I-B.
  - IV) All reserves and provisions and funds relating to Pharmaceutical Undertaking.
  - V) Without prejudice to the generality of sub-clause (I) and (II) mentioned above, the Pharmaceutical Undertaking of the Demerged Company shall include all Pharmaceutical Undertaking activities, assets including investments, claims, subsidies, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, leasehold rights and other intangible rights, hire purchase contracts and assets, lending

contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, construction and infrastructure registration(s), licences (industrial, software or otherwise), municipal permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different taxation laws as may belong to or be available to the Pharmaceutical Undertaking activities of the Demerged Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages and approvals of whatsoever nature and wheresoever situated, belonging to or in ownership, including but without being limited to patents, copyrights, brand names, and any other intellectual property rights of any nature whatsoever, trade mark except trademark "Alembic" (the trademark "Alembic" will remain the property of the Demerged Company. However, the Resulting Company shall be entitled to make use of the word "Alembic" for the purpose of the Pharmaceutical Undertaking), domain names, service marks, colour schemes, logos, records, files papers, engineering and process information, quotations, technical know-how, designs, design registrations, authorizations, rights to use and avail of telephones, telexes, facsimile, email, internet, lease line connections and installations, utilities, electricity and other services, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Pharmaceutical Undertaking of the Demerged Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Pharmaceutical Undertaking of Alembic Limited.

- VI) All the employees of the Demerged Company employed in the Pharmaceutical Undertaking, as identified by the Board of Directors or any Committee or Person(s) authorized by the Board of the Demerged Company as on the Effective Date.

Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Pharmaceutical Undertaking, or whether it arises out of the activities or operations, shall be decided by mutual agreement between the Board of Directors of Demerged Company and the Resulting Company.

- (g) **'Resulting Company'** or **'APL'** means Alembic Pharma Limited, a public limited company, incorporated under the Companies Act, 1956 having its Registered Office at Alembic Road, Vadodara, Gujarat, India 390 003.
- (h) **'Record Date'** means the date fixed by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme as specified in Clause 10(a) of this Scheme.
- (i) **'Remaining Undertaking'** means all the business and all the properties, assets, investments and liabilities, employees of the Demerged Company including the Vadodara Undertaking, Power Business, investments other than Pharmaceutical Undertaking defined hereinabove.
- (j) **'Scheme'** or **'the Scheme'** or **'this Scheme'** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Gujarat or this Scheme with such modification(s), if any made, as per Clause 20 of the Scheme.
- (k) **'Vadodara Undertaking'** means and includes business of manufacturing and marketing of fermentation and chemistry based Active Pharmaceuticals Ingredients (API) at Vadodara. It includes the assets more particularly described in Schedule II.



All the terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules and regulations, bye-laws, as the case may be or any other statutory modifications or re-enactment thereof for the time being in force.

### 3. SHARE CAPITAL

- A. The Share Capital of AL as on 31<sup>st</sup> March, 2010 (Audited) is as under:

#### Authorized Capital (₹ in lacs)

22,50,00,000 Equity Shares of ₹ 2/-each	₹ 4500.00
5,00,000 redeemable cumulative Preference Shares of ₹ 100/- each	₹ 500.00
<b>Total</b>	<b>₹ 5000.00</b>

#### Issued and subscribed Capital (₹ in lacs)

13,84,64,270 Equity shares of ₹ 2/- each.	₹ 2769.29
<b>Total</b>	<b>₹ 2769.29</b>

#### Paid-up Capital (₹ in lacs)

13,35,15,914 Equity shares of ₹ 2/- each.	₹ 2670.31
<b>Total</b>	<b>₹ 2670.31</b>

The equity shares of Demerged Company are listed on Bombay Stock Exchange and National Stock Exchange.

- B. The Share Capital of the Resulting Company as on 29<sup>th</sup> June, 2010 is as under:

#### Authorized Capital (₹ in lacs)

6,00,00,000 Equity Shares of ₹ 2/- each	₹ 1200.00
<b>Total</b>	<b>₹ 1200.00</b>

#### Issued, Subscribed and Paid-up (₹ in lacs)

5,50,00,000 Equity Shares of ₹ 2/- each	₹ 1100.00
<b>Total</b>	<b>₹ 1100.00</b>

100% of the shareholding of the Resulting Company is held by the Demerged Company as on date.

### 4. TRANSFER OF UNDERTAKING

The Pharmaceutical Undertaking of the Demerged Company as defined in Clause 2(f), shall stand transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act and in the following manner:

- (a) With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and in relation to the mode of transfer and vesting, all the assets and properties, rights, claims, title, interest, hereditaments and authorities including accretions and appurtenances thereto such as dividends, or other benefits received of the Pharmaceutical Undertaking of the Demerged Company shall, without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, rights, titles, hereditaments and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable that of the Resulting Company.

- (b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the debts, liabilities including entire existing fixed deposits of the Demerged Company, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the said Pharmaceutical Undertaking of the Demerged Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Resulting Company, pursuant to the provisions of Sections 391 to 394 of the Act, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- (c) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, certificates, clearances, quota, authorities, USFDA approvals, DMF approvals, ANDA approvals, ISO certifications, trademarks, patents, Intellectual property rights, leases, tenancy, assignments, allotments, power of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Pharmaceutical Undertaking, permissions or approvals or consents held by the Demerged Company required to carry on operations of Pharmaceutical Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Pharmaceutical Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company.
- (d) The transfer and vesting of Pharmaceutical Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Pharmaceutical Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Pharmaceutical Undertaking.
- (e) All debentures, bonds or other debt securities, if any, of the Demerged Company relating to the liabilities comprised in the Pharmaceutical Undertaking, (hereinafter referred to as the "Debt Securities") shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the Debt Securities of the Resulting Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Resulting Company to the same extent as if it were the Demerged Company in respect of the Debt Securities so transferred.
- (f) With effect from the Appointed Date, and subject to the provisions of this Scheme all the Employees of the Pharmaceutical Undertaking of the Demerged Company shall stand transferred or deemed to have been transferred with all their accrued liabilities without any further act, instrument or deed of the Resulting Company, pursuant to the provisions of Sections 391 to 394 of the Act, so as to become as and from the Appointed Date, the employees of the Resulting Company and further that it shall not be necessary to obtain consent of any third party or other person, in order to give effect to the provisions of this Clause.



- (g) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Pharmaceutical Undertaking occurs by virtue of this Scheme itself, the Resulting 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme, the Resulting Company shall be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- (h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Pharmaceutical Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of the Resulting Company to which the Pharmaceutical Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.
- (i) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and up to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- (j) All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of Pharmaceutical Undertaking after the Appointed Date and up to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the Pharmaceutical Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same.
- (k) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to Pharmaceutical Undertaking of the Demerged Company 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 Demerged Company, and shall become the property of the Resulting Company in pursuance of the provisions of Sections 391 to 394 and other applicable provisions of the said Act.
- (l) the Demerged Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be that pursuant to the High Court of Gujarat sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Resulting Company as the person entitled thereto and that the right of the Demerged Company to recover or realise the same stands extinguished.
- (m) The Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Gujarat having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

- (n) The demerger and the transfer and vesting of the assets comprised in the Pharmaceutical Undertaking to and in the Resulting Company under this clause shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- (i) The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Pharmaceutical Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective Date and as are transferred to the Resulting Company, and such Encumbrances shall not relate or attach to any of the other assets of Resulting Company Provided however that no Encumbrances shall have been created by the Demerged Company in relation to any of the Pharmaceutical Undertaking after the Appointed Date without the prior consent of the Resulting Company.
  - (ii) In so far as any Encumbrances over the assets comprised in the Pharmaceutical Undertaking are security for liabilities of the Remaining Undertaking retained with the Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrances shall only extend to and continue to operate against the assets retained with the Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
  - (iii) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat to give formal effect to the above provisions, if required.
  - (iv) Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to them respectively in terms of the Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities, and the Resulting Company shall indemnify the Demerged Company in relation to any claim, at any time, against the Demerged Company in respect of the liabilities which have been transferred to the Resulting Company.
  - (v) It is expressly provided that, save as mentioned in this Clause (n), no other term or condition of the liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
  - (vi) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause (n) shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

## **5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:**

- a) Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Pharmaceutical Undertaking of the Demerged Company is a party or to the benefit

of which Pharmaceutical Undertaking of the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Resulting Company as the case may be and may be enforced as fully and effectively as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Demerged Company will, if necessary, also be a party in order to give formal effect to this Clause, if so required or become necessary.

- b) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Pharmaceutical Undertaking, which the Demerged Company owns or to which the Demerged Company is a party and which cannot be transferred to the relevant Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or any contracts deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company to which the Pharmaceutical Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do till such time as the transfer is effected.
- c) On and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the business of the Pharmaceutical Undertaking is received in the name of the Demerged Company, it shall be deemed to have been received by the relevant Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- d) The advance income tax paid by the Demerged Company to the tax authorities can be allocated amongst the Demerged Company and the Resulting Company in proportion to the taxes (net of tax deducted at source) attributable to the taxable income of the relevant Demerged Undertaking in the books of accounts of the Demerged Company.

## **6. LEGAL PROCEEDINGS:**

- (a) Upon coming into effect of this Scheme, all suits, claims, actions and proceedings by or against or in relation to the Pharmaceutical Undertaking of the Demerged Company pending and / or arising on or before the Effective date shall be continued and be enforced by or against the Resulting Company as effectually as if the same had been pending and/or arising by or against the Resulting Company.
- (b) If proceedings are taken against Demerged Company in respect of the matters referred to in clause above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost and risk of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof. In respect of such defence, the Resulting Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable Demerged Company to defend the same.
- (c) The Resulting Company also undertakes to reimburse and indemnify the Demerged Company against invocation of bank guarantee, if any, relating to the Pharmaceutical Undertaking after the Appointed Date.
- (d) The Demerged Company and the Resulting Company shall, to the extent possible, co-operate with each other in respect of any such contest, defence, litigation or settlement arising in respect of the Pharmaceutical Undertaking on or after the Appointed Date.
- (e) The Resulting Company will undertake to have all legal or other proceedings initiated by or against the Pharmaceutical Undertaking of the Demerged Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Resulting Company.

- (f) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Remaining Undertaking.
- (g) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub- clause (a) above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost and risk of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof. In respect of such defense, the Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable the Resulting Company to defend the same.

## **7. REMAINING UNDERTAKING OF THE DEMERGED COMPANY**

The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, (subject only in relation to encumbrances in favour of banks and financial institutions). For the purpose of clarity, the Remaining Undertaking will include but not limited to all the assets situated at the Vadodara Plant, Co-generation Power plants, Wind Mill Power project, Staff Colony at Vadodara, Mumbai Offices situated at Mahim and Sahar Road and Delhi Liaisoning Office, Alembic Business Park, other land and buildings at Vadodara. The Resulting Company may use the common facilities viz. Mumbai Office, Corporate Office etc. after the demerger on such terms and conditions as may be mutually agreed between the Demerged Company and the Resulting Company. All other regional offices relating to Pharmaceutical Undertaking whether owned or leased will be transferred to the Resulting Company.

## **8. OPERATIVE DATE OF THE SCHEME**

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

## **9. CONDUCT OF BUSINESS BY DEMERGED COMPANY AND RESULTING COMPANY TILL EFFECTIVE DATE:**

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

- (i) The Demerged Company shall carry on and shall be deemed to have carried on all its business and activities of the Pharmaceutical Undertaking as hitherto and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Resulting Company.
- (ii) All the profits or income accruing or arising to the Pharmaceutical Undertaking of the Demerged Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Pharmaceutical Undertaking of the Demerged Company shall, for all purposes be treated and be deemed to be and accrued as the profits or income or expenditure or losses or taxes of the Resulting Company, as the case may be.
- (iii) The Pharmaceutical Undertaking of Demerged Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any liabilities or expenditure, issue any additional guarantee, indemnities, letter of comfort or commitments either for itself or on behalf of any third party, or

sell transfer, alienate, charge, mortgage, encumber or otherwise deal with the said Pharmaceutical Undertaking or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Pharmaceutical Undertaking of the Demerged Company prior to the Appointed Date, except with prior written consent of the Resulting Company.

Provided that as far as the obligations referred as above are concerned, the restrictions there under shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Demerged Company and Resulting Company even if the same are prior to the Appointed Date.

- (iv) The Demerged Company shall not vary the terms and conditions and employment of employees of the Pharmaceutical Undertaking except in the ordinary course of business or with approval of Resulting Company.
- (v) The Demerged Company shall not, without prior consent of the Resulting Company, take any major policy decisions in respect of management of the Pharmaceutical Undertaking other than in ordinary course of business.
- (vi) The Demerged Company and the Resulting Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a right basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner which may, in any way, affect the Share Exchange Ratio, except by mutual consent of the respective Board of Directors of Demerged Company and the Resulting Company or except as may be expressly permitted or envisaged under this Scheme.

#### **10. ISSUE OF SHARES AND SECURITIES BY THE RESULTING COMPANY:**

- (a) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the Pharmaceutical Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, subject to the provisions of the Scheme and without any further application, act, instrument or deed, issue and allot at par to every member of the Demerged Company, holding fully paid up Equity Shares in the Demerged Company and whose name appears in the Register of members of the Demerged Company on the Record Date or to his / her heirs, executors, administrators or the successors-in-title, as the case may be, in respect of every 1 (One) Equity Share of face value ₹ 2/- (Rupees Two only) each held by him in the Demerged Company, 1 (One) Equity Share of face value ₹ 2/- (Rupees Two Only) each shall be credited as fully paid-up in the Equity Share Capital of the Resulting Company.
- (b) The said shares shall be issued in dematerialized form by the Resulting Company, to those shareholders whose shares in the Demerged Company are in dematerialized form and shall be issued in physical form to those shareholders whose shares in the Demerged Company are in physical form, unless otherwise notified in writing by the shareholders of Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of Demerged Company. If any Bonus Equity Shares are issued by Demerged Company to the Equity Shareholders of Demerged Company on or before the Record Date, necessary adjustments in the number of shares to be issued and the ratio of the shares will be made by the Board of Directors of the Demerged Company in consultation with the Resulting Company.
- (c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Resulting Company issued by the Resulting Company after the effectiveness of this Scheme



- (d) The said new Equity Shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Resulting Company.
- (e) Equity shares of the Resulting Company issued in terms of clause 10 of this Scheme may be listed and / or admitted to trading on the National Stock Exchange and / or the Bombay Stock Exchange and / or any other Stock Exchange where the shares of Demerged Company are listed and / or admitted to trading in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations (ICDR) 2009 and circulars/regulations/rules or directions issued by Securities and Exchange Board of India under section 11 of the Securities and Exchange Board of India Act, 1992. The Resulting Company shall enter into such and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.
- (f) For the purpose of issue of equity shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.
- (g) The Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of Equity Shares of Demerged Company, which are not fully paid up shall also be kept in abeyance and dealt with by the Resulting Company when they become fully paid-up, based on information periodically provided by Demerged Company to the Resulting Company.
- (h) Unless otherwise determined by the Board of Directors or any committee thereof of Demerged Company and the Board of Directors or any committee thereof of the Resulting Company, issuance of Equity shares in terms of Clause 10 shall be done within 45 days from the Effective Date.
- (i) For the purpose of Income Tax Act, 1961 :
  - (i) The cost of acquisition of the shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company the same proportion as the net book value of the assets transferred in the Demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the Demerger hereunder.
  - (ii) The period for which the share(s) in the Demerged Company were held by the shareholders shall be included in determining the period for which the shares in the Resulting Company have been held by the respective shareholder.
- (j) The issue and allotment of Equity Shares by the Resulting Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(1A) of the Companies Act, 1956, if applicable, and other applicable provisions of the Act.
- (k) The Shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the Designated Stock Exchange. There shall be no change in the shareholding pattern or control in Alembic Pharma Limited between the record date and the listing which may affect the status of the approval of the Stock Exchange.
- (l) No fractional entitlements shall be issued in favour of any member of Demerged Company holding Equity Shares of the Demerged Company in respect of the fractional entitlements if any, to which he may be entitled on issue or allotment of the shares of the Resulting Company as aforesaid. The Board of Directors of the Resulting Company

shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a director or an authorized officer of the Resulting Company with express understanding that such director or the officer shall sell the same at the best available price in one or more lots by private sale / placement or by auction as deemed fit (the decision of such director or the officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sales proceeds to the Resulting Company. The net sale proceeds thereupon shall be distributed among the members of the Demerged Company in the proportion of their fractional entitlements in the Resulting Company.

## **11. ACCOUNTING BY THE DEMERGED COMPANY AND THE RESULTING COMPANY IN RESPECT OF ASSETS AND LIABILITIES:**

### **11.1 Accounting treatment in the books of the Demerged Company:**

- a) The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company as on the closure of March 31, 2010.
- b) An amount equivalent to net book value of the assets (net of liabilities) of the Pharmaceutical Undertaking transferred to the Resulting Company by the Demerged Company in terms of this Scheme, shall be appropriated against Securities Premium account of the Demerged Company, and after such appropriation, will be further appropriated against General Reserve Account / Profit and Loss Account of the Demerged Company to the extent required.
- c) The general and multipurpose loan obtained by the Demerged Company from various Banks will be apportioned between the Demerged Company and the Resulting Company in the ratio of the value of the assets allocated to both the Demerged Company and the Resulting Company and respective charges will be created over the assets of the respective Companies.
- d) The book value of investment by the Demerged Company in the share capital of Resulting Company will be continued and shall not be cancelled.

### **11.2 Accounting treatment in the Books of the Resulting Company:**

- a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities (including the portion of the Loan obtained for the Pharmaceutical Undertaking from various Banks) comprised in the Pharmaceutical Undertaking transferred to and vested in them pursuant to this Scheme, at the same value appearing in the books of the Demerged Company as on the closure of March 31, 2010.
- b) The Resulting Company shall credit the Share Capital Account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of the Demerged Company pursuant to Clause 10 of this Scheme.
- c) The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the Resulting Company to its General Reserve Account or debited to Goodwill / Securities Premium Account, as the case may be. The General Reserve created, if any, shall be treated for all purposes, as free reserve.
- d) On allotment of shares by the Resulting Company in terms of Clause 10 above, the existing shareholding of the Demerged Company, in the Resulting Company shall be continued as an integral part of this Scheme and hence no reduction in the Share Capital will take place.
- e) The borrowing limits of the Resulting Company in terms of Section 293(1)(d) read with Section 293(1)(a) of the Act shall, without any further act, instrument or deed, stand enhanced to an amount ₹ 2000 Crores over and above its paid up capital and free reserves.



## 12. REORGANIZATION OF AUTHORISED SHARE CAPITAL

### 12.1 AUTHORISED SHARE CAPITAL OF THE DEMERGED COMPANY

- a) Upon the scheme becoming effective, the existing preference share capital of ₹ 5 Crores consisting of 5,00,000 Preference Shares of ₹ 100/- each shall stand reclassified as equity shares of ₹ 5 Crores consisting of 2,50,00,000 equity shares of ₹ 2/- each pursuant to 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed.
- b) Upon the scheme becoming effective, the Authorised Share Capital of the Demerged Company shall stand transferred to the Resulting Company without any further act, instrument or deed and without payment of any fees, stamp duty etc. to the extent of ₹ 20,00,00,000 (Rupees Twenty Crores) pursuant to 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed.
- c) Consequentially, upon Scheme being effective,  
 Clause V of the Memorandum of Association of the Demerged Company (relating to authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

“The authorised share capital of the Company is ₹ 30,00,00,000/- (Rupees Thirty Crores only) divided into 15,00,00,000 (Fifteen Crores Only) Equity Shares of ₹ 2/- (Rupees Two only) each , with power to classify or reclassify, increase or reduce the capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively any preferential. qualified or special rights, privileges or condition including as to voting and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these present and the Articles of Association.”

### 12.2 AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- a) Upon the scheme being effective, the Authorized Capital of the Resulting Company shall stand increased by ₹ 20,00,00,000 (Rupees Twenty Crores) which shall stand transferred from the Authorized Capital of Demerged Company to the Resulting Company without any further act, instrument or deed and without payment of any fees, stamp duty etc.
- b) Upon the scheme being effective, the Authorized Capital of the Resulting Company shall stand increased by ₹ 8,00,00,000 (Rupees Eight Crores) without any further act, instrument or deed but subject to payment of fees and stamp duty thereon.
- c) Consequentially, upon Scheme being effective,
  - (i) Clause V of the Memorandum of Association of the Resulting Company (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:  
 “The Authorized share capital of the Company is ₹ 40,00,00,000/- (Rupees Forty Crores only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of ₹ 2/- (Rupee Two only) each with power to classify or reclassify, increase or reduce the capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divided the share capital for the time being into several classes and to attach thereto respectively any preferential, qualified or

special rights, privileges or condition including as to voting and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with these present and the Articles of Association.”

12.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations in the memorandum and Articles of Association of both the Demerged Company and Resulting Company viz. Change in the Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the Resulting Company while approving the Scheme as a whole at duly convened meetings or by virtue of written consent letter, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

### **13. REDUCTION OF SECURITIES PREMIUM AND/OR GENERAL RESERVE OF THE DEMERGED COMPANY.**

Upon the Scheme being finally effective, in view of the transfer of Pharmaceutical Undertaking by the Demerged Company

- i. An amount equivalent to net book value of assets (net of liabilities) of the Pharmaceutical Undertaking transferred to the Resulting Company by the Demerged Company in terms of this Scheme, shall be firstly appropriated against Securities Premium Account of Demerged Company and after such appropriation, balance left if any, will be secondly appropriated against the General Reserve Account / Profit and Loss Account of the Demerged Company.
- ii. It is proposed that the entire amount of ₹ 4057.47 lacs standing to the credit balance of Share Premium Account in the books of the Demerged Company as on the Appointed Date, shall be so utilized for the said adjustment.
- iii. The same amounts to reduction of capital under sec. 78 and 100 of the Companies Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the De-merged Company to the proposed Scheme at the Court convened meeting, shall be deemed to be their approval under the provisions of Sections 78, 100 and all other applicable provisions of the Act to such reduction of capital of the De-merged Company and the De-merged Company shall not be required to undertake any separate proceedings for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Resulting Company shall not be required to separately comply with Sec. 100 or any other provisions of Companies Act, 1956. The De-merged Company shall not be required to add “And Reduced” after its name.

### **14. TAXES**

All Taxes (including income tax, sales tax, excise duty, custom duty, service tax VAT etc) paid or payable by the Demerged Company in respect of the operations and/or profits of the Demerged Company before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT etc), whether by the way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Pharmaceutical Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

### **15. DIVIDEND, PROFIT, BONUS, RIGHT SHARES, MANAGEMENT AND ADMINISTRATION:**

At any time upto the Effective Date

- a) The Resulting Company shall not declare/or pay dividends which are interim or final relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of both the Companies.

- b) The Demerged Company and the Resulting Company, except mentioned otherwise in this Scheme shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of both the Companies.
- c) The resolutions relating to Pharmaceutical Undertaking , if any, of The Demerged Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have an upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be valid and shall constitute for the Resulting Company.

#### **16. DEMERGED COMPANY'S EMPLOYEES:**

On the Scheme taking effect as aforesaid, all officers and employees of the Demerged Company, engaged in the activities of the Pharmaceutical Undertaking to be transferred, in service on the Effective Date, shall become the officers and employees of the Resulting Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Demerged Company as on the said date.

It is expressly provided that as far as Provident Fund, Gratuity Fund, Pension Fund and/or Superannuation Fund or Trusts created by the Pharmaceutical Undertaking of the Demerged Company or any other special funds / Scheme(s) created or existing for the benefit of the officers and employees of the Pharmaceutical Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Scheme(s)/Fund(s) or in relation to the obligation to make contribution to the said Schemes/Funds in accordance with the provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end intent that all the rights, duties, powers and obligations of the Pharmaceutical Undertaking of the Demerged Company in relation to such fund shall become those of the Resulting Company. It is clarified that the services of the officers and employees of the Pharmaceutical Undertaking of the Demerged Company will be treated as having been continuous without any break or interruption for the purpose of aforesaid Schemes/Funds. It is however, clarified that the Resulting Company shall be eligible and entitled to effect the transfer of the officers and employees of the Pharmaceutical Undertaking of the Demerged Company in ordinary and usual course of business and as per business prudence, the Board of Directors of the Resulting Company shall be eligible to re-assess and to re-allocate any of the activity undertaken by the employees of the Pharmaceutical Undertaking of the Demerged Company. Upon the Scheme taking effect, the Pharmaceutical Undertaking of the Demerged Company shall stand substituted by The Resulting Company for all purposes whatsoever in relation to the administration of or obligations, right, duties (including under the respective Deeds pertaining thereto) and liabilities under or in respect of or pertaining to the Provident Fund, Gratuity Fund, Superannuation Fund, pension scheme or any other scheme or fund created or existing for the benefit of the employees or officers of the business of Pharmaceutical Undertaking of the Demerged Company.

All officers and employees of the Demerged Company engaged in the activities of the Vadodara Undertaking and the Remaining Undertaking shall continue to remain in service with Demerged Company.

All other employees of the Demerged Company working at the Registered Office who could not be specifically identified for the Pharmaceutical Undertaking, will provide their services to Resulting Company for a period up to 24 months on such terms and conditions as may be mutually agreed between the Resulting Company and the Demerged Company.

#### **17. BOARD RECONSTITUTION**

At any time before or after the Record Date, Board of Directors of the Resulting Company shall be reconstituted so as to comply with the Listing requirements.

**18. REORGANISATION OF THE VADODARA UNDERTAKING**

Subsequent to the demerger, as on the Appointed Date, the Assets of the Vadodara Undertaking will be revalued and such a revaluation will be done by an approved valuer in accordance with the Accounting Standard 10 issued by the Institute of Chartered Accountant of India. The net increase in net book value of the Assets including out of the revaluation of the appurtenant land of the Vadodara Undertaking, will be firstly credited directly to the owner's interests under the head of Revaluation Reserve. The said Revaluation Reserve shall be renamed as Business Restructuring Reserve pursuant to the Scheme, to be referred to as such or by any other name and such Reserve shall be available to meet the costs, expenses, and losses, including on account of impairment of or write-down of assets of the Vadodara Undertaking, which may be suffered by AL, pursuant to this Scheme or otherwise in course of its business or in carrying out such re-organisation of operations of Vadodara Undertaking or any of its subsidiaries, as the Company considers necessary or appropriate. Such Reserve shall be arising out of this Scheme and shall not be considered as a reserve created by AL. Depreciation, after revaluation will be charged on the revalued amount of the Assets.

**19. APPLICATION TO THE HIGH COURT**

The Demerged Company and the Resulting Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Gujarat for sanctioning of this Scheme of Arrangement for carrying this Scheme into effect and obtain all approvals as may be required under law.

**20. MODIFICATIONS, AMENDMENTS TO THE SCHEME**

The Demerged Company (by their Directors) and the Resulting Company (by their Directors) may in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the Hon'ble High Court, Gujarat or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of the Demerged Company and/or the Resulting Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

**21. SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS**

This Scheme is specifically conditional upon and subject to:

- a) The approval of and agreement to the Scheme by the requisite majorities of such classes of persons and creditors of the Demerged Company and Resulting Company as may be directed by the Hon'ble High Court of Gujarat on the applications made for directions under Sections 391 to 394 of the said Act for calling meetings or otherwise and necessary resolutions being passed / consents obtained under the Act for the purpose.
- b) The sanctions of the Hon'ble High Court of Gujarat being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Demerged Company and Resulting Company.
- c) The certified copies of the High court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat.

**22. EFFECTIVE DATE OF THE SCHEME**

This Scheme although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

- a) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

- b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Gujarat and such date shall be referred to as Effective Date for the purpose of the Scheme.

### **23. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses, including any taxes and duties of the Demerged Company and the Resulting Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be respectively borne and paid by the Demerged Company and the Resulting Company.

#### **Schedule – I-A Manufacturing Facilities and R&D centre of Pharmaceutical Undertaking:**

1. Formulation and API manufacturing Facilities situated at Panelav, Taluka Halol, Dist. Panchmahals – 389 350.
2. Formulation and API manufacruting Facilities situated at Village Karkhadi, Taluka Padra, Dist. Vadodara
3. Formulation manufacturing Facilities situated at Plot No.21, 22, EPIP – Phase I, Jharmajri, Baddi, Tehsil – Nalagarh, Dist. Solan, Himachal Pradesh.
4. Research & Development Centre situated at Alembic-Gorwa Road, Vadodara 390 003 (Revenue Survey No.1093/1, Nal Land-1 (part) and Nal Land-2(part) in Gorwa Village, Registration District Vadodara Sub District Vadodara).

#### **Schedule – I-B Investments pertaining to Pharmaceutical Undertaking :**

1. Investments in the share capital of Incozen Therapeutics Private Limited.(1000000 equity shares of the face value of ₹ 10/- each).
2. Investments in the share capital of Alembic Global Holding SA, a wholly owned subsidiary company in Switzerland(100000 equity shares of the face value of CHF 1 each).

#### **Schedule – II Particulars of the Assets at Vadodara Undertaking**

1. Manufacturing facility situated at Alembic Road, Vadodara - 390 003.
2. Co-generation power plant situated at Alembic Road, Vadodara - 390 003.

Dated this 24<sup>th</sup> day of January 2011.

Witness Sudhanshu Jyoti Mukhopadhaya Esquire,  
The Chief Justice at Ahmedabad  
aforesaid this Twenty Fourth day of January Two Thousand Eleven.

By the order of the Court  
Sd/-  
K. M. Shaikh  
Additional Registrar (Judicial)  
This 10<sup>th</sup> day of March 2011

Sd/-  
N. D. Tekani  
Sealer  
This 10<sup>th</sup> day of March 2011

Order drawn by:

Sd/-  
(Swati Saurabh Soparkar)  
Advocate

301, Shivalik-10, Opp. SBI Zonal Office,  
Near Old Excise Chowky, S.M. Road,  
Ambavadi, Ahmedabad 380 015.