

**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION**

Asian Paints Limited

Regd. Office : 6A, Shantinagar, Santacruz (East), Mumbai 400 055.

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L24220MH1945PLC004598

मैसर्स ASIAN PAINTS LIMITED

के अंशधारकों ने दिनांक 17/12/2012 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

मुंबई में यह प्रमाण-पत्र, आज दिनांक एक फरवरी दो हजार तेरह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

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

Corporate Identity Number : L24220MH1945PLC004598

The share holders of M/s ASIAN PAINTS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 17/12/2012 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 18(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given at Mumbai this First day of February Two Thousand Thirteen.

Signature valid
Date: 01/02/2013
Time: 11:17 AM

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

*Note: The corresponding form has been approved by RAJENDER SINGH MEENA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

ASIAN PAINTS LIMITED
6ASHANTI NAGAR, SANTACRUZ E,
MUMBAI - 400055,
Maharashtra, INDIA



No. 11 - 4598

**FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME
IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.**

In the matter of

ASIAN PAINTS (INDIA) LIMITED

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

from **ASIAN PAINTS (INDIA) LIMITED**

to **ASIAN PAINTS LIMITED**

and I hereby certify that

ASIAN PAINTS (INDIA) LIMITED

which was originally incorporated on **TWENTY FOURTH** day of **OCTOBER 1945** under the Indian Companies Act, VII of 1913 and under the name

ASIAN OIL & PAINT CO. (INDIA) LIMITED

having duly passed necessary resolution in terms of section 21 of the Companies Act, 1956 the name of the said Company is this day changed to

ASIAN PAINTS LIMITED

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

Given under my hand at Mumbai this **TWELFTH** day of **JULY TWO THOUSAND FIVE.**

The Seal of the
Registrar of
Companies,
Maharashtra

Sd/-
(M.V. CHAKRANARAYAN)
Dy. Registrar of Companies
Maharashtra, Mumbai.

SEAL

Certificate of Incorporation

No. 4598 of 1945-1946.

I hereby certify that "ASIAN OIL & PAINT COMPANY (INDIA) PRIVATE LIMITED" is this day incorporated under the Indian Companies Act, VII of 1913, and that the Company is Limited.

Given under my hand at Bombay this Twenty-fourth day of October One thousand nine hundred and Forty-five.

The Seal of
Registrar of
Companies,
Bombay.

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

ASIAN PAINTS LIMITED

- Name of the Company.
Registered Office.

Objects

To acquire
business.

To enter into agreement.

To carry on oil and colour paint business.

To carry on oil and colour paint business.

To amalgamate.		acquisition to undertake all or any of the liabilities of such person, firm, or company, or to acquire any interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits or for limiting competition, or for mutual assistance with any such person, firm, or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock, or securities that may be agreed upon, and to hold and retain, or sell, mortgage, and deal with any shares, debentures, debenture stock, or securities so received.
To deal with property.	13.	To improve, manage, cultivate, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
To invest money.	14.	To invest and deal with the moneys of the Company not immediately required in such shares or upon such securities and in such manner as may from time to time be determined.
To lend money.	15.	To lend and advance money or give credit to such persons, firms, or companies, and on such terms as may seem expedient and in particular to customers and others having dealings with the Company, and to give guarantees or become security for any such persons, firms, or companies.
To borrow money.	16.	To borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of Debentures or Debenture Stock (perpetual or otherwise), and to secure the repayment of any money borrowed, raised, or owing, by mortgage, charge, or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled Capital and also by a similar mortgage, charge, or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake.
To execute negotiable instruments.	17.	To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
To apply for acts of Legislature.	18.	To apply for, promote, and obtain any Act of Legislature in India or Licence of the Government of India or any provincial Government or Governments in India or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
To enter into arrangements with governing bodies.	19.	To enter into any arrangements with any Governments or authorities (Supreme, municipal, local or otherwise) or any companies, firms, or persons that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such Government, authority, company, firm, or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise, and comply with any such charters, contracts, decrees, rights, privileges, and concessions.
To hold shares in other companies.	20.	To subscribe for, take, purchase, or otherwise acquire and hold shares or other interests in or securities of any other company having objects altogether or in part similar to those of this Company or carrying on

any business capable of being carried on so as directly or indirectly to benefit this Company.

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| 21. | To act as agents or brokers and as trustees for any person, firm, or company, and to undertake and perform sub contracts, and also to act in any of the business of the Company through or by means of agents, brokers, sub-contractors, or others. | To act as agents and trustees. |
| 22. | To remunerate any person, firm or company rendering services to this Company, either by cash payment or by the allotment to him or them of Shares or securities of the Company credited as paid up in full or in part, or otherwise, as may be thought expedient. | To remunerate persons rendering services to the company. |
| 23. | To pay all or any expenses incurred in connection with the promotion, formation, and incorporation of the Company, or to contract with any person, firm, or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any Shares, Debentures, Debenture Stock, or Securities of this Company. | To pay promotion expenses. |
| 24-A | To support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business; to give pensions, gratuities, or charitable aid to any persons who may have been Directors of or may have served the Company, or to the wives, children, or other relatives or dependents of such persons; to make payments towards insurance; and to form and contribute to provident and benefit funds for the benefit of any such persons, or of their wives, children, or other relatives or dependents. | To support charitable institutions. |
| | To undertake, carry out, promote or sponsor any programme of rural health or development, including any programme of mass immunisation or for promoting the health, social and economic welfare or the cultural uplift of the public in any rural or other areas, to assist in the execution and promotion of any such programmes, either directly or through the agency of any person or persons or in any other manner, and to incur expenditure on any such programme of rural health or development, with power to the Directors to transfer, with or without consideration, or divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority, Central or State Government, Public Institution or any Trust engaged in programmes of rural development as the Directors may, in their sole and absolute discretion decide. | |
| 24-B | To undertake, carry out, promote and sponsor or assist in any activity for the promotion and growth of the national economy and for discharging social and moral responsibilities of the Company to the public or to any section of the public, as also in any activity which is likely to promote national welfare or social, economic or cultural uplift of the public or any section of the public and in such manner and by such means, as may be thought fit, and without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor activity for publication of any books, literature, newspapers, etc., or for organising lectures or seminars likely to advance these subjects or for giving merit awards, scholarships, loans, or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies, academic pursuits or researches and for | |

	<p>establishing, conducting or assisting any Institution, Fund, Trust, etc., having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner, in order to implement any of the above mentioned objects or purposes, and transfer without consideration or at such fair or concessional value, or divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or Public Institutions or Trusts recognised or approved by Central or the State Government or under any Law for the time being in force.</p>
To promote companies.	25. To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking any of the liabilities of this Company, or of undertaking any business or operations which may appear likely to assist or benefit this Company, or to enhance the value of any property or business of this Company and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
To sell the business or property.	26. To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
To distribute property among members in kind.	27. To distribute among the Members of the Company in kind any property of the Company, and in particular any shares, debentures, or securities of other companies belonging to this Company or of which this Company may have the power of disposing.
To appoint Managing and or Selling Agents.	28. To appoint, if necessary, any person or persons as the Managing Agents or Selling Agents of the Company with the powers and for the consideration that may be set forth in the agreement with such terms and conditions as may be agreed upon from time to time between the Company, and the person or persons to be appointed as the Managing and/or Selling Agents of the Company.
To procure registration abroad.	29. To procure the Company to be registered or recognised in any part of India and in any foreign country or place.
General powers.	30. To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.
Each sub-clause to be construed independently.	It is hereby expressly declared that each Sub-clause of this Clause shall be construed independently of the other Sub-clauses hereof, and that none of the objects mentioned in any Sub-Clause shall be deemed to be merely subsidiary to the objects mentioned in any other Sub-clauses.
Liability of members.	IV. The liability of the members is limited.
Authorised Share Capital.	V. The Authorised Share Capital of the Company is ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) divided into 99,50,00,000 (Ninety Nine Crores Fifty Lacs only) Equity Shares of ₹ 1 (Rupee One) each and 50,000 (Fifty Thousand) 11% Redeemable Cumulative Preference Shares of ₹ 100 (Rupees Hundred only) each, with power to increase or reduce or modify the said capital and to divide the Share for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company.

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

- Notes:
1. Sub-clause 3-A was inserted pursuant to Special Resolution passed at the Annual General Meeting of the Company held on 23rd June, 1976, and confirmed by the Company Law Board, Western Region Bench, Bombay, by their order dated 20th January, 1977.
 2. Sub-clauses 24-A and 24-B were inserted pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 10th January, 1979 and confirmed by the Company Law Board, Western Region Bench, by their order dated 20th June, 1979.
 3. Clause V relating to Authorised Share Capital was substituted pursuant to a Special Resolution passed at an Extra Ordinary General Meeting held on 15th January, 1982.
 - 3.A. The old Clause V relating to Authorised Share Capital was substituted pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 10th June, 1985 and subsequently substituted by the present Clause V pursuant to an Ordinary Resolution passed at the Annual General Meeting of the Company held on 5th June, 1987.
 4. The old clause V relating to Authorised Share Capital was substituted pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 4th August, 1992.
 5. The old clause V relating to Authorised Share Capital was substituted pursuant to the Special Resolution passed at the 49th Annual General Meeting of the Company held on 21st August, 1995.
 6. Existing Clause I was amended pursuant to the Special Resolution passed by way of Postal Ballot on 30th May, 2005 for change of name of the Company from Asian Paints (India) Limited to Asian Paints Limited.
 7. Sub-clause 3-B was inserted pursuant to the Special Resolution passed by the Company through Postal Ballot on 17th December, 2012.
 8. Clause V relating to Authorised Share Capital was substituted pursuant to Special Resolution passed at the Annual General Meeting of the Company held on 24th June, 2013.

Names, address and description of Subscribers	Number of shares taken by each Subscriber
1. Suryakant Chandulal Dani, Callian Moti Bldg. No. 7, Kandewadi, Bombay. Merchant. Sd. Suryakant Chandulal Dani	160 shares of Rs. 100/- each.
2. Champaklal Hiralal Choksey, 30/6, Sonawala Bldg., 1st Floor, Block D, Tardeo, Bombay. Merchant. Sd. Champaklal Hiralal Choksey.	160 shares of Rs. 100/- each.
3. Arvind Ishwarlal Vakil Callian Moti Bldg. No.7, Kandewadi, Bombay. Merchant. Sd. Arvind Ishwarlal Vakil.	160 shares of Rs. 100/- each.
4. Jamnadas Vithaldas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Merchant. Sd. જમનાદાસ વિઠ્ઠલદાસ વોરા	૨૦૦ શેર દર રૂ. ૧૦૦ ની.
5. Himatlal Jamnadas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Merchant. Sd. Himatlal Jamnadas Vora.	110 shares of Rs. 100/- each.
6. Chimanlal Nanabhai Choksi, Nath Nivas, Khetwadi, 7th Lane, Bombay. Merchant. Sd. ચીમનલાલ નાનાભાઈ ચોકશી	૧૬૦ શેર દર રૂ. ૧૦૦ ની.
7. Jayabai Jamnadas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Occupation Nil. Sd. જયબાઈ જમનાદાસ વોરા	૫૦ શેર દર રૂ. ૧૦૦ ની.

Dated the 22nd day of October 1945.
Witness to the above Signatures.

(Sd.) Narandas M. Shah
Accountant,
418, Kalbadevi Road,
Bombay.

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

ASIAN PAINTS LIMITED

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

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

INTERPRETATION

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

"The Company" or "this Company" means 'Asian Paints Limited'.

Interpretation clause.

"The Company" or "this Company".

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

"The Act".

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

"Auditors".

"Beneficial owner" shall mean beneficial owner as defined in clause (a) of subsection (1) of Section 2 of the Depositories Act, 1996;

Beneficial owner

"Board" or "Board of Directors" means a meeting of the Directors of the Board of the Company or any Committee(s) constituted thereof for any purpose duly called and constituted, or as the case may be, the Directors or any Committee(s) thereof, assembled at the Board collectively.

"Board" or "Board of Directors".

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

"Capital".

"Debenture" includes debenture-stock.

"Debenture".

"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof;

Depositories Act, 1996

"Depository" shall mean a Depository as defined under clause (e) of subsection (1) of section 2 of the Depositories Act, 1996.

Depository

"Directors" means the Directors for the time-being of the Company or, as the case may be, Directors assembled at the Board.

"Directors".

"Dividend" includes bonus.

"Dividend".

Words importing the masculine gender also include the feminine gender.

"Gender"

"In Writing" or "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.

"In writing" or "Written".

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as

"Member"

	defined in clause (a) of subsection (1) of Section 2 of the Depositories Act, 1996"
"Meeting" or "General Meeting".	"Meeting" or "General Meeting" means a meeting of members.
"Annual General Meeting".	"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act.
"Extraordinary General Meeting".	"Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
"Month".	"Month" means a calendar month.
"Office".	"Office" means the registered office for the time-being of the Company.
"Paid-up".	"Paid-up" includes credited as paid-up.
"Persons".	"Persons" includes corporations and firms as well as individuals.
"Register of Members".	Register of Members means the Register of Members to be kept pursuant to the Act.
The Registrar.	"Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time-being situate.
"Secretary".	"Secretary" includes a temporary or Assistant Secretary or part-time Secretary or any person or persons appointed by the Board to perform any of the duties of a Secretary.
"Seal".	"Seal" means the Common Seal for the time-being of Company.
"Share".	"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
"Singular number".	Words importing the singular number include, where the context admits or requires, the plural number and vice-versa.
"Ordinary Resolution" and "Special Resolution".	"Ordinary Resolution" and "Special Resolution" shall have meanings assigned thereto by Section 189 of the Act.
"Year" and "Financial Year".	"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
	The marginal notes and title used in these Articles shall not affect the construction hereof.
	Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.

"CAPITAL AND INCREASE AND REDUCTION OF CAPITAL".

Authorised
Share
Capital

3. The Authorised Share Capital of the Company is ₹ 1,00,00,00,000 (Rupees One Hundred Crores only) divided into 99,50,00,000 (Ninety Nine Crores Fifty Lacs Only) Equity Shares of ₹ 1 (Rupee One) each and 50,000 (Fifty thousand)

11% Redeemable Cumulative Preference Shares of ₹ 100 (Rupees Hundred only) each, with power to increase or reduce or modify the said capital and to divide the shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified, or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided for by the Articles of Association of the Company. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in depositories and / or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

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

5. 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 as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

New Capital same as existing capital.

6. Subject to the provisions of Section 80 of the Act, the Company shall have power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Redeemable preference shares.

7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect :

Provisions to apply on issue of Redeemable Preference Shares.

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called the "Capital Redemption Reserve Account" a sum equal to the nominal

amount of the shares redeemed and the provisions of the Act relating to reduction of the share capital of the company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

Reduction of Capital.

8. The Company may (subject to the provisions of Sections 78,80,100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have had if it were omitted.

Sub-division consolidation and cancellation of shares.

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

Issue of further pari passu shares not to affect the right of shares already issued.

9A. The rights conferred upon the holders of the shares of any class, issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Modification of rights.

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

Underwriting Commission and Brokerage

11. (a) Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditional) for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures two and half per cent of the price at which the debentures are issued.

(b) The Company may pay such sum for brokerage as may be lawful and reasonable.

SHARES AND CERTIFICATE

12. "The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members Resident in that State or Country."
- Register and Index of Members.
13. "The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished."
- Shares to be numbered progressively and no share to be subdivided.
14. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased shares capital then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limited to a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- Further issue of Capital.
- (b) Notwithstanding anything contained in preceding sub-clause, the Company may —
- (i) by a special resolution; or
- (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons and such persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

Shares under
control of
Directors.

15. Subject to the provisions of these Articles and of the Act, the shares (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 to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and Subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Powers also to
Company in General
Meeting to issue
shares.

16. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance 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 whatsoever for the issue, allotment or disposal of any shares.

Acceptance of
shares.

17. Any application signed by or on behalf of an applicant for share 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 pays or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.

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

18. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit call or otherwise in respect of any share allotted by them, shall immediately on the insertion 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 Members.

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

20. (a) Every member of allottee of shares shall be entitled without payment to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon, provided however, no share certificate(s) shall be issued for shares held in Depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it, atleast one of the aforesaid two Directors shall be persons other than a Managing or a wholetime Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of the issue.

Share Certificates

(b) 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 owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) 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; but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

21. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

Renewal of Shares Certificate.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No.... sub-divided/replaced/ or consolidation of shares."

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms if any to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No....". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in "Remarks" column.

(f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other persons as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every director of the Company shall be responsible for the maintenance, preservation and safe custody of all books, and documents relating to the issue of share certificate except the forms of share certificate referred to in sub-Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

Power of
Board of
Directors to
Regulate
sub-division or
consolidation.

21A. Notwithstanding anything contained in Article 21, the Board of Directors may in its absolute discretion refuse any application for sub-division or consolidation of share certificate(s) or debenture certificate(s) in denominations of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or an order of a competent Court or Law.

The first named of
joint-holders
deemed sole holder.

22. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of share and for all incidents thereof according to the Company's regulations.

Company not
bound to recognise
any interest in
share other than
that of registered
holder.

23. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as a holder of any share of whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

24. Notwithstanding anything contained in these Articles, the Company shall have the power subject to and in accordance with all applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof from time to time) to purchase or buyback its own shares or stocks or securities whether or not they are redeemable, at such price and on such terms and conditions as the Board may deem fit and proper in the best interests of the Company.

Power of the Company to buy back its own Securities

24. A. Subject to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act and subject to the Articles of Association, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Executive Chairman, the Managing Directors and the Wholtime Directors such number of equity shares of the Company of the face value of Rs. 10/- each not exceeding in number at any time in the aggregate 5% of the capital after expansion, for subscription on such terms and conditions as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking *pari passu* with the existing equity shares of the Company.

Provision for Employees' Stock Option

1. The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.

2. In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time.

All such issues as above are to be made in pursuance of Employees' Stock Option (ESOP) Scheme to be drawn up and approved by the Board.

INTEREST OUT OF CAPITAL

25. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction for the work of building, or the provision of plant.

Interest may be paid out of capital

CALLS

26. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Directors may make calls.

27. Fifteen day's notice in writing of any call be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

Notice of calls.

Calls to date
from resolution.

28. A call shall be deemed to have been made at the time when the resolution authorizing such call is passed at a meeting of the Board.

Call may be revoked
or postponed

29. A call may be revoked or postponed at the discretion of the Board.

Joint-holders, jointly and
severally liable to pay calls

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

Power of Board to
extend time for
payment of calls.

31. The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls under Article 27.

Calls to
carry interest.

32. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to time of actual payment at such rate as shall, from time to time, be fixed by the Board not exceeding 9 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to
be calls.

33. Any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit
for money due
on shares.

34. On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed to be due to the Company 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 is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the Minute Book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles and that 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 meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment
not to preclude
forfeiture.

35. Neither receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in
anticipation of calls
may carry interest.

36. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his 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 Board may pay or

allow interest, at such rate as the members paying the sum in advance and the Board agree upon. The Board may at any time agree to repay any amounts so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

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

LIEN

37. The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the conditions that Article 22 hereof is to have full effect. 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.

Company to have
lien on shares.

38. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit and for this purpose may cause to be issued duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment fulfillment, or discharge of such debts, liabilities or engagement for fourteen days after such notice.

As to enforcing
lien by sale.

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

Application of
proceeds of sale.

FORFEITURE OF SHARES

40. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment.

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

41. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 9 per cent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The

Form of notice.

In default of payment, shares to be forfeited.	notice shall also state that, in the event of the non-payment before the time and at the place appointed the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
Notice of forfeiture to a member.	<p>42. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p> <p>43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>
Forfeited share to be property of the Company and may be sold, etc.	44. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallocated, or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
Member still liable to pay money owing at the time of forfeiture and interest.	45. Any member whose shares have been forfeited shall not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding nine percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
Effect of forfeiture.	46. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture.	47. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
Validity of sale under Articles 40 and 46.	48. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see 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 sales shall be in damages only and against the Company exclusively.
Cancellation of share certificates in respect of forfeited shares.	49. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate of shares originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue

a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

50. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

Power to annul
forfeiture

TRANSFER AND TRANSMISSION OF SHARES

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

Transfer or transmission of
shares

51.A. "The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form."

Register of Transfers

52. Shares in the Company may be transferred by an instrument in writing in the usual common form or in such other form as shall from time to time be approved by the Directors provided that if so required by the provisions of the Act, such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to Company within the prescribed period.

Form of transfer.

53. The Instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of transfer shall remain in custody of the Company until destroyed by order of the Board. The transferor of shares shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a certificate or certificates the shares must have been delivered to the Company.

Transfer form to be
completed to and
presented to the
Company.

53A. Deleted pursuant to the Special Resolution passed at the Annual General Meeting held on 24th June, 2008.

54. Deleted pursuant to the Special Resolution passed at the extraordinary General Meeting held on 15th January, 1983.

55. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Transfer Books and
Register of
Members when
closed.

56. The Board may at its own, absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares in any cases in which the Company has a lien upon the shares or any of them, or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the refused transferee is already

Board may refuse to
register transfer and notice
of such refusal.

	<p>a member. If the Company refuses to register a transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation, as the case may be.</p>
Notice of application when to be given.	<p>57. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.</p>
Death of one or more joint-holders of shares.	<p>58. In the case of the death of any one or more of the persons named in the Register of Members as the Joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on share held by him jointly with any other person.</p>
Title to shares of deceased Member.	<p>59. The executors or administrators or holders of a Succession Certificate or the legal representatives of deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 62 register the name of any person who claims to be absolutely entitled to the shares standing in name of a deceased member, as a member.</p>
	<p>60. Deleted pursuant to the Special Resolution passed at the Annual General Meeting held on 24th June, 2008.</p>
Compliance with the Estate Duty Act, 1953.	<p>61. If any member of the Company dies, and the Company through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller of Estate Duty that either Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member, the Company shall, within three months of the receipt of such knowledge, furnish to the Assistant Controller or the Deputy Controller of the Estate Duty who is exercising the functions of the Income-tax Officer under the Income-tax Act in relation to the Company, such particulars as may be prescribed by the Estate Duty Rules, 1953.</p>
Registration of persons entitled to share otherwise than by transfer.	<p>62. Subject to the provisions of the Act and Articles 58 and 59 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or</p>

of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favor of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

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

Persons entitled
may receive
dividend.

64. Deleted pursuant to the Special Resolution passed at the Annual General Meeting held on 24th June, 2008.

65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown on appearing in Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Company not liable
for disregard of a
notice prohibiting
registration of a transfer.

65A. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to Depositories Act, 1996.

65B. Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at any time opt out of the depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. 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 the receipt of the information, the depository shall enter in its record the name of the allotted as the beneficial owner of the security.

Option for investors

65C. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided, the depository as the registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it. Every person holding securities in the name 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 the

Rights of Depositories and
Beneficial Owners

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.

Service of documents

65D. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial owner may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

65E. Nothing contained in Section 108 of the Act or these Articles, shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.

Allotment of securities dealt with by a Depository

65F. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBER

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

66. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

BORROWING POWERS

Powers to borrow.

67. Subject to the provision of Section 292 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed.

68. Subject to the provisions of Article 67 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable from any equities between the Company and the person to whom the same may be issued.

Terms of issue of Debentures.

69. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Ordinary Resolution.

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 Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

Register of
Mortgages, etc.
to be kept.

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

Register and Index
of Debenture-
holders.

SHARE WARRANTS

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

Power to issue
share warrants.

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

Deposit of
share warrant.

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

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

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

Privileges and
disabilities of
the holders of
share warrant.

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

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

Issue of new share
warrant or coupon.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock.

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

Right of stock-holders.

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

MEETINGS OF MEMBERS

Annual General Meeting—Annual Summary.

78. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings, other than Annual General Meetings shall be called "Extraordinary General Meetings". The first Annual General Meeting shall be held within six months after the expiry of the financial year in which the Company was established and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' share holdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting.

79. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid up

capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

80. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

Requisition of
Members to state
object of meeting.

81. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

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

82. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Meeting called by
requisitionists.

83. Twenty-one days' notice at least of every General Meeting—Annual or Extraordinary — and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors is to be transacted, and in the case of any other meeting, in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or interest if any, therein of every Director of the concern, and the Manager, (if any). Where any such item of special business relates to, or affects any other company, the extent of shareholding interest in other company of every Director, and the Manager if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Twentyone days'
notice of meeting
to be given.

84. The accidental omission to give any such notice as aforesaid to any of the members or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Omission to give
notice not to
invalidate a
resolution passed.

Meeting not to
transact business
not mentioned
in the notice.

Quorum at
General Meeting.

If quorum not
present meeting to
be dissolved or
adjourned.

Chairman of
General Meeting.

Business confined
to election of
Chairman whilst
Chair vacant.

Chairman with
consent may
adjourn meeting.

'Questions at
General Meeting
how decided'

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

86. Five Members present in person shall form a quorum for a General Meeting.

87. If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the Meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the Meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or at such other time and place within the city, town or village in which the Registered Office of the Company is situated as the Board may determine, and if at such adjourned meeting, a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

88. The Chairman the Board shall be entitled to take the chair at every General Meeting whether Annual or Extra Ordinary. If the Chairman is unable or unwilling to take the chair or if he is not present within fifteen minutes of the time appointed for holding such meeting then the Vice Chairman shall be entitled to take the chair at such meeting. If there be no such Chairman and/or Vice Chairman if he/they are unable/unwilling to take the chair, or if he/they are not present within fifteen minutes of the time appointed for holding such meeting, then the Directors present shall elect another Director as Chairman, and if no Director is present, or if all the Directors present decline to take the chair, then the members present shall elect one of their member to be the Chairman.

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

90. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

91. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by 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 one-tenths of the total voting power in respect of the Resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand.

Unless a poll is so demanded a declaration by the Chairman that a resolution has, on show of hands, been carried or carried unanimously or by a particular majority or lost; and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against the resolution.

92. In the case of an equality of votes, the Chairman shall both on show 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.

Chairman's casting vote.

93. If a poll is demanded as aforesaid the same shall subject to Article 92 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

94. Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

Scrutineers at poll.

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

In what case poll taken without adjournment.

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

Demand for poll not to prevent transaction of other business.

VOTES OF MEMBERS

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

Members in arrears not to vote.

98. Subject to the Provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in Section 87 (2) (b) of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affects the right attached to his preference shares.

Number of votes to which Member entitled.

99. On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other persons entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

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

How Members
non-composment
is and minor
may vote.

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

Votes of
joint-members.

101. If there be joint registered holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stand higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

Voting in person
or by proxy.

102. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Votes in respect
of shares of
deceased and
insolvent Member.

103. Any person entitled under Article 62 to transfer any share 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 at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment
of proxy.

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

Proxy either for
specified meeting
or for a period.

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

Proxy to vote only
on a poll.

106. A member present by proxy shall be entitled to vote only on a poll.

Deposit of
instrument of
appointment.

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

108. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.	Form of proxy.
109. 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 of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.	Validity of votes given by proxy notwithstanding death of member.
110. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.	Time for objections of votes.
111. 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.	Chairman of the meeting to be the judge of validity of any vote.
112. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.	
(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period, by a Director duly authorised by the Board for the purpose.	Minutes of General Meeting and inspection thereof by members.
(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.	
(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.	
(5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.	
(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could necessarily be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) detrimental to the interest of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.	
(7) Any such minutes shall be evidence of the proceedings recorded therein.	
(8) The book containing the minutes of proceedings of General Meeting shall be kept at the office of the Company and shall be open during business hours, for such periods as the Directors may determine, for the inspection of any member without charge.	

DIRECTORS

Number of
Directors.

113. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of the Directors shall not be less than five nor more than fifteen.

114. A. Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a whole-time Director of the Company for such period and upon such terms and conditions as the Board may decide. A Senior Executive so appointed shall be governed by the following provisions :

- (a) He shall be liable to retire by rotation as provided in Article 131 but shall be eligible for reappointment under Article 133. His reappointment as Director shall not constitute a break in his appointment as whole-time Director.
- (b) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation under Article 131.
- (c) He shall cease to be Director of the Company on the happening of any event specified in Article 124 hereof. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.
- (d) When no Executive Chairman is appointed, the Whole time Director or Directors, shall function, subject to the supervision and control of the Managing Director or Managing Directors.
- (e) His remuneration shall be fixed by the Board and shall be payable out of the funds of the Company subject to the provisions of the Act and approval of the Company in the General Meeting.
- (f) He shall not be required to hold any qualification share for his appointment as a whole-time Director of the Company.

114.B. Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all/or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole-time Directors.

Power to appoint
ex-officio Directors.

115. Whenever Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a

notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may fill any vacancy that may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment, remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

116. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Debenture
Directors.

117. The Board 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 in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Appointment of
Alternate Director.

118. Subject to the provisions of Sections 260, 261 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 113. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Directors' power to
add to the Board.

119. Subject to the provisions of Sections 261, 264 and 284 (4) the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Directors' power to
fill casual vacancies.

120. Deleted pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.

121. (1) Subject to the provisions of the Act, the Executive Chairman or a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Remuneration of
Directors.

(2) Subject to the provisions of the Act, a Director other than the Executive Chairman or a Director in the whole time employment or a Managing Director may be paid remuneration either:

- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of commission if the Company by a special resolution authorised such payment.

(3) The fee payable to a Director (including the Executive Chairman or a Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors from time to time within the maximum limit of such a fee that may be prescribed by the Central Government under the proviso of Section 310 of the Companies Act, 1956.

Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business.

122. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

Directors may act notwithstanding any vacancy.

123. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 113 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

When office of Directors to become vacant.

124. Subject to Section 283 (2) and 314 of the Act, the office of a Director shall become vacant if :

- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (b) he applies to be adjudicated as an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he fails to pay any call made on him in respect of the shares held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
- (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
- (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- (g) he is removed in pursuance of Section 284; or
- (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 a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

- (i) he acts in contravention of Section 299 of the Act; or
- (j) he is convicted by a Court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
- (k) 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; or
- (l) he resigns his office by a notice in writing addressed to the Company.

125. (1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services, or for underwriting the subscription of any shares in, or debentures of the Company provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.

Director may contract with Company.

(2) No sanction shall, however, be necessary for :

- (a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative firm partner or private company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs. 5000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

126. A Director of the Company who is in any way—whether directly or indirectly—concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act, provided that it shall

Disclosure of interest.

not be necessary for a director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

General Notice
of Interest.

127. A general Notice given to the Board by the Director to the effect that he is a director or member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

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

128. No Director shall as a director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void, provided however, that nothing herein contained shall apply to:

- (a) any contract of indemnity against any loss which the Directors or anyone or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely:
 - (i) in his being:
 - (a) a director of such company, and
 - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the company; or
 - (ii) in his being a member holding not more than 2% of its paid-up share capital.

Register of
contracts in
which Directors
are interested.

129. The Company shall keep a Register in accordance with Section 301 (1) and shall within the time specified in Section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies, corporate and firms of which notice has been given by him under Article 127. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner,

and on payment of the same fee as in the case of Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

130. A Director may be or become a Director of any company promoted by the Company or in which it may be interested as vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as a director or shareholder of such company except in so far as Section 209 (6) or Section 314 of the Act may be applicable.

Directors may be directors of companies promoted by the Company.

131. At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any, shall not be counted in determining the rotation of retirement or the number of Directors to retire.

Retirement and Rotation of Directors.

132. Subject to Section 256 (2) of the Act, Directors to retire by rotation under Article 131 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

Ascertainment of Directors retiring by rotation and filling of vacancies.

133. A retiring Director shall be eligible for re-election.

Eligibility for re-election.

134. Subject to Section 258 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

Company to appoint successors.

135. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

Provision in default of appointment.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless:

- (i) at that meeting or at the previous meeting resolution for that reappointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be re-appointed;
- (iii) he is not qualified or he is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

Company may increase or reduce the number of Directors.

Notice of Candidate for office of Director except in certain cases.

Register of Directors etc and notification of change to Registrar.

Register of shares or debentures held by Directors.

Disclosure by director of appointment to any other body corporate.

Disclosure by a Director of his holding of shares and debentures of the Company, etc.

136. Subject to Section 259 of the Act, the Company may by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may, (subject to the provisions of Section 284 of the Act) remove any director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

137. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some members intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.

(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional Director/Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

138. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Managing Directors, Managers, and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of its Director also keep at its Office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

139. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section of the Act), Managing Director, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above office in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

MANAGEMENT

140. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Executive Chairman, Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 141, the Board may by resolution vest in such Executive Chairman, Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Executive Chairman, Managing Director or Managing Directors may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all of these modes, or any other mode not expressly prohibited by the Act. The Executive Chairman and the Managing Director shall not be required to retire by Rotation under Article 131.

Board may appoint Executive Chairman and Managing Directors.

Notwithstanding anything contained in this Article, where no Executive Chairman is appointed as such, the Board of Directors may elect, from time to time, any of its members, as Chairman who shall be subject to retirement by rotation.

Subject to the provisions of the Act and of these Articles, the Board shall have the power to elect, from time to time, any of its members as Vice Chairman on such terms and conditions as the Board thinks fit. The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Director" or "Deputy Managing Directors", as the case may be, and accordingly the expression "Managing Director" shall also include and be deemed to include "Joint Managing Director" or "Deputy Managing Director" as the case may be.

140A The Managing Director or Managing Directors or Directors who are in the whole time employment in the Company shall subject to supervision and control of the Executive Chairman, exercise such powers as are vested in them by the Board.

Managing Directors and Wholtime Directors to report to Executive Chairman

141. The Executive Chairman or Managing Director or Managing Directors shall not exercise the powers to :

Restriction on management.

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
- (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act shall also not exercise the powers to;
- (c) borrow moneys otherwise than on debentures;
- (d) invest the funds of the Company; and
- (e) make loans.

142. The Company shall not appoint or employ, or continue the appointment of a person as its Executive Chairman or Managing or Whole-time Director who,

Certain persons not to be appointed as Executive Chairman, or Managing Director or Whole-time Director.

- (a) is an undischarged insolvent, or has any time been adjudged an insolvent;

- (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them, or
 - (c) is, or has at any time, been, convicted by a Court of an offence involving moral turpitude.
- Special position of Executive Chairman, Vice Chairman and Managing Directors
143. If Executive Chairman, Vice-Chairman or Managing Director ceases to hold the office of Director, he shall ipso facto and immediately cease to be an Executive Chairman, Vice-Chairman or a Managing Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meetings of Directors.

144. The Directors may meet together as a Board for the purpose of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Notice of Meetings.

145. Four clear day's notice at least of every meeting of the Board shall be given in writing to every Director at his usual address. Provided, however, that the Chairman of the Board shall have the powers to convene a meeting of the Board or to request the Secretary of the Company to convene a meeting of the Board by giving a shorter notice. Such notice or shorter notice may be sent by hand delivery or post or by cable or telegram depending upon the circumstances.

Quorum.

146. Subject to Section 287 of the Act, the Quorum for a meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Adjournment of meeting for want of quorum.

147. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

When meeting to be convened.

148. The Secretary shall as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

Chairman, Vice Chairman.

149. The Executive Chairman or Chairman shall be the Chairman of the Board. If at any meeting of the Board, the Executive Chairman or Chairman is not present within fifteen minutes after the time appointed for holding the same or if the Executive Chairman or Chairman is unable or unwilling to take the chair, the Vice Chairman shall be entitled to take the chair at such meeting. If there be no such Executive Chairman or Chairman and/or Vice Chairman or if he/they are unable or unwilling to take the chair, or if he/they are not present within fifteen minutes of the time appointed for holding the meeting, then the Directors present may choose any one of their number to be the Chairman of the meeting.

Questions at Board Meetings how decided.

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

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

Powers of Board Meeting.

152. Subject to the restriction contained in Section 292 of the Act the Board may delegate any of their powers to Committees of the Board consisting of such Member or Members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Directors may appoint Committee.

153. The meeting and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting 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 the last preceding, Article.

Meeting of Committee how to be governed.

154. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation 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 Board or Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Resolution by circulation.

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

Acts of Board or Committee not valid notwithstanding informal appointment.

156. (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

Minutes of proceedings of the Board meetings.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain:

- (a) The names of the Directors present at the meeting; and
- (b) In the case of each resolution passed at the meeting, the names of the Directors if any, dissenting from, or not concurring in the resolution.

(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;

- (a) is or could reasonably be regarded as defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interest of the Company.

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

(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of
Directors

157. The Board may exercise all such powers of the Company and do all such acts and things as are not by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting accorded by an ordinary resolution :

- (a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director;
- (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or

can be carried on only with difficulty or only after a considerable time;

- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated; or
- (e) contribute to charitable and other trusts not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

158. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say power:

Certain powers of the Board.

- (1) To pay cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission, brokerage or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
- (3) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to provision of the Act 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, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and or any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- (10) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 369, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit, of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give them necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives,

widows and families or the dependants or any connection of such persons, by building or contributing to the building of houses, dwellings, or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments or by creating, and from time to time subscribing or contributing to provident fund and other associations, institutions, funds, trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to charitable, benevolent, religious, scientific, national or institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.

- (16) 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 to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debenture or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending, and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, invest the several sums to set aside for so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or Division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debenture or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum.
- (17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent,

temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified localities in India or elsewhere in such manner as they think fit and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (18) To comply with the requirements of any local law which in their opinion shall be in the interests of the Company necessary or expedient to comply with.
- (19) From time to time and at any time to establish any local Board for managing any of the affairs of the company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards, and to fix their remuneration.
- (20) Subject to Section 292 of the Act, from time to time and at any time to delegate to any persons so appointed any of the powers authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time and from time to time by power of Attorney under the Seal of the Company, to appoint any person or persons to be 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 Board under these presents and excluding the power to make calls and excluding also except in their limits, authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the Members of any Local Board, established as aforesaid or in favor of any Company, or the shareholders, directors, nominees, or managers of any company or firms or otherwise in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (22) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of

the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company its officers and servants.

159. The Company may employ at the same time more than one of the following categories of managerial personnel, namely,

Simultaneous appointment of different categories of managerial personnel.

- (a) Executive Chairman
- (b) Managing Director and
- (c) Whole-time Director.

THE SECRETARY

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

Secretary.

THE SEAL

161. (a) The Board shall provide a Common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu of the same, and the Board shall provide for the safe custody of the seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

The seal, its custody and use.

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

162. Every Deed or other instrument, to which the seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 20 (a).

Deeds how executed.

DIVIDENDS

163. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members, in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

Division of profits.

164. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

The Company in General Meeting may declare a dividend.

165. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with

Dividends only to be paid out of profits.

the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :

- (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (b) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Interim dividend.

166. The Board may from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies.

Capital paid up in advance at interest not to earn dividend.

167. Where Capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Dividends in proportion to amount paid-up.

168. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer under Article 62.

169. The Board may retain the dividends payable upon shares in respect of which any person is, under Article 62 entitled to become a Member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Dividend etc to joint-holders.

170. Any one of several person who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

No member to receive dividend whilst indebted to the Company, and Company's right of reimbursement threat.

171. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any moneys 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 moneys so due from him to the Company.

172. 'Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the company, it shall.

'Right to Dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares'.

- (a) transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of subsection (1) of Section 81 and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

173. Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

Dividends how remitted.

174. No unclaimed dividend shall be forfeited and the same shall be dealt with in accordance with the provisions of Section 205A, 205B, and 206A or other provisions, if any, of the Act as may be applicable, from time to time.

Unclaimed dividend

175. No unpaid dividend shall bear interest as against the Company.

No interest on dividends.

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

Dividend and call together.

177. (a) The Company in General Meeting may by a special resolution resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Shares Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised value or sum or fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenturestock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium account and a Capital Redemption Reserve Account may, for the purpose of this

Capitalisation.

Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus 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 among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or the specific assets in trustees upon such trusts for the person entitled to the dividends or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act, and the Board 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.

ACCOUNTS

Directors to keep true accounts.

178. The Company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to :

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

Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Accounts.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Accounts relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

The Books of Accounts shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be and explain its transactions. The

Books of Accounts and other books and papers shall be open to inspection by any Director during business hours.

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

As to inspections of accounts or books by Members.

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

Statement of Accounts to be furnished to General Meeting.

181. A printed copy of every balance sheet (including every document required by law to be annexed or attached thereto) which is to be laid before the Company in Annual General Meeting together with a copy of the Auditors' Report or a statement containing salient feature of such documents in the prescribed form, as laid down under Section 219 of the Act as the Company may deem fit, shall not less than twenty one days before the date of the Meeting, be sent to every person entitled thereto pursuant to the provisions of the said Section.

Copies shall be sent to each Member.

181A Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in general meeting shall be conclusive except as regards any matters in respect of which modifications may from time to time be considered proper by the Board of Directors and approved by the shareholders at a general meeting.

182. Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

Account to be audited.

DOCUMENTS AND NOTICES

183. (1) A document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any in India supplied by him to the Company for serving documents or notice on him. Simultaneously, with the despatch of the notice or documents as the case may be, confirmation of the same shall be forwarded to all those members of the Company who may be outside India.

Service of documents or notices on Members by Company.

(2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the company in advance that documents and notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

184. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day

By advertisement

	on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.
On jointholders.	185. A document or notice may be served or given by the Company on or to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holder named first in the Register of the Members in respect of the share.
On personal representatives etc.	186. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose but the persons claiming to be entitled or until such an address has been so supplied by serving the document, or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
To whom documents or notice must be served or given.	187. Documents or notices of every General Meeting shall be served or given in some manner herein before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.
Members bound by documents or notices served on or given to previous holders.	188. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derives his title to such shares.
Documents or notice by Company and signature thereto.	189. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.
Service of document or notice by Member.	190. All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by leaving it at the office.
WINDING UP	
Liquidator may divide assets in specie.	191. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference shares capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.
INDEMNITY AND RESPONSIBILITY	
Directors' and others' right of indemnity.	192. (a) Every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.

SECRECY CLAUSE

193. (a) Every Director, Manager, Auditor, Treasurer, member of a Committee, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained.

Secrecy Clause.

(b) 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 details 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 of 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.

Notes : 1. Articles 1 to 193 were adopted by the resolution passed at the Extraordinary General Meeting of the Company held on 4th December, 1973.

1.A. Article 114 was substituted by Article 114A & 114B pursuant to the Special Resolution passed at the twenty eighth Annual General Meeting held on 22nd June, 1974.

1.B. Article 140 was amended pursuant to the Special Resolution passed at the twenty eighth Annual General Meeting held on 22nd June, 1974 and a new paragraph was added to the existing Article 140.

1.C. The proviso to Article 76 was added pursuant to the Special Resolution passed at the thirty fourth Annual General Meeting held on 6th May, 1980.

1.D. Pursuant to the Special Resolution passed at an Extra Ordinary General Meeting held on 15th January, 1982 Article 54 was cancelled and deleted.

1.E. Pursuant to the Special Resolution passed at an Extra Ordinary General Meeting held on 15th January, 1982 Article 56 was amended.

1.F. Pursuant to the Special Resolution passed at an Extra Ordinary General Meeting held on 15th January, 1982 Article 21(a) was amended by substituting word 'fully' for the word 'duly'.

1.G. Pursuant to the Special Resolution passed at an Extra Ordinary General Meeting held on 15th January, 1982 Article 3 was amended.

1.H. New Article 21A was added after Article 21 pursuant to the Special Resolution passed at the thirty ninth Annual General Meeting held on 10th June, 1985.

1.I. New Article 53 A was added after the existing Article 53 pursuant to the Special Resolution passed at the thirty ninth Annual General Meeting held on 10th June, 1985.

2. The old Article 3 was substituted pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 10th June, 1985 and subsequently substituted by the present Article 3 pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 5th June, 1987.
3. The proviso to Article 76 was deleted pursuant to the Special Resolution passed at the Annual General Meeting held on 10th June, 1985.
4. Article 21A has been inserted after the existing Article 21 pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 5th June, 1987.
5. Article 53A has been inserted after the existing Article 53 pursuant to the Special Resolution passed at the Annual General Meeting held on 5th June, 1987.
6. The old Article 121(3) was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 20th June, 1988.
7. The old Article 56 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
8. In the third line of Article 68, the words 'Ordinary Resolution' has been substituted in place and stead of 'Special Resolution' pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
9. In the seventh line of Article 69, the words 'Ordinary Resolution' has been substituted in place and stead of 'Special Resolution' pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
10. The old Article 91 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
11. At the end of clause (1) of Article 137, the words mentioned therein were added pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
12. In the ninth line of Article 157, the words 'Ordinary Resolution' has been substituted in place and stead of 'Special Resolution' pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
13. The old Article 172 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
14. The old Article 174 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.
15. The old Article 181 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 1st September, 1989.

16. The old Article 3 relating to Authorised Share Capital was substituted pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 4th August, 1992.
17. Old Article 88 has been substituted pursuant to the Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on 10th June, 1994.
18. Old Article 149 has been substituted pursuant to the Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on 10th June, 1994.
19. Present Article 3 was substituted pursuant to the Special Resolution passed at the 49th Annual General Meeting of the Company held on 21st August, 1995.
20. Article 2 was amended pursuant to the Special Resolution passed at the fifty-first Annual General Meeting held on 8th August 1997, and new definitions for Beneficial owner, Depositories Act 1996, and Depository were added to the existing Article 2.
21. The definition of member in Article 2 was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
22. At the end of Article 3 of the Article of Association, the words mentioned therein were added pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
23. The old Article 12 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
24. The old Article 13 of the Article of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
25. Article 20 was amended pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
26. The old Article 23 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
27. The old Article 51 of the Articles of Association was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
28. New Article 51-A was inserted pursuant to the Special Resolution passed at the Annual General Meeting held on 8th August, 1997.
29. Existing Article 24 was substituted pursuant to a Special Resolution passed at the Extra Ordinary General Meeting held on 28th October, 1998.
30. A new Article 24 A was inserted immediately after the existing Article 24 pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.

31. Clause (d) of Article 114 A was substituted with new Clause (d) pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
32. Existing Article 120 was deleted pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
33. Existing Article 121(1), 121(2) and 121(3) was changed pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the company held on 28th October, 1998.
34. Existing title of the Article 140 was substituted with the title MANAGING DIRECTORS and Article 140 was changed pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
35. A new Article 140 A was inserted immediately after the existing Article 140 pursuant to Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
36. Existing Article 141 was changed pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
37. Existing Article 142 was changed along with the marginal note thereto, pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
38. Existing Article 143 was changed along with the marginal note thereto, pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
39. Existing Article 149 was substituted with new Article 149 pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
40. Existing title of Article 159 was deleted and the Article 159 was changed pursuant to a Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 28th October, 1998.
41. Existing Clause 2 was amended pursuant to the Special Resolution passed through Postal Ballot on 30th May, 2005 for change of name of the Company from Asian Paints (India) Limited to Asian Paints Limited.
42. Existing Article 2 was substituted pursuant to the Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
43. A new Article 9A was inserted immediately after the existing Article 9 pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
44. Existing Article 21A was substituted pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.

45. Existing Article 53A was deleted pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
46. Existing Article 56 was substituted pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
47. Existing Article 60 was deleted pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
48. Existing Article 64 was deleted pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
49. New Articles 65A, 65B, 65C, 65D, 65E and 65F were inserted immediately after the existing Article 65 pursuant to a Special Resolution passed at the Annual General Meeting held on 24th June, 2008.
50. The old Article 3 relating to Authorised Share Capital was substituted pursuant to the Special resolution passed at the Annual General Meeting of the Company held on 24th June, 2013.

Names, address and description of Subscribers	Number of shares taken by each Subscriber
1. Suryakant Chandulal Dani, Callian Moti Bldg. No. 7, Kandewadi, Bombay. Merchant. Sd. Suryakant Chandulal Dani	160 shares of Rs. 100/- each.
2. Champaklal Hiralal Choksey, 30/6, Sonawala Bldg., 1st Floor, Block D, Tardeo, Bombay. Merchant. Sd. Champaklal Hiralal Choksey.	160 shares of Rs. 100/- each.
3. Arvind Ishwarlal Vakil Callian Moti Bldg. No.7, Kandewadi, Bombay. Merchant. Sd. Arvind Ishwarlal Vakil.	160 shares of Rs. 100/- each.
4. Jamnadas Vithaldas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Merchant. Sd. જામનાદાસ વિઠ્ઠલદાસ વોરા	૨૦૦ શેર દર રૂ. ૧૦૦ ના.
5. Himatlal Jamnadas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Merchant. Sd. Himatlal Jamnadas Vora.	110 shares of Rs. 100/- each.
6. Chimanlal Nanabhai Choksi, Nath Nivas, Khetwadi, 7th Lane, Bombay. Merchant. Sd. ચીમનલાલ નાનાભાઈ ચોકશી	૧૬૦ શેર દર રૂ. ૧૦૦ ના.
7. Jayabai Jamnadas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Occupation Nil. Sd. જયબાઈ જામનાદાસ વોરા	૫૦ શેર દર રૂ. ૧૦૦ ના.

Dated the 22nd day of October 1945.

Witness to the above Signatures:

(Sd.) Narandas M. Shah
Accountant,
418, Kalbadevi Road,
Bombay.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 444 OF 1990
CONNECTED WITH
COMPANY APPLICATION NO. 130 OF 1990.**

In the matter of Companies Act, 1956;

And

In the matter of Sections 391 & 394 of the said Act;

And

In the matter of Scheme of Arrangement between Asian Paints (India) Limited and Apcotex Lattice Limited.

Asian Paints (India) Limited a Company existing under the Companies Act, 1956 and having its registered office at Nirmal, Nariman Point, Mumbai 400 0021.

Petitioner

Coram : D.R. Dhanuka J.

Dated : 27th March 1991.

UPON the Petition of Asian Paints (India) Limited the Petitioner Company above named (hereinafter referred to as "Asian Paints") presented to this Hon'ble Court on 30th day of July 1990 for sanction of arrangement embodied in the Scheme of Arrangement between Asian Paints and Apcotex Lattices Ltd. (hereinafter referred to as "ALL") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the affidavit of Shri Bipin Jhaveri, Company Secretary of Asian Paints solemnly affirm on 24th day of July 1990 verifying the said petition and upon reading the affidavit of Om Prakash Sharma solemnly affirmed on the 5th day of October 1990 proving publication of the Notices of the date of the hearing of the said Petition as directed by the order herein dated the 3rd day August 1990 AND UPON READING the Order dated the 19th day of April 1990 made by this Hon'ble Court in Company Application No. 130 of 1990 whereby Asian Paints was ordered to convene a meeting of its Equity shareholders for the purpose of considering and if thought fit approving with or without modification the arrangement embodied in the Scheme of Arrangement between Asian Paints and ALL and upon perusing the issue of Maharashtra Government Gazette dated the 31st day of May 1990 and issue of Free Press Journal dated 28th day of May 1990 and the issue of B'bay Samachar dt. 28th day May, 1990 each containing the advertisement of the notice convening the said meeting directed to be held by the said order dated the 19th day of April 1990 AND UPON READING the affidavit of Shri S.S. Pawar, the Chairman of the said meeting affirmed on the 13th day of June 1990 proving publication and despatch of the notices convening the said meeting and UPON READING report dated the 21st day of July 1990 of the said Shri S.S. Pawar, Chairman of the said meeting of the Equity Shareholders of Asian Paints as to the result of the said meeting AND UPON READING the affidavit of the said Shri S.S. Pawar dated the 21st day of July 1990 verifying the said report AND UPON READING the affidavit of Mohanlal Sharma, Joint Director (Legal) in the office of the Regional Director; Company Law Board dated the 20th day of March 1991 showing cause against the Petition AND UPON READING the affidavit of Shri Bipin Jhaveri, Company Secretary of Asian Paints dated the 22nd day of March 1990 in rejoinder AND UPON HEARING Shri R.A. Dada, Senior Counsel with Counsel Virag V. Tulzapurkar for Asian Paints and Shri Suraj M. Shah, Advocate for the Regional Director, Company Law Board on behalf of the Central Government who shows cause against the Petition AND IT IS APPEARING from the said report of the Chairman of the meeting of the Equity Shareholders of the Asian Paints that the Arrangement embodied in the Scheme of Arrangement between Asian Paints and 'ALL' has been approved by a majority of not less than three fourth in value of the Equity shareholders of Asian Paints present and voting in person or by proxy or through the authorised representative AND no other person entitled to appear at the hearing of the said petition appearing this day either in support or to show cause against the same THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Arrangement between Asian Paints (India) Ltd. and Apcotex Lattices Limited set forth, in Exhibit C to the said Petition as also in the Schedule hereto annexed subject to the conditional upon the Petitioner Company obtaining the approval of the Central Government under Section 23(4) of the Monopolies and Restrictive Trade Practices Act, 1969 to the said Scheme of Arrangement AND THIS COURT DOTH DECLARE the same to be binding

on the members of Asian Paints holding Equity shares of Asian Paints as also to be binding on 'ALL' AND THIS COURT DOTH FURTHER ORDER that Asian Paint do within 30 days after the date of sealing of the Order cause certified copy of the order to be delivered to the Registrar of Companies, Maharashtra State, Bombay, for registration AND THIS COURT DOTH FURTHER ORDER that the parties to the Arrangement embodied in the scheme of arrangement, sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the arrangement embodied in the Scheme of Arrangement sanctioned herein and set forth in the Schedule hereto in the above matter AND THIS COURT DOTH LASTLY ORDER that Asian Paints do pay a sum of Rs. 500/- (Rupees five hundred only) to the Regional Director, Company Law Board, Western Region Bench, Bombay as cost of the said petition.

WITNESS SHRI PRABODH DINKARRAO DESAI, Chief Justice at Bombay aforesaid this 27th day of March 1991.

By the Court,

Sd/-

for Prothonotary & Senior Master

ORDER sanctioning the Arrangement under Sections 391 and 394 of the Companies Act, drawn on the application of M/s. Kanga & Co. Advocates for the Petitioners having their office at Readymoney Mansion, 43, Readymoney Mansion, Veer Nariman Road, Mumbai - 400 023.

SCHEDULE :

SCHEME OF ARRANGEMENT BETWEEN M/S ASIAN PAINTS (INDIA) LIMITED AND M/S APCOTEX LATTICES LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956 AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF THE APCOTEX DIVISION OF M/S ASIAN PAINTS (INDIA) LIMITED

PART I

1. DEFINITION :

In this scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings :

The "Act" means The Companies Act, 1956.

"The Appointment Day" means the commencement of the business of M/s. Apcotex Lattices Limited on 1st day of April, 1990.

"The Effective Date" means the last of dates on which the sanctions, approvals or orders specified in Clause 20 of this Scheme are obtained.

"Asian Paints" means Asian Paints (India) Limited, a Company incorporated under the Companies Act, 1956 having its registered office at Nirmal, Nariman Point, Mumbai 400 021.

"ALL" means Apcotex Lattices Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Nirmal, Nariman Point, Mumbai - 400 021.

"Apcotex Division of Asian Paints" means the Apcotex Division and shall mean and include:

- (a) All assets, movable or immovable, including plant and machinery the particulars of which are specified in Annexure 'A' hereto (but not those mentioned in Annexure 'B' hereto) as also all the liabilities and debts appertaining to the said Division (the particulars of which are specified in Annexure 'C' hereto);

- (b) Lease rights, tenancy rights, permits, quota rights, industrial and other licences, trade marks, all the privileges and benefits of all contracts, agreements and all other rights, licences, powers and facilities of every kind, nature and description whatsoever pertaining to Apcotex Division.
- (c) All permanent employees of Asian Paints engaged in or in relation to the Apcotex Division at their factory at MIDC Industrial Estate, Taloja in the State of Maharashtra as also at their office at Nirmal, 5th Floor, Nariman Point, Mumbai - 400 021.
- (d) All earnest moneys and/or security deposits paid by Asian Paints in connection with or relating to Apcotex Division.

2. SHARE CAPITAL :

- A. The Authorised, Issued and Subscribed Share Capital of Asian Paints as on the Appointed Day is as under :

Authorised:

195,00,000 Equity Shares of Rs. 10 each	Rs. 19,50,00,000
50,000 – 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	Rs. 50,00,000
	<u>Rs. 20,00,00,000</u>

Issued Subscribed and Paid-up:

(i) 1,24,44,400 Equity Shares of Rs. 10/- each fully paid up	Rs. 12,44,44,000
(ii) 50,000 – 11% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	Rs. 50,00,000
	<u>Rs. 12,94,44,000</u>

- B. The Authorised, Issued and Subscribed Share Capital of ALL as on the Appointed Day is as under:

Authorised:

20,000 Equity Shares of Rs. 10/- each	Rs. 2,00,000
500 Preference Share of Rs. 100/- each	Rs. 50,000
25,000 Unclassified shares of Rs. 10/- each	Rs. 2,50,000
	<u>Rs. 5,00,000</u>

Issued, Subscribed and Paid-up:

(i) 2510 Equity Shares of Rs. 10/- each fully paid up	Rs. 25,100
(ii) 10-13.5% Non-cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	Rs. 1,000
	<u>Rs. 26,100</u>

PART II

3. (a) With effect from the Appointed Day the Apcotex Division of Asian Paints except for the portions specified in Clauses(b), (c) and (d) below, as also mentioned in clause 5 below together and in particular with all the immovable assets of whatsoever nature and incapable of passing by manual delivery, shall, under the provisions of Sections 391 and 394 of the Companies Act, 1956 without any further act or deed, but subject to the charge, if any, affecting the same be transferred to and vested in or deemed to be transferred to and vested in ALL so as to become property of ALL with effect from the Appointed Day;
 - (b) All the movable assets including inventories and cash on hand pertaining to the Apcotex Division be physically handed over by Asian Paints by manual delivery to ALL to the end and intent that the property therein passes to ALL. Such delivery shall be made on a date mutually agreed upon between the respective Board of Directors of Asian Paints and ALL within fifteen days from the date of the Order of the High Court sanctioning this Scheme under Section 391 and 394 of the Companies Act;
 - (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi-Government, Local & other authorities and bodies in relations to/pertaining to the Apcotex Division the following modus operandi shall be followed :
 - (1) ALL shall 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 High Court having sanctioned the arrangement between Asian Paints and ALL and their members, and creditors, under Sections 391 and 394 of the Companies Act, 1956, the said debt, loan, advance, etc. be paid or made good or held on account of ALL as the person entitled thereto to the end and intent that the right of Asian Paints to recover or realise the same do stand extinguished and that appropriate entry should be passed in their books to record the aforesaid change;
 - (2) Asian Paints shall also give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court having sanctioned the arrangement between Asian Paints and ALL and their members and creditors under Section 391 and 394 of the Companies Act, 1956, the said person, debtor or depositor should pay the debt, loan or advance or made good the same or hold the same on account of ALL and that the right of Asian Paints to recover or realise the same stands extinguished;
 - (d) It is hereby clarified that the rest of the assets, if any, of the Apcotex Division other than those specified in clause 3 of Part II hereto shall continue to be vested in Asian Paints.
4. For the purposes of clause 3 of Part II of this scheme, (a) all depreciable fixed assets shall be transferred at their written down value under Income Tax Act; (b) non-depreciable fixed assets shall be transferred at cost; and (c) both current assets and all liabilities shall be transferred at book values.
 5. The machinery and equipments of the Apcotex Division of Asian Paints (the particulars of which are specified in Annexure 'B' hereto) shall continue to remain the property of Asian Paints but ALL shall be permitted to use such machinery and equipment on leave and licence basis up to the dates specified in column 3 of page 17 of Annexure 'B' upon payment of annual licence fee as specified in column 2 of page 17 of the Annexure', after which dates (but within three months), ALL shall have the option to purchase the said items at or for the price specified respectively in column 4 of Page 17 of the said Annexure' and upon ALL exercising the options, the said items shall, without any further act or deed, vest in ALL upon ALL paying the said price to Asian Paints. During the period of such Leave and Licence, ALL shall, at its own cost, run, maintain, and operate the said items, it being the intent that Asian Paints shall not be responsible for meeting any cost or expense in that behalf and if any such cost is incurred by Asian Paints the same will be reimbursed to them by ALL.

6. All debts, liabilities, duties and obligations of Asian Paints relating to its Apcotex Division upto and as on the close of business on 31st day of March, 1990 and provided for in the books of accounts pertaining to the Apcotex Division shall pursuant to the provisions of Section 391 and 394 of the Companies Act be transferred without further act or deed to ALL so as to become the debts, liabilities, duties and obligations on ALL.
7. It is hereby clarified that all debts, liabilities, duties and obligations relating to the Apcotex Division which may accrue or arise on or after the Appointed Day, and are not provided for in the books of account but which relate to the period upto the close of business on 31st March, 1990 other than those referred to in clause 6 above, shall be debts, liabilities, duties and obligations of Asian Paints.
8. Without prejudice to the generally of the provisions contained in clause 6 above:
 - (A) The liability under 15% Secured Non-convertible Debentures of Rs. 100/- each and 14% Secured Non-convertible Debentures of the denomination of Rs. 100 each both issued under and secured by Trust Deeds dated 19th February, 1987 and 30th June, 1989 comprising of the properties of Asian Paints (India) Limited pertaining to its Automotive Refinishes Plant and Paints Plant both at Ankleshwar in the State of Gujarat and also secured by deposit of title of deeds relating to properties of Asian Paints (India) Limited on the first day of November, 1989 pertaining to its Paints Plant at Bhandup and commercial premises at Goregaon both in the State of Maharashtra and on the Eighth day of November, 1989 pertaining to its Paints Plant at Patancheru in the State of Andhra Pradesh as may be outstanding on the Appointed Day shall stand sub-divided as follows
 - (i) ASIAN PAINTS' LIABILITY :

15% Non-convertible Debentures of face value of Rs. 265 lacs out of an aggregate face value of Rs. 300 lacs i.e. excluding Debentures of face value of Rs. 35 lacs subscribed by Unit Trust of India (UTI) and

14% Secured Non-convertible Debentures of face value of Rs. 835 lacs out of an aggregate face value of Rs. 900 lacs i.e. excluding Debentures of face value of Rs. 15 lacs subscribed by Unit Trust of India and Debentures of face value of Rs. 50 lacs subscribed by Life Insurance Corporation of India (LIC) (hereinafter collectively referred to as "the Asian Paints Debentures").
 - (ii) ALL'S LIABILITY

15% Secured Non-convertible Debentures of face value of Rs. 35 lacs subscribed by Unit Trust of India

and

14% Secured Non-convertible Debentures of an aggregate face value of Rs. 65 lacs comprising of Debentures of face value of Rs. 15 lacs subscribed by Unit Trust of India and Debentures of face value of Rs. 50 lacs subscribed by Life Insurance Corporation of India (hereinafter collectively referred to as "the ALL Debentures").

With proportionate interest, premium on redemption, cost, charges and expenses in the same proportion as above but otherwise on the same terms and conditions with such modifications as may be deemed necessary. ALL's assets shall stand charged for repayment of the principal, premium on redemption, interest and moneys payable by ALL in respect of the ALL Debentures.
 - (B) Upon the Scheme becoming effective, Asian Paints shall file such forms as may be deemed necessary with the Registrar of Companies, Maharashtra, with respect to the charges and mortgages created/to be created.

- (C) Asian Paints and ALL hereby jointly agree to retain The Industrial Credit and Investment Corporation of India Limited (ICICI) as Trustees from the Appointed Day and shall duly and punctually redeem the installments of debentures, pay interest, premium on redemption and other moneys payable on the due dates and pay their respective share of Trusteeship Remuneration as required to be paid. In case of default by Asian Paints or ALL, the Debenture holder can, subject to para D & E below proceed against the defaulting company only and its assets alone charged as above and not against the other company or their assets.
- (D) The Debenture Certificates in respect of the ALL Debentures will be endorsed by ALL in such form and manner as may be agreed by UTI, LIC and ICICI as the Trustees. Asian Paints shall if required stand as co-obligor for payment of the amounts due in respect of the ALL Debentures including interest, premium on redemption and other moneys payable.
- (E) The liability of ALL arising out of the ALL Debentures shall be guaranteed by Asian Paints so long as the Financial Institutions continue to hold such Debentures.
9. All legal or other proceedings by or against Asian Paints pending on the Effective Date and relating to the Apcotex Division of Asian Paints or property, assets, rights, powers, liabilities, obligations and duties of Asian Paints in relation to its Apcotex Division shall be continued and enforced by or against ALL in the same manner and to the same extent as it would or might have been continued and enforced by or against Asian Paints.
10. With effect from the Appointed Day and upto the including the Effective Date, Asian Paints:
- (a) Shall be deemed to have been carrying on and shall be carrying on all business and activities relating to the Apcotex Division of Asian Paints and stand possessed of the properties so to be transferred, or and on account of and in trust for ALL;
- (b) All profits accruing to Asian Paints or losses arising by it relating to its Apcotex Division shall for all purposes, be treated as the profits or losses as the case may be of ALL.
11. Asian Paints hereby undertakes from the Appointed Day upto and including the Effective Date:
- (a) To carry on the business of Apcotex Division with proper prudence and not (without the prior written consent of ALL) to alienate, charge or otherwise deal with or dispose off its Apcotex Division or any part thereof (except in the ordinary course of business);
- (b) Not to utilise the profits, if any, relating to the Apcotex Division for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed Day.
12. (a) ALL undertakes to engage, on and from the Effective Date, all permanent employees of Asian Paints engaged in its Apcotex Division at their factory at MIDC Industrial Estate at Taloja, in the State of Maharashtra and also at their office at Nirmal, Nariman Point, Mumbai 400 021 and who are in the employment of Asian Paints on the same terms and conditions on which they are engaged as on the Effective Date by Asian Paints without any interruption of services as a result of the transfer. ALL agrees that the services of all such employees with Asian Paints upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in Asian Paints on the Effective Date. ALL further agrees that for the purpose of payment of any retrenchment compensation, such past services with Asian Paints shall also be taken into account;
- (b) The accounts of the employees, who are employed by Asian Paints under sub-clause (a) above in Asian Paints relating to Superannuation, Provident and Gratuity Funds shall be identified and determined and transferred to the Trustees of the respective Funds of ALL as and when these are created and in accordance with such statutory regulations as may be applicable.

- (c) Notwithstanding anything contained in sub-clauses (a) and (b) above, as regards those employees of Asian Paints engaged in its Apcotex Division who are holding managerial position. Asian Paints and ALL shall mutually decide as to which of such employees will be transferred from Asian Paints to ALL. Provided however that the service conditions of such of those employees who will be transferred to ALL shall be the same on which they are engaged by Asian Paints on the Effective Date.
13. Notwithstanding the provisions of the above clauses of this part, ALL shall accept all acts deeds and things relating to the Apcotex Division of Asian Paints done and executed by and/or on behalf of Asian Paints on or after the Appointed Day as acts, deeds and things done and executed by and/or on behalf of ALL.
 14. Subject to other provisions of this Scheme all contracts, deeds, bonds, agreements, licenses, insurance policies and other instruments of whatsoever nature relating to the Apcotex Division of Asian Paints to which Asian Paints is a party subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favour of ALL and may be enforced by or against ALL as fully and effectually as if, instead of Asian Paints. ALL had, at all material time, been a party thereto and ALL shall pay, satisfy, discharge, perform undertake and fulfill all obligations in relation to and pertaining to the Apcotex Division of Asian Paints and shall indemnify and keep indemnified Asian Paints against all actions, proceedings, costs, damages, claims and demands in respect thereof.
 15. In terms of the Scheme of Arrangement entered into between Asian Paints and ALL :
 - (a) Every member of Asian Paints or his nominee/nominees, holding equity shares in Asian Paints on a record date to be fixed by the Board of Directors of ALL shall in respect to every 13 fully paid equity shares of Rs. 10/- each held by him in Asian Paints be allotted by ALL one equity share of Rs. 10/- each of ALL credited as fully paid.
 - (b) In case any member's shareholding in Asian Paints is such that on the basis of the aforesaid exchange ratio of shares he becomes entitled to a fraction of a share of ALL of a face value not less than one half share of ALL, such member shall be allotted by ALL one equity share of ALL of Rs. 10/- each credited as fully paid up. On the other hand, if the shareholding of any member in Asian Paints is such that he would consequent upon the aforesaid exchange ratio stand to be allotted by ALL a fraction of a share of ALL then such fraction shall be ignored and such members shall not be allotted any fraction of a share by ALL.
 16. The new equity shares of ALL shall rank for dividend, voting rights and in all other respect paripassu with the existing equity shares of ALL.

PART III

17. Asian Paints and ALL shall with reasonable despatch, apply to the High Court of Judicature at Bombay for sanctioning this Scheme under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.
18. Asian Paints by its Managing Directors and ALL by its Directors may, in their full and absolute discretion, assent to any alteration or modification of this Scheme which the Court and/or any other competent Authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith, (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by any Competent Authority which Asian Paints or ALL find unacceptable for any reason whatsoever then Asian Paints and/or ALL shall be entitled to withdraw from this Scheme.
19. The Scheme is conditional upon and subject to:

- (a) The Scheme being agreed to by the respective requisite majorities of members on behalf of Asian Paints and ALL and that the requisite order or orders being obtained from the High Court.
 - (b) The approval of the Controller of Capital Issues under the Capital Issues (Control) Act, 1947 if required, to the issue and allotment of equity shares in ALL to the Equity Shareholders of Asian Paints in terms of this Scheme.
 - (c) The approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973, if required, to the issue and allotment of Equity Shares of ALL to the non-resident Equity Shareholders of Asian Paints in terms of this Scheme.
 - (d) Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
20. This Scheme although to come into operation from the Appointment Day shall not become effective until the last of the following dates, namely,
- (a) That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders shall be obtained or passed; or
 - (b) That on which all necessary certified copies of orders under Sections 391 and 394 of the said Act shall be duly filed with the appropriate Registrar of Companies;
- The last of such dates shall be the "Effective Date" for the purpose of this Scheme.
21. All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or Court's order of Asian Paints and also of ALL respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement shall be borne and paid entirely by Asian Paints.
22. In the event of this Scheme failing to take effect finally before the 31st day of March, 1991, or within such further period or periods as may be agreed upon between Asian Paints (by its Directors) and ALL (by its Directors) this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.

ANNEXURE 'A'

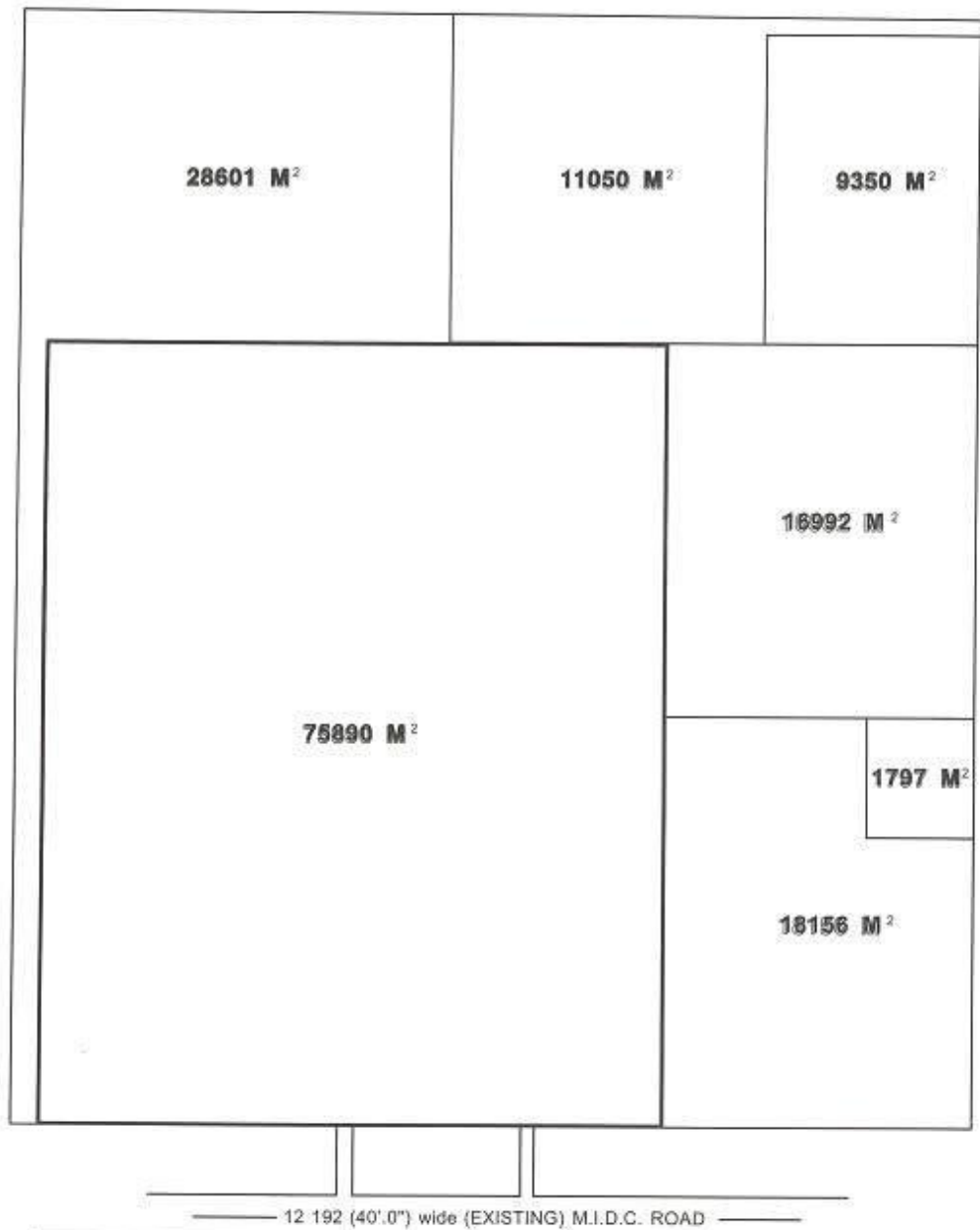
ASSETS OF APCOTEX DIVISION OF ASIAN PAINTS (INDIA) LIMITED TO BE VESTED IN APCOTEX LATTICES LIMITED

IMMOVEABLE :

1. Land : Leasehold land at Taloja Industrial Estate of the MIDC admeasuring 75,890 sq. mtrs. as described in the Plot Plan attached. Plot Plan not drafted & prepared.
2. Building : All the buildings standing on the plot of land at Taloja described above.

MOVEABLE :

1. Plant and Machinery (including Electrical and Pipe Fittings) operating in the aforesaid buildings and on the plot described above used in the business of manufacture and sale of synthetic rubber latexes (except those mentioned in Annexure 'B').
2. Furniture & Fixtures and Office Equipments in the aforesaid buildings in the plot described above.
3. Vehicle Nos. MAS 3497, MMH 9894, MMH 8907.



SITE PLAN FOR PLOT NO.3 M.I.D.C. AREA AT
TALOJA, DIST. RAIGAD.

M/S. ASIAN PAINTS (I) LTD. APCOTEX DIV

PLOT NO. 3 M.I.D.C. AREA AT TALOJA,
DIST. RAIGAD.



4. Inventories of Raw and Packing Materials, Work in Process, Finished Goods and Stores and Spares in the factory premises.
5. Sundry Debtors, Loans, Advances and other Current Assets pertaining to the business of manufacture and sale of Synthetic Rubber Latexes.

ANNEXURE 'B' PART I

Sr. No.	Description
1)	3 nos. soda acid 9 litres, fire extinguishers complete 5 nos. 30 kg. cap. dry chemical powder fire extinguishers.
2)	8 nos. 6.81 kg CO ₂ fire extinguishers and 12 nos. fire buckets painted red, black, white.
3)	Crompton make 1 HP 1440 RPM tefc flameproof induction motor suitable for 3 phase 50 cycles AC supply.
4)	Heater for Furnace Oil.
5)	1 chemflo centrifugal pump model 1-1/2 x 17 CI type and accessories, pump Sr. No. 09422.
6)	1 No. Chemflo centrifugal pump model 4 x 3-9 in CI type CHP group M, pump provided with 1/2" BSPT and with accessories.
7)	1 No. Horizontal after cooler SI. No. PAC 884 with moisture separator.
8)	1 No. Model 242C type air compressor S. No. 8103301.
9)	1 KEC make double bearing Alternator conforming to BSS 2613/1970.
10)	Accessories of KEC make alternator.
11)	Shutdown solenoid valve 1 no.
12)	Crompton make 30 HP 2900 RPM TEFC sq. cage induction motor for 3 phase 50 cycles 400/440 volts one number.
13)	Crompton make 15 HP 1440 Kpm TEFC flameproof motor 2 nos.
14)	Crompton make 5 HP 3000 M3 cap. CS Butadiene storage tank.
15)	55 M3 cap. C S Butadiene storage tank.
16)	1 No. IR Model 4 x 5 ESH-1 single stage, double acting, water cooled Butadiene gas compressor.
17)	One centrifugal blower with mild steel casing & impeller.
18)	1 chemflo full bore ball valves in CS with 316 ball 2 nos.
19)	1 No. chemflo full bore ball valves in CS 316 ball.
20)	3 Nos. chemflo full bore ball valves in CW with 316 ball, fire safe design size 80 mm.
21)	4 Nos. chemflo full bore ball valves in CS and 316 ball.
22)	1 No. chemflo centrifugal pump model 3 x 1-1/2-9 in CS type with accessories.
23)	1 No. coupling guard in A1.
24)	Fire hydrant system.
25)	Excess flow valve for Butadiene storage tank and 1 "NPT S. 5. Rotoguage complete with extension piece.
26)	1 No. SLM-Maneklal watering vacuum pump type NV 30 No. 14647 complete with std. accessories.

- 27) 310 KVA Diesel generator.
- 28) Alternator control panel.
- 29) Equipments for generator.
- 30) Foundation to Butadiene compressor.
- 31) Aluminium armoured cable.
- 32) Wiring of lighting, receptacles & ex-fans and black enamelled steel conduits.
- 33) 15A/way 4 ways TPN lighting.
- 34) Tata make MS 'C' Class pipe-2".
- 35) Tata make MS as above and MS Washers.
- 36) Tata make MS 'C' class pipes.

ANNEXURE 'B' PART-II

Sr. No.	Description
1) Pumps	
2) 1 No. M S Condenser	
3) 3 Nos. Kirloskar make 5 HP TEFC FP Electrical Motors	
4) Control centre	
5) 1 No. Bahubali Drum Jockey Model DRJ-6.	
6) Cold insulation of Butadiene tank no. V-51B	
7) Drilling Machine	
8) IMP Make projection type three vector meter	
9) 100 KVA CTPT Metering unit	

ANNEXURE 'B' PART-III

Sr. No.	Description
1) Agitator	

ANNEXURE 'B' PART-IV

Sr. No.	Description
1) High pressure water jetting equipment along with accessories and spare parts.	
2) 1 No. Lutz B70SR with ex-proof elec motor.	

ANNEXURE 'B' PART-V

Sr. No.	Description
1) 1 No. Motor Control Centre	

- 2) 1 No. Crompton make 25 HP, 1500 rpm, flameproof motor suitable for use on AC, 3 Phase, 400/440 V, 50 cycle, horizontal foot mounting type.
- 3) 3 Nos. 3" RB 90 Rupture Disks and 1 No. each of safety head and Tell tale indicator assembly.
- 4) 1 No. Main L T Panel as per drawing No. ESF/APX/10.22/EL/PA-SI
- 5) 1 No. Flameproof squirrel cage 3000 rpm, 11KW, 15HP 2 pole electric motor.
- 6) 1 No. Flameproof squirrel cage 1500 rpm, 18 KW 25HP 4 pole motor.
- 7) 80 Nos. of flameproof cast alu. plugs for 3/4" E.T. cable entry and 285 nos. FCG make double compression type flameproof/weather proof with neopren washers brass nickel plated glands
- 8) 1 No. each of Fainger make safety relief valves of size 3" x 4" and 1" x 2".
- 9) 1 No. Simplex Basket filter of size 100 mm
- 10) 58 nos. of Saturn Brand Three piece design cast iron ball valves with SS316 ball Teflon renewable seals of different sizes.
- 11) 1 No. 2" Foot Valve in Gun Metal and 3 Nos. 4" MS seamless elbow.
- 12) 1 No. Switzer Meriam DP Indicator
- 13) Spirax make Gm DP type pressure reducing valve 1 no.
- 14) 1 No. Indicating Temperature Transmitter.
- 15) 1 No. RAVI Watering Vacuum Pump Model RV-6 (GBZ Construction) with Air Ejector Unit and Standard accessories.
- 16) Thermal insulation of: 3 Nos. Reactor with 6" vapour riser with 2" thick glass wool and Alu. Cladding for a length of 2.5 M.; and 1" dia pipeline with 2" thk. glass wool + Alu. cladding for a length of 29.8 Mtr.
- 17) 3 Nos. of Reflex type Liquid Level Guages with a pair of auto shut off ball check valves of different sizes.
- 18) 1 No. Flameproof Squirrel type 1500 rpm 11 KW 15 HP 4 pole electric motor.
- 19) 1 No. packing vessel eqpt. no. V-217.
- 20) 1 No. initiator Solution Vessel
1 No. Distillate Collection Vessel; and
1 No. snort stop Solution Vessel; and
1 No. TDM Charging Vessel
- 21) MS beams, MS Channels, Chequered Plates MS flats, MS pipes, MS angles and elbows
- 22) 96 Kgs. of MS Channel 100 x 50 mm and 6 nos. of 4" MS S/O flanges.
- 23) MS chequered plates, Beams, Angles MS pipes, elbows, couplings, House Nipples, S/o Flanges and MS Sheets.
- 24) Aqueous charge solution preparation vessel (item no. V-121) – 1 no.
- 25) 5 Nos. Model GM-07-F-S-V-E 3/4" Oval G gear meter with Mech. batching system; 3 nos. Model GM-10F-S-V-E 1" Oval gear meter with mech. batching system and 1 no. Back pressure valve
- 26) Systems tank (1 No.)
- 27) 1 No. Wadcon single seated control valve with VP and FRP of size 4" 1 Sr No 14588

- 28) 2 nos. styrene storage tank
- 29) 1000 metres of PVC armoured cable with copper conductors of INCAB make core x 1.5 sq. mm 1.1 KV grade and 823 metres of PVC armoured cable with aluminium conductors of INCAB make of different types/sizes.
- 30) 1000 mtrs. of 4 core x 1.5 sq. mm PVC armoured cable with copper conductors of INCAB make.
- 31) 1 No. Gauge Pressure Transmitter part no. 333TF00221 and 2 nos. Air Set Part No. 1004FA0115
- 32) 1 No. each of spares for 91J+400R viz., Blue pen (Part No. 49P601), set pointer scale and chart drive belt (75P61)
- 33) 1 No. Seal type 1507-28 with TC/Sealide for Akay Model CHP-MP 2x1-10 1/2
- 34) 1 no. Electronic Digital platform scale model 8434FM, flexure base, capacity 400 kg x 100 gm with mild steel rollers on platform, platform size 75 cms x 75 cms fitted with microprocessor digital indicator with push bottom tare and auto zero tracking S. No. A 660.
- 35) Zenith 2 AT6 computer system comprising of intel 80286 processor, 640 KB RAM, One VDU with keyboard disk drive, 1 dot matrix printer, etc.
- 36) 2 nos. agitator assembly for effluent hold tanks and 1 no. agitator assembly for floatation tank.
- 37) Effluent drain line.
- 38) Certain electrification in block and BSR.

ANNEXURE 'B' PART-VI

Sr. No.	Description
1)	50 Kgs. each of MS Hex bolts of size 5/8" x 2", 1/2" x 2" and 5/8"
2)	2 Pcs. MS Eccentric Seamless reducers, 24 Nos. MS Concentric reducer and 12 Pcs. of MS Forged steel coupling.
3)	45 Pcs. MS bends of size 3", 30 Pcs. of 4" and 5 Pcs of 6"
4)	1 No. SS Flush Bottom valve in SS-316 construction
5)	1 No. Thermosyphon System TS-3
6)	1520 Mtrs. of 4 Core x 1.5 sq mm PVC armoured cable 156 Mtrs. of 4 Core x 6 sq. mm PVC armoured cable 250 Mtrs. of 4 Core x 10 sq. mm PVC armoured cable.
7)	37.50 Mtrs. of Steel Tubes of size 1"
8)	TATA make steel tubes of size 1-1/2" - 53.67 Mtrs. of B Class and 37.60 Mtrs. of C Class
9)	250 Mtrs. of Polycab make PVC armoured cable
10)	1 No. Reactor condenser
11)	43 Nos. of Flotrik lever operated fire safe full bore ball valves of three different sizes
12)	Flotrik Lever operated fire safe full bore ball valves (6 Nos) of different size, and 2 Nos. Gear operated full bore ball valves of diff. size.
13)	120 Mtrs. of 4 Core x 50 mm PVC armoured cable
14)	117.61 Mtrs. of SS Pipes of different size and length
15)	862.84 Mtrs. of TATA make MS pipes of sizes ranging from 1/2" to 8" in different lengths

- 16) 639.40 Mtrs. of TATA make MS pipes of sizes ranging from 1/2" to 3" in different lengths.
- 17) 37.71 Mtrs. of TATA make MS pipes of size 3"
- 18) 50.17 Mtrs. of TATA make MS pipes of size 1-1/2"
- 19) Delstar Indl. Vacuum Cleaner Model Monovac II with accessories
- 20) 1 set of Double mechanical seal
- 21) 156.13 Mtrs. of Zenith/GST make GI Pipes of size ranging from 2" to 3" in different lengths and 6 Nos. GI Union of 2" and 3 Nos. Elbow of size 2"
- 22) 820 Kgs. of Torsteel bars – 8 mm
- 23) 345 Kgs. GI branded wire
- 24) 110 Nos. of MS slip on flanges of diff. size
- 25) 2'-5" SS 316 pipe
- 26) 2 Nos Stub ends
- 27) 145 Pcs. MS bends, reducers, tees etc.
- 28) 50 Kgs. of MS Hex bolt Nut
- 29) 120 Mtrs. of 4 Core x 50 sq. mm PVC armoured cable
- 30) Wooden fume chamber over the existing RCC/Tilex platform
- 31) 1 No. Khimline Series CC Centrifugal Pump model 40-250 in SS 316 construction
- 32) Thermal Insulation of piping and equipments in the plant
- 33) 283 Ft. of SS 304 Seamless pipe
- 34) 1 No. spool assembly
- 35) Roto Screw Pump Type Model 'TNA-40' with MS base plate with couplings
- 36) 1 No. Crompton make 3 HP/960 RPM/TEFC/FLP electric motor SL. AE 1331
- 37) 1 No. Uday made speed variator
- 38) Auxillary packing Unit of SS 304
- 39) 6 Mtrs. High Pressure House Pipe
- 40) 500 Mtrs. of Tropodur PVC copper armoured cable
- 41) 68.0 ft. of SS 304 Seamless pipe
- 42) 1 No. Neel 2 KVA Servo Controlled Voltage Stabiliser and 1 no. Neel 2 KVA Ultra Isolation Transformer
- 43) 1 No. Nucleonic Level Detector & Controller
- 44) 706 Mtrs. of 4 Core x 1.5 sq. mm PVC armoured cable with copper conductors.
- 45) 1 No. each of Seal Type 1508 sH-22 with TC sealide faces, gland plate for above in SS316 and shaft sleeve.
- 46) 1 No. Main lighting panel
- 47) 125 Mtrs. of Tropodur PVC insulated and PVC sheathed armoured power cable aluminium conductors.
- 48) 20 Cu. Mtr. Capacity SS Reactor

- 49) 2 Nos. 3 way Manifold suitable for Taylor 303 Diffpressure transmitter
- 50) 9 Nos. 1/4" SS Needle valve, 24 Nos. 1/4" brass and fittings 3 Nos. Taylor Recorded Scales
- 51) MS coupling, Hex Nipples, Al. strip, Brass ferrules Brass T
- 52) Structural, MS & SS pipe lines
- 53) Foundations and supporting structures pertaining to plant and machinery for Extension to process plant
- 54) 1 No. each of Pilling Tester, Crockmeter, Crease recovery tester, stiffness tester
- 55) 4 nos. of Voltas Crystal 1501 Model 1.5 Ton room Air conditioners
- 56) ETP

ANNEXURE 'B' PART-VII

Sr. No.	Description
1)	Gravity Roller Conveyor
2)	Crompton make Electric Motor 3 HP 2900 RPM 3 Phase 50 Hz Power supply
3)	2" x 2" size Pomoha brand self priming centrifugal pump monoblock coupled with 1.67 HP Villers 12 SPK self priming pumping set mounted on base plate.
4)	Tropodur make PVC armoured cable type AYFY, alu. conductor 580 mtrs.
5)	TATA make M.S. Seamless 'C' class pipe 67.53 mtr.
6)	Zenith/Guj make M.S. 'B' Class pipe size 40 mm. 24.02 mtr.
7)	-do- 'C' Class size 15 mm 23.90 mtr.
8)	M.S. sort flange ASA 150 size 150 mm 24 nos.
9)	M.S. Seamless Heavy duty elbow 1.5 D Size 150 mm. 16 Nos.
10)	Flexible copper cable 3 core 100 yard
11)	Tropodur PVC armoured cable AYFY aluminium conductor 1.1 KV grade. 135 mtr.
12)	S.S. Pipe line
13)	Electrosystem 500VA sine Wave ON LINE UPS system.
14)	S.S. 321 Seamless Pipe Schedule 40 size 44.51 mtr.
15)	Street light, flame proof installation lighting distribution.
16)	630 A Siemens switch fuse unit inclusive of suitable bus bar connections for incoming and outgoing of feeder.
17)	1000 A ACB cubical panel.
18)	Insulation work in Refrigeration plant
19)	Temp. Transmitter
20)	MS pipe lines
21)	MS pipelines for new chilling plant
22)	Tropodur make PVC insulated armoured and PVC sheathed cable 1.1 KV grade aluminium conductor AYFY

- 23) Zenith/Gujarat make M.S. 'B' Class pipe size 50 mm 17.75 mtr
- 24) M.S. Sort flanges drilled as per ASA 150 size 50 mm 9 Nos.
- 25) ASA 150 Size 40 mm 4 Nos. M.S. Elbow Sch. 40 size 50 mm. 6 Nos.
- 26) M.S. 'C' Class Pipe Zenith/Gujarat size 1 1/4 x 62 Nos.
- 27) M.S. 'B' Class Pipe of Zenith/Gujarat make size 3" 80 mm
- 28) M.S. S/O Flanges ASA 150 Size 3" 10 Nos.
- 29) TATA makes M.S. 'C' class pipe size 1" 84.10 mtr.
- 30) M.S. Flanges drilled As per ASA 150 size 18 Nos.
- 31) M.S. Seamless Sch. 40 elbow size 1 1/8 Nos.
- 32) Refrigeration plant
- 33) Capacitor bank of 100 KVA capacity, comprising of two banks of 40 KVA and one bank of 20 KVA.
- 34) Insulation work at Refrigeration plant
- 35) Machinery with all the necessary accessories for cold storage/brine chilling plant.
- 36) Civil foundation and other miscellaneous civil work related to new cold storage.
- 37) Civil work at New Refrigeration plant bldg.
- 38) Electric fittings with necessary fabrication
- 39) Insulation, fabrication, erection, etc.
- 40) Demineralised water treatment plant together with inter-connecting piping, valves, accessories, fill media, etc.
- 41) Effluent Pump and pipe line.
- 42) Radicon size V 800 Ratio 20:1 LV
- 43) Roto Screw Pump Type TNA 30., MS Fabricated industrial type trolley mounted overhead drive baseplate with V belt, pulley and guard
- 44) Indef make triple spur gear chain pulley block 1 No. and Elephant make gear trolley 1 No.
- 45) Radicon Size V 1000 Sr. No. R 24037
- 46) Steel used in erection of Refrigeration plant.
- 47) Steel used in erection of cold storage.
- 48) Fire Hydrant System for Styrene Plant
- 49) Cable etc., for chilling plant
- 50) Mono rail
- 51) Frick make Heavy duty industrial type ammonia compressor complete with manifold fabricated and other accessories.

**SUMMARY OF ASSETS TO BE LEASED BY APCOTEX LATTICES LIMITED FROM
ASIAN PAINTS (INDIA) LIMITED**

Item	Annual Licence Fee (Rs.)	Proposed date of transfer to ALL	Sale Price (Rs.)
Part I	29,840	1.4.1991	59,687
Part II	4,664	1.4.1992	7,404
Part III	310	1.4.1993	391
Part IV	19,909	1.4.1994	19,608
Part V	79,431	1.4.1995	59,101
Part VI	1,76,642	1.4.1996	1,01,923
Part VII	1,34,947	1.4.1997	58,746

ANNEXURE 'C'

**STATEMENT OF DEBTS AND LIABILITIES OF THE APCOTEX DIVISION OF
ASIAN PAINTS (INDIA) LIMITED AS ON 31ST MARCH, 1990
TO BE VESTED IN ALL**

		(Rs. in lacs)
SECURED LOANS :		
15% Non-Convertible Debentures	35.00	
14% Non-Convertible Debentures	65.00	
		100.00
UNSECURED LOANS :		
Inter-corporated Deposit		30.00
ESTIMATED CURRENT LIABILITIES AND PROVISIONS :		87.00
		217.00

IN THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

**JAWAHAR VYAPAR BHAVAN, STC, BUILDING, 1, TOLSTOY MARG,
NEW DELHI 110 001**

AMALGAMATION/MERGER SCHEME

CASE NO. 072/94 IN RE: M/S. PENTASIA CHEMICALS LTD.

- A. In this scheme unless inconsistent with the subject or context, the following expressions shall have the following meanings :-
- i) "The Transferor Company" means the Pentasia Chemicals Limited (PCL) a company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at Nirmal, Nariman Point, Bombay - 400 021 in the State of Maharashtra.
 - ii) a "The Transferee Company" means Asian Paints (India) Limited (APIL) a Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at Nirmal, Nariman Point, Bombay - 400 021 in the State of Maharashtra.
 - ii) b PIL means "Pentasia Investments Limited" a wholly-owned subsidiary of APIL, incorporated under the provisions of Companies Act, 1956 having its registered office at Nirmal, Nariman Point, Bombay-400 021 in the State of Maharashtra.
 - iii) "The Act" means the Sick Industrial Companies (Special Provisions) Act, 1985;
 - iv) "The BIFR" means the Board for Industrial and Financial Reconstruction constituted under the Section 4 of the Sick Industrial Companies (Special Provisions) Act, 1985;
 - v) "The Transfer Date" means the 1st day of October, 1994.
 - vi) "PCL shareholders" means the persons who are registered on the Register of members of the Transferor Company as the holders of the issued equity capital of the Transferor company as on such date after the Transfer Date (hereinbefore defined) as the Board of Directors of the transferee company may determine;
 - vii) "The Effective Date" means the date on which the last of the approvals specified in Clause 10 of this scheme are obtained.
 - viii) "The scheme" means this scheme of amalgamation in its present form or with any modifications approved or directed by BIFR.
 - ix) "Nominee of PIL shall mean those persons to be appointed by Board of Directors of PIL who shall be allotted shares of the Transferee Company and who shall hold the said allotted shares in trust for PIL until disposed.
- B. The Authorised Share Capital of the Transferor Company is Rs. 1,000 lakhs divided into 100 equity shares of Rs. 10/- each. The issued, subscribed and paid up capital was Rs. 7,35,00,000/- divided into 73,50,000 equity shares of Rs. 10/- each as on 31.3.94.
- C. As on the Transfer Date the Authorised Equity Share Capital of the Transferee Company was Rs. 3,500/- lakhs divided into 345 lakhs equity shares of Rs. 10/- each and 50,000 redeemable cumulative preference shares of Rs. 100/- each. The issued, subscribed and paid up equity share capital was Rs. 19,91,11,000/- divided into 1,99,11,110 equity shares of Rs. 10 each.

- D. "The Financial Institutions and Banks" means the IFCL, IDBI, ICICI, UTI, GIC, LIC, OIC, UIC and State Bank of India.

The Scheme :-

1. The entire undertaking and business of the Transferor Company shall, with effect from the Transfer Date and without any further act or deed, be deemed to have been transferred to and vested in the Transferee Company pursuant to an order to that effect by the BIFR for all the estates and interests of the Transferor Company but subject nevertheless to all charges, if any, then affecting the same or any part thereof and as on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated with the Transferee Company.
- 2a. For the purpose of the scheme, the undertakings of the Transferor Company shall include. i)
All the assets and properties of the Transferor Company as on Transfer Date.
- ii) Subject to the provisions of Clause 9 hereinafter, all the liabilities of the Transferor Company as on Transfer Date.
- 2b. Without prejudice to the generality of sub-clause (a) hereof the undertakings of the Transferor Company shall include all rights, privileges, powers and authorities and all properties movable or immovable, real, corporeal or incorporeal in possession or reversion : present or contingent or whatsoever nature and wheresoever situate including in a particular all licences and liberties, patents, trademarks and import quotas held by or applied for by the Transferor Company or to which the Transferor Company is entitled and subject to what is stated in Clause 9 hereinafter, all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. Provided always that the scheme shall not operate to enlarge the security for any loan deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective or otherwise.
3. If any suit or appeal or other proceedings of whatsoever nature (hereinafter called the proceedings) by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company to the Transferee Company or of anything contained in the scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as if this scheme has not been made.
- 4a. The transfer and vesting of the property and liabilities under Clauses 1 and 2 hereof and the continuance of the proceedings by the Transferor Company under Clause 3 hereof shall not affect transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on or after the Transfer Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done lawfully and executed by the Transferor Company.
- 4b. As from the Transfer Date, the Transferor Company shall be deemed to have carried on and to be carrying on the business on behalf of and on account of and in trust for the Transferee Company until such time as the amalgamation becomes effective in terms of this scheme.
- 4c. As from the Transfer Date, the Transferor Company shall carry on business of the Transferor Company until the amalgamation becomes effective with utmost prudence and shall not without

the concurrence of the Transferee Company alienate, charge or otherwise deal with the property or assets of the Transferor Company or any part thereof except in the ordinary course of business.

5. Subject to the other provisions contained in this scheme all lawful contracts, deeds, bonds, agreements and other instruments of whatever nature to which the "Transferor Company" is a party subsisting or having effect immediately before the amalgamation shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if instead of the Transferor Company the Transferee Company had been a party thereto.
6. All permanent employees of the Transferor Company who are in the employment of the Transferor Company on the Effective Date in terms of this scheme shall, as from such date, become the employees of the Transferee Company, on the basis that their services do not stand interrupted by vesting of the undertaking of the Transferor Company in the Transferee Company under this scheme and the terms and conditions of service applicable to such employees on the Effective Date is in no way less favourable to them than those applicable to them immediately before the Transfer Date. The Transferee Company, however, shall also have the right to exercise an option if warranted to transfer such member of workers to any other unit of Transferee Company as may be deemed necessary.
7. Upon the transfer of the undertakings of the Transferor Company pursuant to Clause I hereof and the amalgamation consideration in respect of such transfer shall, subject to the provisions of this scheme be settled by the Transferee Company as follows :
 - i) The Transferee Company shall issue at par and allot to the PCL shareholders in the Transferee Company, shares in the proportion of one share of the face value of Rs. 10/- each of the Transferee Company credited as fully paid up for 25 equity shares of the face value of Rs. 10/- each held by the equity shareholders of the Transferor Company on such date after the Transfer Date as the Board of Directors of the Transferee Company may determine. Provided, however, that in respect of equity shares of the Transferor Company held by the nominees of PCL will be allotted such shares of the Transferee Company in the ratio mentioned in this clause, such shares allotted to the nominees of PCL shall be held by them in trust for PCL and the nominees shall within 12 months from the date of allotment of such shares dispose of the same for the benefit of PCL.
 - ii) As a result of the allotment in the manner specified hereinabove, if any Equity shareholder of the Transferor Company becomes entitled to any fractional coupon/s of preference shares of the Transferee Company no such fractional coupons shall be issued in respect of or representing such preference shares of the Transferee Company but such fractional coupon/s shall be consolidated into whole preference shares and the Board of Directors of the Transferee Company may allot any one or more of such consolidated shares to any one or more of such consolidated shares to any nominee(s) as the Board of Directors may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated preference shares. Every such sale of the consolidated preference shares shall be at such price or price as may be approved by the Board of Directors and upon receipt of the purchase price in respect of such sale provided the Board of Directors approve the purchaser the Board of Directors shall allot the preference shares to the approved purchaser/s, the total proceeds of such consolidated preference shares after defraying there from all costs, charges and expenses of sale or sales shall be distributed and divided among such equity shareholders of the Transferor Company as would otherwise have been entitled to such fraction of the equity shares of the Transferee Company in proportion to their respective interest in such fractions. However, holders of less than 25 equity shares in the Transferor Company shall not be entitled to any shares in the Transferee Company, but shall only receive the net sale proceeds in respect of their fractional entitlement as above.

- iii) Equity shares so allotted by the Transferee Company to the member(s) of the Transferor Company will in all respects rank pari-passu with the existing equity shares of the Transferee Company for dividend and voting rights save and except that the owners of such equity shares shall only be entitled to dividend, if any, to be declared by the Transferee Company from the date of allotment of Transferee Company's shares till the close of accounting year. Such shareholders shall not be entitled for any dividend, bonus shares, rights offer for any shares or partly convertible debentures or any other benefit, declared or to be declared by the Transferee Company irrespective of whether such shares being paid/issued after the record date as may be fixed by BIFR prior to the date of allotment of Transferee Company's shares to shareholders of Transferor Company.
- iv) All members of the Transferor Company whose names appear the Register of Members at the Transferor Company on such date after the Effective Date as the Board of Directors may determine, shall surrender to the Transferee Company for cancellation their share certificates in respect of the equity shares held in the Transferor Company and the Transferee Company shall issue to them certificates for equity shares in the Transferee Company to which they may be entitled in terms of this scheme and every such shareholder of the transferor company shall take all steps to obtain from the Transferee Company to which he is entitled to hereunder. Upon the new equity shares being issued and allotted by the Transferee Company to the members standing on the Register of members of the Transferor Company on the aforesaid date, share certificates in respect of the shares held by them in the Transferor Company shall be deemed to stand cancelled. The Transferee Company shall, if not already empowered, pass a Special Resolution pursuant to Section 81 (1A) of the Companies Act, 1956 for the offer and allotment of equity shares in the Transferee Company to PCL shareholders in accordance with and subject to the provisions of this scheme.
- 8. All reserves (including Investment Allowance Reserve) of the Transferor Company as at Transfer Date shall be deemed to have been transferred to the Transferee Company.
- 9. The reliefs/concessions/commitments/obligations and the repayment of the dues of the Banks and Financial Institutions by the Transferee Company shall be governed by the main rehabilitation scheme.
- 10. This scheme is conditional upon the following approvals and the amalgamation shall be deemed to be effective on obtaining the following approvals :
 - i) Approval of the scheme by a Special Resolution passed by the shareholders of the Transferee Company.
 - ii) Approval to the issue and allotment of the equity shares in the Transferee Company to equity shareholders of the Transferor Company, in accordance with and subject to the provisions of this scheme by a Resolution of the Transferee Company pursuant to Section 81 (1A) of the Companies Act, 1956 ;
 - iii) Approval and declaration under Section 72A (1) of the Income Tax Act, 1961 by BIFR.
 - iv) Approval of the Reserve Bank of India for issue and allotment of shares in the Transferee Company to non-resident shareholders, if any, of the Transferor Company.
- 11. Upon this scheme being sanctioned as aforesaid the Transferor Company shall stand dissolved without winding up on such Effective Date.
- 12. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the negotiation leading to or the connection with the negotiation leading up to this scheme or carrying out and completing the terms and

provisions of this scheme and/or incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne and paid by the Transferee Company.

13. For the purpose of giving effect to this scheme the Board of Directors of the Transferee Company are authorised to give such directions as may be necessary or desirable and to settle, as they are deem fit, any questions, doubts or difficulty that may arise in connection with or in the working of the scheme including with regard to issue and allotment of share under Clause 7 hereof to the members of the Transferor Company and deeds and things necessary for carrying into effect this scheme.
14. A copy of the BIFR order sanctioning the Scheme of Amalgamation to be filled with the respective Registrars of Companies, within one month from the date the order sanctioning the scheme is received by the Transferee Company.

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

JAWAHAR VYAPAR BHAVAN, STC, BUILDING, 1, TOLSTOY MARG,
NEW DELHI 110 001

CASE NO. 72/94 IN RE: M/S. PENTASIA CHEMICALS LTD.

ORDER

At the last hearing of the case held on July 28, 1995, we had directed the Operating Agency (OA) to submit within 15 days the projections of the company duly revised in the light of discussions at the hearing for us to consider sanctioning the scheme.

2. The OA has since submitted the revised projections. Based on the same we have sanctioned rehabilitation-cum-merger scheme of the company under Section 18(4) read with section 19(3) of Sick Industrial Companies (Special Provisions) Act, 1985. We shall review progress in implementation of the scheme shortly after 6 months from today.

Sd/-

(ASHIM CHATTERJI)

MEMBER

Sd/-

(M.M.S. SRIVASTAVA)

MEMBER

NEW DELHI,
DATED : 14/9/1995

BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION

CASE NO. 72/94 IN RE: M/S. PENTASIA CHEMICALS LTD.

SANCTIONED REHABILITATION-CUM-AMALGAMATION/MEMBER SCHEME

The scheme envisages amalgamation/merger of M/s. Pentasia Chemicals Ltd. (PCL) with M/s. Asian Paints (India) Ltd. (APIL) as per the amalgamation/merger scheme attached as Annexure-I. As per this amalgamation/merger scheme, the entire undertaking of PCL shall be transferred to APIL and the Transferee Company i.e. APIL shall issue and allot to the shareholders of PCL, shares in the Transferee Company in the proportion of one share of the face value of Rs. 10/- each of the Transferee Company for every 25 equity shares of the face value of Rs. 10/- each of the Transferor Company on such date as be determined by the Board of Directors of the Transferee Company. The share exchange ratio has been fixed on the basis of a share valuation study carried out by an independent firm of Chartered Accountants to the transferee company as modified by the Bench in the light of the fact that 72-A benefits under the Income Tax Act are also being allowed to the Transferee Company.

1.1 All the employees of PCL shall become the employees of APIL from the Effective Date of the amalgamation without interrupting the services of the employees in any manner and the terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favourable to them than those applicable immediately before the Appointed Date.

2. The rehabilitation scheme envisages one time settlement of outstanding dues of institutions and banks in order to reduce the debt burden and improve the viability of the company capital investment plan of Rs. 392 lakhs for reducing operating cost, improved throughout and ease of operations by installation of a stream stripper in the process stream, conversion of existing boiler to fluidised bed combustion system and cogeneration of power and energy saving devices are also proposed. It also envisages investment in working capital of Rs. 123.85 lakhs partially for meeting the irregularity in working capital limits as on 30.9.94 and balance towards margin money for additional working capital.

3. The cost of the scheme and means of finance thereof are as follows :

(Rs. IN LAKHS)

SR. NO.	REQUIREMENT OF FUNDS			MEANS OF FINANCE	
a)	Capital expenditure	392	a)	Promoters (APIL)	853
b)	One-time Settlement of the dues of institutions	947	b)	Tax benefits u/s 72(A) of the Income Tax Act, 1961	500
c)	Meeting of irregularity in working capital limits as on 30.9.94 and add margin money for working capital.	124	c)	Internal accruals	110
	Total	1,463		Total	1,463

The scheme for merger/amalgamation of PCL with APIL shall be under Section 72-A of the Income Tax Act, 1961 and shall be operative from the "effective date". The benefits under Section 72-A of the Income Tax Act, 1961 on account of carry forward of the accumulated business losses and unabsorbed depreciation of PCL are restricted to Rs. 500 lakhs to cover capital expenditure of Rs. 392 lakhs and margin portion of working capital irregularity of Rs. 104 lakhs.

4. Reliefs and Concessions :-

A. FINANCIAL INSTITUTIONS AND BANKS :-

- i) To receive an amount of Rs. 947 lacs in full and final settlement of their entire dues, within 60 days of receipt of the final order of the BIFR sanctioning this scheme, from APIL. The dues shall not carry any interest during the first 15 days of the said 60 days while interest would be payable @ 10% p.a. during the balance period upto 45 days.
- ii) To waive the rest of their dues and all other charges from the date of the first default to the date of the final payment as set out hereinabove.

B. CENTRAL GOVERNMENT (SPECIFIED AUTHORITY) :-

To grant benefits under Section 72A of the Income Tax Act, 1961 to the extent of Rs. 500 lacs only, to APIL against carry forward losses and unabsorbed depreciation of PCL on the amalgamation of PCL, with APIL. APIL shall not claim any benefit that may arise out of the amalgamation under Section 32A of the Income Tax Act, 1961.

The entire aggregated Income Tax benefits to APIL shall however, not exceed the maximum sum of Rs. 500 lacs (Rupees Five Hundred Lacs only).

C. EMPLOYEES OF PCL :-

- a) To agree to accept the same wage structure as was prevailing in PCL before the amalgamation.

D. PROMOTERS (APIL) :-

- i) To agree to the merger of PCL with APIL and issue to nominees of PIL for shares held by PIL in PCL and to the other existing shareholders of PCL, one share of Rs. 10/- each of APIL for every 25 shares of PCL;
- ii) To bring in interest free funds of Rs. 853 lacs for financing the cost of the scheme;
- iii) To organise necessary working capital finance from its existing Bankers;
- iv) To implement the Scheme of amalgamation and to utilise tax reliefs of Rs. 500 lacs exclusively for financing the scheme;
- v) To ensure that the dues of the Financial Institutions and the bank as set out under para 4 (A) are paid within 15 days of the receipt of the final order of the BIFR sanctioning the scheme.
- vi) To meet :-
 - a) any shortfall in the projected cash flow.
 - b) any shortfall in the estimated capital expenditure.
 - c) any contingent or other liability not known or not disclosed at the time of sanction of the scheme by bringing in additional interest free funds from their own sources rather than by diversion of working capital or funds earmarked for long term investment.

E. OTHER CONDITIONS :-

- i) APIL shall arrange all necessary clearances including statutory approvals for effecting the proposed amalgamation;
- ii) APIL shall seek the approval from its shareholders for the scheme through a special resolution in accordance with the provisions of Section 18 (3) (b) of SICA.
- iii) All the loan and security documents executed in favour of the Institutions and Banks shall remain in force and effect after the amalgamation of PCL with APIL, excluding the right to appoint nominee directors on the Board of APIL, until such time as their dues are settled as set out in para 4-A above;
- iv) The institutions/Banks shall have the right to reverse the waiver of interest, envisaged in the scheme and restore the original liability and adjust the payments received, if any, towards the same, in case the entire dues of the institutions/banks along with interest thereon are not received in full within the stipulated time.
- v) APIL shall submit half yearly progress reports on the implementation of the scheme and on the physical and financial performance of the Division to the BIFR with a copy to ICICI designated as the Monitoring Agency (OA) within a period of one month from the end of the relevant half year. The MA shall submit the said reports within one month of its receipt along with its comments to the BIFR.
- vi) The MA shall conduct an annual review of the implementation of the scheme within one month of the close of each year and submit a report thereof to the BIFR within a period of one month from the date of review.

5. VIABILITY :-

The projected profitability statement, fund flow statement and performa balance sheet in respect, of Pentasia Chemicals as a Division of Asian Paints (India) Limited and the projected combined balance sheet of the merged company are attached as Annexures II to V. After the proposed merger/amalgamation the operations of the combined entity would be viable on a long term basis and the networth of the company would become positive immediately on merger with all its accumulated losses wiped off.

6. Compliance Schedule is given at Annexure VI.

Sd/-

(ASHIM CHATTERJI)
MEMBER

NEW DELHI,
DATED : 14/9/1995

Sd/-

(M.M.S. SRIVASTAVA)
MEMBER

ANNEXURE VI
COMPLIANCE SCHEDULE
PENTASIA CHEMICALS LIMITED
(CASE NO. 72/94)

Para No. in the scheme	Concerned Party	Brief particulars of assistance/reliefs/concessions	Time limit for date of sanction of scheme
4 A	Financial Institutions and Banks	One Time Settlement of dues	60 days
4 C	Employees	To accept the wage structure as was prevailing in the company before merger	1 month
4 D (i)	Promoters	Agree to merger & to issue shares in accordance with merger scheme	-do-
D (ii)	-do-	To bring in interest free funds of Rs. 853 lakhs	60 days
D (iii)	-do-	Working capital assistance from banks.	3 months
D (iv)	-do-	Execution of undertakings	1 month

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 679 OF 2003
CONNECTED WITH
COMPANY APPLICATION NO. 228 OF 2003

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

AND

In the matter of Asian Paints (India)
Limited;

AND

In the matter of the Scheme of
Arrangement of Pentasia Investments
Limited with Asian Paints (India)
Limited.

ASIAN PAINTS (INDIA) LIMITED, a
Company incorporated under the Indian
Companies Act, VII of 1913 having its
registered Office at, 6A, Shantinagar,
Santacruz (East), Mumbai - 400 055.

..... Petitioner

Coram : S. Radhakrishnan, J.
Date : 7th October, 2003

Upon the Petition of Asian Paints (India) Limited, the Petitioner Company above named presented to this Court on the 14th day of August, 2003 for sanction of the Amended Scheme of Arrangement of Pentasia Investments Limited (hereinafter referred to as "PIL" or "the Transferor Company") with Asian Paints (India) Limited (hereinafter referred to as "the Transferee Company" or "APIL" or "the Petitioner Company") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Jayesh Merchant, Vice President, Corporate Finance & Company Secretary of the Petitioner Company dated the 14th day of August, 2003, verifying the said Petition AND UPON READING the Affidavit of Mr. Jayesh Merchant dated 22nd day of September, 2003 proving publication of Notice of the date of hearing of the Petition in the newspapers viz., The Free Press Journal and Navshakti both dated 21st September 2003, pursuant to the Orders dated 27th August 2003 and 19th September, 2003, AND UPON READING the Order dated 27th August 2003, dispensing with individual notice to the unsecured creditors of the Petitioner Company AND UPON READING the Affidavit of Mr. Bhagwan W. Sawant, clerk in the office of the Advocate for Petitioner Company dated 24th September, 2003 proving service of notice of hearing of the Petition on the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, AND UPON READING the Order dated 6th May 2003 made by this Hon'ble Court in Company Application No. 228 of 2003 whereby the Petitioner Company was ordered to convene the meeting of its members holding equity shares for the purpose of considering and, if thought fit, approving with or without modifications, the Arrangement embodied in the Amended Scheme proposed to be made between the Transferor Company and Petitioner company AND UPON READING the Further Order dated 29th May, 2003 whereby the Petitioner Company was directed to convene the meeting of its equity shareholders at 1.00 p.m. instead of 11.00 a.m. AND by the said Order dated 6th May, 2003, whereby the meeting of the unsecured creditors of the Petitioner Company was dispensed with in view of the averments made and undertaking given by the Petitioner Company, in paragraph 37 of the Affidavit dated 17th April, 2003 of Mr. Jayesh Merchant in

support of the Company Application No. 228 of 2003, to issue notice of hearing of the Petition to the unsecured creditors if and as may be directed by the Court AND by the said Order dated 6th May 2003 whereby the meeting of the secured creditors of the Petitioner Company was dispensed with in view of the consent in writing given by 3 secured creditors out of the 4 secured creditors of the Petitioner Company which are annexed as Exhibits "H", "I", and "J" to the Affidavit in support of the Company Application No. 228 of 2003 and the undertaking given by the Petitioner Company in the said Affidavit in support of the Company Application No. 228 of 2003 to file in this Hon'ble Court the consent cum no objection letter of the 4th secured creditor on or before the hearing of the petition AND UPON READING the consent cum no objection of the 4th secured creditor of the Petitioner Company annexed as Exhibit "J" to the Petition AND UPON READING the affidavit of Mr. Jayesh Merchant, Vice President-Corporate Finance & Company Secretary of Petitioner Company dated 7th July, 2003 proving publication of Notice convening meeting of Equity Shareholders of the Petitioner Company in the newspapers viz., The Free Press Journal and Navshakti both dated 21st June, 2003 and Affidavit of Mr. Jayesh Merchant dated 7th July, 2003, proving despatch of notice convening meeting to individual Equity Shareholders of the Petitioner Company AND UPON READING the Report of Mr. Ashwin Choksi, the Chairman of the meeting of Equity Shareholders of the Petitioner Company dated 28th day of July, 2003 as to the result of the said meeting AND UPON READING the Affidavit of Mr. Ashwin Choksi dated, 28th July 2003 verifying the Chairman's Report AND IT APPEARS from the said Report of the Chairman that the Arrangement embodied in the Amended Scheme of the Transferor Company with the Petitioner Company has been approved by the requisite majority in number and value in accordance with the requirements of section 391(2) and Section 100 of the Companies Act, 1956, by the equity shareholders who attended the meeting in person or by proxy AND UPON READING the Affidavit dated 19th September, 2003 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, stating that the Amended Scheme is not prejudicial to the interest of the creditors and shareholders of the Petitioner Company AND UPON HEARING Mr. S.A. Divan instructed by Mr. Prem Ranga, Advocate for the Petitioner Company and Mr. R.C. Master with Mr. D.A. Dube, Panel Counsel instructed by Mr. T.C. Kaushik, for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the Order of the Court and no other person or persons entitled to appear at the hearing of the Petition appearing this day either in support of the Petition or to show cause against the same, THIS COURT DOTH HEREBY SANCTION the Arrangement embodied in the Amended Scheme of Pentasia Investments Limited, the Transferor Company with Asian Paints (India) Limited, the Petitioner Company as set out in Exhibit "H" to the Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE the amended Scheme to be binding with effect from 1st day of April, 2002 (hereinafter referred to as "the Appointed Date") on all the shareholders and the creditors of the Transferor Company and all the shareholders and creditors of the Petitioner Company AND THIS COURT DOTH ORDER THAT with effect from 1st April, 2002 the entire Undertaking (more particularly defined in Clause 1.5 of the Amended Scheme) and business of the Transferor Company including all assets comprising of investments and current assets, all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, to be transferred and vested in the Petitioner Company, as a going concern, without further act or deed and all the Transferor Company's reserves, in the manner specified in Clause 4 of the Amended Scheme of Arrangement, free from all encumbrances but subject to the charges existing thereon so as to become the properties of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER THAT, all the debts, liabilities, duties and obligations of the Transferor Company pertaining to the Undertaking save as those provided under Clause 12.4 of the Amended scheme, are transferred to and vest in the Petitioner Company without any further act or deed with effect from the 1st day of April, 2002 so as to become the debts, liabilities, duties and obligations of the Petitioner Company at book value AND THIS COURT DOTH FURTHER ORDER THAT in respect of such of the assets as are movable in nature or are otherwise capable of transfer by manual/physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Petitioner Company in pursuance of the provisions of Section 394 of the Act as its integral part and that such delivery and/or transfer shall be made at such place and in the manner and on a date to be mutually agreed upon by the respective Board of Directors of the Petitioner Company and the Transferor Company AND THIS COURT DOTH FURTHER ORDER THAT all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date/Transfer Date shall remain in full force and effect against or in favour of the Petitioner

Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Petitioner Company had been a party of beneficiary thereto AND THIS COURT DOTH FURTHER ORDER THAT all suits, claims, actions, legal or other proceedings by or against the Transferor Company pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date/Transfer Date) in respect of any matter arising before the Effective date/Transfer Date and pertaining to the Undertaking (including property rights, powers, liabilities, obligations and duties of the Transferor Company) shall be continued and enforced by or against the Petitioner Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company AND THIS COURT DOTH FURTHER ORDER THAT on the amended scheme becoming effective no shares of the Petitioner/Transferee Company shall be issued or allotted to the shareholders of the Transferor Company in respect of the holding of the Transferee Company in the Petitioner/Transferor Company and that the shares of Transferor Company held by the Petitioner Company shall stand cancelled AND THIS COURT DOTH FURTHER ORDER THAT the paid up share capital of the Petitioner Company held by the nominees of Transferor Company pursuant to the BIFR Order dated 14th September, 1995 shall be reduced by cancellation of the 3,59,149 equity shares and such reduction of share capital shall be deemed to be "disposal" pursuant to the Order passed by the Board of Industrial and Financial Reconstruction AND THIS COURT DOTH FURTHER ORDER THAT the reduction of the paid up share capital of the Petitioner Company as above, shall be effected as an integral part of the Amended Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Amended Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction AND THIS COURT DOTH FURTHER ORDER THAT the reduction of the paid-up share capital account of the Petitioner Company, in terms of and pursuant to the clause 11.2 and 12 of the Amended Scheme of Arrangement, resolved by the Special Resolution of the members of the Petitioner Company be confirmed AND THIS COURT DOTH FURTHER ORDER THAT the Order sanctioning the Amended Scheme of Arrangement be deemed to be an Order confirming the reduction of paid-up share capital account of the Petitioner Company within the meaning of Section 102 of the Act AND THIS COURT DOTH FURTHER ORDER THAT the cancellation of the 3,59,149 equity shares in the Petitioner Company held by the nominees of the Transferor Company shall be treated as disposal of shares as envisaged by the BIFR Order dated 14th September, 1995 AND THIS COURT DOTH FURTHER ORDER THAT the Petitioner Company shall within 30 days from the date of sealing of the Order, cause the certified copy of the order to be delivered to and filed with the Registrar of Companies, Maharashtra, Mumbai, for registration and that on such certified copy being so delivered and filed, the Transferor Company shall stand dissolved without winding up and the Registrar of Companies Maharashtra, Mumbai, shall transfer all the files, documents and records relating to the Transferor Company and registered with him or the files kept by him in relation to the Petitioner Company and shall consolidate files of the Transferor Company and the Petitioner Company accordingly AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company or any other person or persons interested in the amended scheme shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary with regard to the working of the amended Scheme of Arrangements sanctioned herein and annexed as Schedule hereto AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company is exempted from using the words "as reduced" after its name AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 2,500/- (Rupees two thousand five hundred Only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS CHUNILAL KARSANDAS THAKKER, Chief Justice at Bombay aforesaid this 7th day of October, 2003.

By the Court,
for Prothonotary & Senior Master

Sealer
Dated this 27th day of October, 2003

Order sanctioning the Scheme of Arrangement drawn on the application by Mr. Prem Ranga Advocate for the Petitioner Company having his office at Turner Morrison Building, 4th Floor, 16, Green Street, Mumbai - 400 023.

SCHEDULE
AMENDED SCHEME OF ARRANGEMENT
OF
PENTASIA INVESTMENTS LIMITED
WITH
ASIAN PAINTS (INDIA) LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

This scheme of Arrangement is presented for Amalgamation of PENTASIA INVESTMENTS LIMITED as a going concern with ASIAN PAINTS (INDIA) LIMITED and for Reduction of Share Capital of Asian Paints (India) Limited pursuant to Sections 391 to 394 read with Section 100 and other applicable provisions of the Companies Act, 1956.

PART - I

1. DEFINITIONS

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

- 1.1 **"the Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 **"High Court"** shall mean the High Court of Judicature at Bombay. In the event of the Companies (Second Amendment) Act, 2002 coming into effect by a Notification issued by the Department of Company Affairs during the pendency of these proceedings initiated under Sections 391-394 of the Companies Act, 1956; the proceedings will stand transferred to the **National Company Law Tribunal** (hereinafter referred to as **"the Tribunal"**) and wherever the words High Court occurs the same shall be read to mean the Tribunal.
- 1.3 **"the Appointed Date"** means 1st April, 2002 or such other date as may be fixed by the High Court of Bombay.
 - 1.3.1 **"the Effective Date"** means the later of the dates on which certified copy of the Order(s) of the High Court of Bombay vesting the assets, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company is filed with the Registrar of Companies, Mumbai after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary thereof.
 - 1.3.2 **"the Transferor Company"** means Pentasia Investments Limited, (PIL), a company incorporated under the Companies Act, 1956, whose Registered Office is situated at 6A, Shantinagar, Santacruz (East), Mumbai-400 055.
- 1.4 **"the Transferee Company"** means Asian Paints (India) Limited (APIL), a company incorporated under the Companies Act, 1956, whose Registered Office is situated at 6A, Shantinagar, Santacruz (East), Mumbai-400 055.
- 1.5 **"Undertaking"** shall mean-
 - (a) all the assets of the Transferor Company which as on the Appointed Date comprised only of the following :
 - (i) Investments :
3,59,149 equity shares of APIL of the face value of Rs. 10/- each.

(Note : In October 2000 APIL issued bonus shares in the ratio of 3 bonus shares for every 5 shares held. The shareholding of PIL in APIL prior to the bonus issue was 149,646 shares. Following the bonus issue the shareholding of PIL in APIL stood at 239,433.60 (recorded as 239,434 in the balance sheet of PIL as on 31st March, 2002). The fractional entitlement of 0.60 equity shares was subsequently paid in cash by APIL to PIL and the correct shareholding of PIL in APIL is 239,433 equity shares of Rs. 10/- each. The Shareholders of Asian Paints (India) Limited. The Transferee Company have approved, vide Special Resolution, at the 57th Annual General Meeting of the Transferee Company held on 18th July, 2003 at 10.30 a.m. at Patkar Hall, Nathibai Thachersey Road, New Marine Lines, Mumbai 400 020, the issue of bonus shares in the ratio of 1 for every 2 shares held. As a consequence the paid-up share capital of the Transferee Company shall stand at 96,27,89,280.00 being the face value of 9,62,78,928 equity shares of Rs. 10/- each. Consequent to this issue of bonus shares, the share holding of Pentasia Investments Limited, the Transferor Company in the Transferee Company shall stand augmented from 2,39,433 equity shares by 119,716 to 3,59,149 equity shares of Rs. 10/- each in the Transferee Company.)

(ii) Current Assets : (Amount in Rs.)

cash on hand	1,527
cash on bank	16,785

- (b) all the debts, liabilities, duties and obligations of the Transferor Company which, on the Appointed date comprised only of the following :

Share Capital

Issued, Subscribed and Paid Up :

5,010 Equity Shares of Rs 10/- each fully paid	50,100
10 13.5% Preference Share (Non cumulative redeemable) of Rs.100/- each fully paid	1,000

Reserves and Suplus :

Profit and Loss Account	6,896,258
Special Reserve	555,000

Secured Loans (Interest Free)

From APIL, secured against pledge of shares included under investments	60,866,301
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- 1.6 "Financial Statements" for the purpose of this scheme shall mean and include the audited Balance Sheet and Profit & Loss Account as on 31st March, 2002 and the unaudited results as on 31st December, 2002 of the Transferor Company and the Transferee Company. The transfer of the undertakings at the Effective Date will be as per the audited Balance Sheet and Profit and Loss Accounts of the Transferor Company prepared and certified in accordance with Section 44 AB of the Income Tax Act, 1961 for the fiscal period April 1, 2001 to March 31, 2002.
- 1.7 "Scheme" or "the Scheme " or "this Scheme" means this Scheme of Arrangement in the present form submitted to the High Court of Judicature at Bombay, as the case may be, with any modification(s) made under clause 15 of this Scheme or with such other modification/amendments as the High Court, may direct.

2. SHARE CAPITAL

- 2.1 Pentasia Investments Limited – the Transferor Company
PIL is a wholly owned subsidiary of APIL. The Share Capital of the Transferor Company as of 31st March, 2002 is as under :

Authorised Capital		(Amount in Rs.)
20,000	Equity Shares of Rs.10/- each	200,000
500	Preference Shares of Rs.100/- each	50,000
25,000	Unclassified Shares of Rs.10/- each	250,000
		<u>500,000</u>

Issued, Subscribed & Paid up Capital

5,010	Equity shares of Rs.10/- each fully paid	50,100
10	13.5% Preference Shares (Non cumulative redeemable) of Rs. 100/- fully paid	1,000
		<u>51,100</u>

In November, 2002 the Transferee Company invested Rs.3,99,900.00 in the equity share capital and Rs.49,000.00 in the preference share capital of the Transferor Company. Following the aforesaid investment the Issued, Subscribed & Paid up Capital of the Transferor Company as on 31st December 2002 stands in the books of the Transferor Company as follows:

Issued, Subscribed & Paid up Capital		(Amount in Rs.)
45,000	Equity shares of Rs.10/- each fully paid	4,50,000
500	13.5% Preference Shares (Non cumulative redeemable) of Rs.100/- fully paid	50,000
		<u>5,00,000</u>

2.2 Asian Paints (India) Limited – The Transferee Company.

APIL is the holding company of PIL. The Share Capital of the Transferee Company as of 31st March, 2002 is as under :

Authorised Capital		Amount (Rs. in Million)
995,00,000	Equity Shares of Rs.10 each	995.00
50,000	11%Redeemable Cumulative Preference Shares of Rs.100 each	5.00
		<u>1,000.00</u>

Issued, Subscribed & Paid-Up Capital

641,85,952	Equity Shares of Rs.10/- each fully paid including 621,06,767 Bonus Shares issued on capitalisation of Share Premium and General Reserves and 294,000 shares issued as fully paid up pursuant to the Scheme of Rehabilitation/Amalgamation of the Pentasia Chemicals Ltd., without payment received in cash.	641.86
		<u>641.86</u>

2.3 Issue of Bonus Shares

The Shareholders of Asian Paints (India) Limited-The Transferee Company have approved, vide Special Resolution, at the 57th Annual General Meeting of the Transferee Company held on 18th July, 2003 at 10.30 a.m. at Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020, the issue of bonus shares in the ratio of 1 for every 2 shares held. As a consequence the paid-up share capital of the Transferee Company shall stand at 96,27,89,280.00 being the face value of 9,62,78,928 equity shares of Rs. 10/- each. Consequent to this issue of bonus shares, the share holding of Pentasia Investments Limited, the Transferor Company in the Transferee Company shall stand augmented from 2,39,433 equity shares by 119,716 to 3,59,149 equity shares of Rs. 10/- each in the Transferee Company.

PART II – THE SCHEME

3. OPERATIVE DATE OF THE SCHEME

Although the Scheme set out herein in its present form, or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay, comes into operation from the Appointed Date, it shall only become effective from the Effective Date.

4. TRANSFER OF UNDERTAKING

- 4.1 With effect from the Appointed Date, the Undertaking of the Transferor Company shall, without any further act, deed, matter or thing, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, stand transferred to and vest in or be deemed to be transferred to and vest in the Transferee Company free from all encumbrances, but subject to the charges existing thereon on the Appointed Day, in the same form as they appeared in the financial statements of the Transferor Company. In other words, the identity of all the capital assets/current assets in the hands of the Transferor Company will be preserved at the hand of the Transferee Company. Moreover, the character of the assets shall not be changed and remain the same as was in the hands of the Transferor Company.
- 4.2 All movable properties of Undertaking of the Transferor Company shall be physically handed over by delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company. Such delivery shall be made on a date to be mutually agreed upon between the respective Board of Directors of the Transferor Company and the Transferee Company within thirty days from the date of the Order of the High Court sanctioning this Scheme.
- 4.3 Save as provided at Clause 12.4, with effect from the Appointed Date, all the debts and liabilities in the hands of the Transferor Company shall without any further act, deed, matter or thing, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act, stand transferred to or be deemed to be transferred to the transferee Company, so as to become from the Appointed Date, the said debts and liabilities of the transferee Company. Such debts and liabilities shall be transferred at book value.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto.

6. LEGAL PROCEEDINGS

If any suit, writ petition, revision, appeal or other proceedings of whatsoever nature (hereinafter referred to as "the Proceedings") by or against the Transferor Company is pending on or after the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

7. CONDUCT OF BUSINESS OF UNDERTAKING BY THE TRANSFEROR COMPANY UNTIL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall :

- (a) carry on and be deemed to carry on business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purpose be treated as the profits or losses of the Transferee company, as the case may be;
- (b) carry on its business and activities with reasonable diligence and business prudence and shall not without the prior written consent of the Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of the said Undertaking or any part thereof except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken by the Transferee Company prior to the Effective Date;
- (c) not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business;
- (d) pay all statutory dues (including advance tax) relating to the Undertaking for and on account of the Transferee Company;
- (e) the Transferee Company shall be entitled to apply to the central/state Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the Transferor Company.

8. EMPLOYEES

The Transferor Company has no employees.

9. AUDITED ACCOUNTS

The Accounts of the Transferor Company and that of the Transferee Company have been made upto 31st March, 2002.

10. REVENUE, RESERVES ETC.

- 10.1 In accordance with the applicable accounting standards, with effect from the Effective Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required :

- (a) the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company;

- (b) the capital and current assets/liabilities of the Transferor Company will likewise be merged with those of the Transferee Company in the same form as they appear in the Financial Statements of the Transferor Company. In other words, the identity of the reserves, capital and current assets/liabilities of the Transferor Company will be preserved at the hands of the Transferee Company;
 - (c) The excess, if any of the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferees Company shall, be credited to the General Reserve account in the books of the Transferee Company;
 - (d) The deficit, if any, in the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall be debited in the first instance to the General Reserve account in the books of the Transferee Company, and in the event and to the extent of inadequacy in General Reserves, be debited to the other Reserves of the Transferee Company, and in the event of and to the extent of inadequacy of other Reserves, be debited to an "Amalgamation Account" to be carried in the Balance Sheet of the Transferee Company.
- 10.2 Further, in the case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11. NO ISSUE OF SHARES BY TRANSFEE COMPANY

- 11.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and the Transferee Company along with its 7 nominee shareholders holds all the shares issued by the Transferor Company. On the amalgamation of the Transferor Company with the Transferee Company, no shares of the Transferee Company shall be issued or allotted in respect of the holding of the Transferee Company in the Transferor Company and in consideration of the amalgamation of the Transferor Company with the Transferee Company, the entire equity share capital of the Transferor Company held by the Transferee Company shall stand cancelled without any further act or deed.
- 11.2 On this Scheme becoming effective, as a consequence of the amalgamation, the 3,59,149 equity shares of the Transferee Company held pursuant to the Order dated 14th September, 1995 passed by Board of Industrial Financial Reconstruction ("BIFR") by nominees of the Transferor Company namely Mr. Pradeep Ramvilas Rath and Mr. Kantilal Hariya beneficially for the Transferor Company to be "disposed off for the benefit of the Transferor Company", shall stand cancelled without any further act or deed. This cancellation of shares shall be deemed to be reduction of capital as per Clause 12.
- 11.3 The reduction of share capital of APIL as per clause 11.2 and clause 12 shall be effected as an integral part of the Scheme itself and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

12. ACCOUNTING TREATMENT AND IMPLICATIONS

- 12.1 As on 1st April, 2002, the paid-up equity share capital of the Transferee Company is Rs. 641.86 million and the Transferor Company through its nominees holds 2,39,433 equity shares in the Transferee Company pursuant to the BIFR Order. Consequent to the issue of bonus shares by the Transferee Company, the paid-up share capital of the Transferee Company shall stand at 96,27,89,280.00 being the face value of Rs. 9,62,72,78,928 equity shares of Rs. 10/- each whereas the share holding of the Transferor Company in the Transferee Company shall stand augmented from 2,39,433 equity shares to 3,59,149 equity shares of Rs. 10/- each in the Transferee Company.

On this Scheme becoming effective the paid-up equity share capital of the Transferee Company shall stand reduced by Rs. 3.59 million being the face value of 3,59,149 equity shares of the Transferee Company held by the Transferor Company. Thus on the Scheme becoming effective the resultant issued, subscribed and paid up equity share capital shall be Rs. 959.20 million.

Particulars	(Rs. in Million)
Issued, Subscribed and paid-up Share Capital of the Applicant Company as on 1st April 2002.	641.86
Add : issue of Bonus Shares in the ratio of 1 for every 2 shares held.	320.93
Less : Face-value of 3,59,149 equity shares of the Applicant Company held by PIL.	3.59
Share Capital of the Applicant Company Post Amalgamation	959.20

- 12.2 As on 1st April 2002 the Reserves of the Transferee Company stands at Rs. 3463.72 million. As on 1st April 2002, the Reserves of the Transferor Company stand at Rs. 7.45 million. As on 1st April 2002, the carrying cost of investment of the Transferor Company in 2,39,433 equity shares of the Transferee Company is Rs. 68.35 million, inclusive of Rs. 2.39 million, being the face value of 2,39,433 equity shares of Transferee Company. On this Scheme becoming effective, Rs. 7.45 million being the reserves of the Transferor Company will be aggregated with the Reserves of the Transferee Company, whereas Rs. 65.96 million being the cost of investment of the Transferor Company in the Transferee Company will be reduced from the Reserves of the Transferee Company. The Reserves of the Transferee Company will then stand at Rs. 3405.21 million.

Particulars	(Rs. in Million)
APIL reserves as on 1st April 2002	3463.72
Add : Reserves of PIL	7.45
Less : Cost of Investment of the Transferor Company in the Applicant Company.	65.96
Reserves of the Applicant Company Post Amalgamation	3405.21

- 12.3 On 1st April, 2002, the issued, subscribed and paid up capital of the Transferor Company is Rs. 0.05 million. On this Scheme becoming effective, the entire issued, subscribed and paid-up share capital of the Transferor Company being held by the Transferee Company shall stand cancelled and be adjusted against the corresponding investment of Rs. 0.05 million appearing in the books of the Transferee Company and therefore, no shares or consideration shall be issued/allotted by the Transferee Company in respect of amalgamation under the Scheme.
- 12.4 On 1st April 2002, the Transferor Company has an outstanding interest free loan of Rs. 60.86 million, from the Transferee Company. This loan is secured against 2,39,433 equity shares of the Transferee Company, held by the Transferor Company. On 1st April 2002, the said interest free loan of Rs. 60.86

million, is recorded in the books of the Transferee Company as an advance to the Transferor Company. On the Scheme becoming effective, the said interest free loan of Rs. 60.86 million shall be adjusted against the corresponding recordal of advance appearing in the books of the Transferee Company.

13. PROFITS, DIVIDEND

Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from the Appointed Date shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year ending on 31st March 2003 or any year thereafter.

14. APPLICATIONS TO THE HIGH COURT OF JUDICATURE AT BOMBAY

On the Scheme being approved by the requisite majority of shareholders of the Transferor Company and the Transferee Company representing the required values, the Transferor Company and Transferee Company shall, with all reasonable dispatch, apply under sections 391 and 394 of the Act to the High Court at Bombay for sanctioning the Scheme and for such further order or orders there under as the High Court of Bombay may deem fit for carrying the Scheme into effect.

15. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 15.1 The Transferor Company and the Transferee Company, through their respective Board of Directors, may in their full and absolute discretion assent to any modifications or amendments to the Scheme which the High Court, and/or any other competent authority may deem fit to approve and may give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever the Transferor Company and/or the Transferee Company shall be entitled to withdraw the Scheme.
- 15.2 For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Board of Directors of the Transferor Company and the Transferee Company or any Committee thereof is authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

16. DISSOLUTION WITHOUT WINDING UP

- 16.1 Upon this Scheme of Amalgamation being sanctioned by the High Court of Bombay under Section 394 of the Act and on its becoming effective, the Transferor Company shall be dissolved without winding up with effect from the Appointed Date, or such other date as may be fixed by the High Court.
- 16.2 The Transferor Company, until its dissolution under this Scheme, shall be fully operative and Transferor Company shall have liberty to apply to the Hon'ble High Court of Bombay for such directions as may be necessary for implementing the Scheme as sanctioned by the High Court.

PART III – GENERAL

17. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional on and subject to:

- (a) the sanction or approval of all persons or authorities concerned being obtained and granted in respect of any of the matters provided for or relating to the Scheme for which such sanction or approval is required.

- (b) the approval to the Scheme by the requisite majorities representing the required values of the shareholders of the Transferor Company as directed by the High Court of Judicature at Bombay under section 391 and section 100 of the Act .
- (c) the sanction of the High Court of Bombay under Sections 391 and 394 of the Act and to the necessary Order(s) under Section 394 of the Act being obtained.
- (d) Certified copies of the Order(s) of the High Court of Bombay sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company and Transferee Company.

18. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by the High Court of Bombay and/or the Order or Orders not being passed as aforesaid before 31st December, 2003 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by its Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

19. COSTS AND EXPENSES

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

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISIDCTION
COMPANY PETITION NO. 379 OF 2009
CONNECTED WITH
COMPANY APPLICATION NO. 440 OF 2009

TECHNICAL INSTRUMENTS MANUFACTURERS (INDIA) LIMITED
---Petitioner/Transferor Company

In the matter of Scheme of
Amalgamation of Technical
Instruments Manufacturers
(India) Limited ("the Transferor
Company")

with

Asian Paints Limited ('the
Transferee Company')

and

Their Respective Shareholders.

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

Ms. Pournima Awasthi and Y.R. Mishra i/b Mr. S.K. Mohapatra for Regional
Director

Mr. P. Rama Rao, Official Liquidator present.

CORAM: S.J. Kathawalla, J.

DATE : 24th July, 2009

PC:

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation of Technical Instruments (India) Limited, the Transferor Company with Asian Paints Limited, the Transferee Company and their respective shareholders.
3. The Petitioner which is the Transferor Company is the wholly owned subsidiary of the Transferee Company. By Order dated 23rd April, 2009 passed by this Court in Company Application No. 440 of 2009 the filing of the separate Application and petition by the Transferee Company was dispensed with in view of the judgment of this Court in Mahaamba Investment Limited v/s. IDI Limited (2001) 105 Company Cases, page 16 to 18. Hence no separate petition was filed by Asian Paints Limited, the Transferee Company.
4. Counsel appearing on behalf of the Petitioner has stated that it has complied with all requirements as per directions of this Court and it has filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Company also undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under.
5. The Regional Director has filed Affidavit stating that the Scheme is not prejudicial to the interest of shareholders and public.
6. The Official Liquidator has filed report in Company Petition No. 379 of 2009 stating that the affairs of the Petitioner Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved.
7. Upon perusal of the entire material placed on records, the Scheme appears to be fair and reasonable and is not violative of any provisions

of law and is not contrary to any public policy. No other parties concerned have come forward to oppose the Scheme. Moreover, the Regional Director has stated that the Scheme as proposed is not prejudicial to the interest of shareholders and public and the Official Liquidator has stated that the affairs of the Petitioner Company have been conducted in a proper manner.

8. There is no objection to the Scheme and since all the requisite statutory compliances have been fulfilled, Company Petition No. 379 of 2009 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) to (d) of the Petition.
9. The Petitioner Company to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days from the date of the order.

**Scheme of Amalgamation
of
Technical Instruments Manufacturers (India) Limited
with
Asian Paints Limited
and
Their Respective Shareholders
Under section 391 to 394 of the Companies Act, 1956**

This scheme of Amalgamation is presented for amalgamation of Technical Instruments Manufacturers (India) Limited (TIML), a wholly owned subsidiary of Asian Paints Limited with Asian Paints Limited (APL), pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

PART A – PRELIMINARY

1. DEFINITIONS

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

- 1.1 “**The Act**” means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof for the time being in force.
- 1.2 “**Appointed Date**” means April 1, 2009 or such other date as may be fixed by the High Court of Judicature at Bombay or such other competent authority as may be applicable.
- 1.3 “**APL**” or “**the Transferee Company**” means Asian Paints Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055.
- 1.4 “**Effective Date**” means the date on which the certified copies of the Orders sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai.
- 1.5 “**Court**” or “**High Court**” means the High Court of Judicature at Bombay
- 1.6 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Amalgamation in its present form submitted to the High Court having jurisdiction at Bombay or with any modification(s) made under Clause 13 of this Scheme.

- 1.7 “TIML” or “the Transferor Company” means Technical Instruments Manufacturers (India) Limited, a Company incorporated under the Companies Act, 1956 having its registered office at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. SHARE CAPITAL

- 3.1 As on March 31, 2008 the share capital of TIML was as under :

	Rupees
Authorised Capital	
<u>25,000 Equity shares of Rs. 100/- each</u>	25,00,000
Total	25,00,000
Issued, Subscribed and Paid up Capital	
<u>5,000 Equity Shares of Rs. 100/- each</u>	5,00,000
Total	5,00,000

Subsequent to March 31, 2008, there has been no change in the share capital structure of TIML. As on date, the entire Equity Share Capital of TIML is held by APL.

- 3.2 As on March 31, 2008 the share capital of APL was as under :

	Rupees
Authorised Capital	
9,95,00,000 Equity Shares of Rs. 10/- each	99,50,00,000
50,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	50,00,000
Total	1,00,00,00,000
Issued, Subscribed and Paid up Capital	
<u>9,59,19,779 Equity Shares of Rs. 10/- each fully paid-up</u>	95,91,97,790
Total	95,91,97,790

Subsequent to March 31, 2008, there has been no change in the share capital structure of APL.

PART B – MERGER OF TIML WITH APL

4. TRANSFER AND VESTING OF UNDERTAKING OF TIML

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date and on the Scheme becoming operative, the entire business and whole of the undertaking of TIML

including all its properties and assets, (whether movable or immovable, tangible or intangible), all the debts, liabilities, duties and obligations of TIML of every description and also including, without limitation, all the movables and immovable properties and assets of TIML comprising, amongst others, furniture and fixtures, computers, office equipment, electrical installations, water connections, telephones, telex, facsimile and other communication facilities and business and other licenses, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, advance and other direct and indirect taxes paid to the authorities, brand names, trademarks, copy rights, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, all records, files, papers, contracts, agreements shall, pursuant to the order of the High Court and pursuant to provisions of Sections 391 to 394 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in APL on a going concern basis so as to become the assets and liabilities of APL.

4.2 The transfer and vesting referred in clause 4.1 above shall be carried out as follows:

- (i) In the event the Board of Directors of TIML and APL so jointly decide, all the movable assets of TIML, including furniture and fixtures, investments, cash on hand, equipments and machinery, etc. shall be physically handed over by manual delivery to APL along with transfer forms and such other documents as may be necessary to the end and intent that the property therein passes to APL on such delivery without requiring any deed or instrument of conveyance for the same and shall not vest in APL by virtue of the Order of the High Court. In respect of movable assets, other than those specified hereinabove, including sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received, bank balances and deposits, the following *modus operandi* shall be followed:

APL may, if required, give notices in such form as it may deem fit and proper to each person, debtor or depositor stating that pursuant to the High Court of Judicature at Bombay or such other competent authority, as may be applicable, 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 TIML to recover or realize the same shall stand transferred to APL.

- (ii) In respect of the remaining said assets of TIML other than those referred to in the preceding sub-paragraph (i) above, the same

shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in APL pursuant to an order by the Court being made therefore under Section 394 of the Act.

- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions, approvals, consents to carry on the operations and business of TIML shall stand vested or transferred to APL without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of APL. The benefit of all statutory and regulatory permissions and consents or other licenses and consents shall vest in and become available to APL pursuant to this Scheme.
- 4.4 With effect from the Appointed Date all debts, liabilities, duties and obligations of TIML shall without any further act or deed be and stand transferred to APL so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of APL 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 sub-clause.

5. CONSIDERATION

As the entire equity share capital of TIML is held by APL, upon the Scheme becoming effective, the equity share capital of TIML will stand automatically cancelled and there will be no issue and allotment of shares of APL.

6. ACCOUNTING TREATMENT

On the Scheme becoming effective and with effect from the Appointed Date, APL shall account for the merger in its books as under:

- 6.1 APL shall record all the assets and liabilities of TIML transferred to and vested in APL pursuant to this Scheme, at their Book values.
- 6.2 The investment in the equity shares of TIML, appearing in the books of account of APL, will stand cancelled.
- 6.3 The inter Company balances, if any, shall stand cancelled.
- 6.4 The difference, being the deficit of the net assets of TIML transferred to APL pursuant to the High Court Order over the book value of the investment in the shares of TIML recorded by APL, would be debited to General Reserve Account. In case of there being an excess, the same shall be credited to General Reserve Account.

Explanation:

“Net Assets” shall be computed as the book value of the assets of TIML transferred to APL less the book value of the liabilities becoming liability of APL.

- 6.5 In case of any difference in accounting policy between TIML and APL, the impact of the same till the amalgamation will be quantified and adjusted against the General Reserves of APL to ensure that the financial statements of APL and TIML reflect the financial position on the basis of consistent accounting policy.

7. CONDUCT OF BUSINESSES UNTIL EFFECTIVE DATE

- 7.1 With effect from the Appointed Date and up to and including the Effective Date:

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

8. LEGAL PROCEEDINGS

- 8.1 All legal proceedings of whatsoever nature by or against TIML pending and / or arising at the Appointed Date, as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against APL in the manner and to the same extent as would or might have been continued and enforced by or against TIML.

8.2 After the Appointed Date, if any proceedings are taken against TIML, the same shall be defended by and at the cost of APL.

8.3 APL undertakes to have all legal or other proceedings initiated by or against TIML referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against APL.

9. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to other provisions contained in this Scheme all contracts, deeds, bonds, lease rights, agreements, memoranda of understanding, and other agreements and instruments of whatever nature to which TIML is a party subsisting or having effect immediately before the effective date, shall remain in full force and effect against or in favour of APL as the case may be and may be enforced fully and effectively as if instead of TIML, APL had been the party thereto.

10. SAVING OF CONCLUDED TRANSACTIONS

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

11. WINDING UP OF TIML

On the Scheme becoming effective, TIML shall stand dissolved without being wound up.

PART C – GENERAL

12. APPLICATION TO THE HIGH COURT

TIML shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanction of this Scheme and for dissolution of TIML without winding-up under the provisions of law.

13. MODIFICATION/AMENDMENT TO THE SCHEME

13.1 On behalf of TIML and APL, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate

by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

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

14. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- 14.1 The Scheme being approved by the requisite consent of the respective members and / or creditors of TIML as may be directed by the High Court.
- 14.2 The sanction of the High Court under Sections 391 to 394 of the Act to the Scheme under the said provisions and to necessary Order under Section 394 of the said Act being obtained;
- 14.3 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 14.4 Certified copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

15. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and / or the Scheme not being sanctioned by the High Court and / or the Order not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

16. COSTS, CHARGES AND EXPENSES

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

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISIDCTION
COMPANY PETITION NO. 379 OF 2009
CONNECTED WITH
COMPANY APPLICATION NO. 440 OF 2009

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

AND

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

AND

In the matter of Scheme of Amalgamation of Technical Instruments
Manufacturers (India) Limited ('The Transferor Company')

with

Asian Paints Limited ('The Transferee Company')

and

Their Respective Shareholders.

TECHNICAL INSTRUMENTS MANUFACTURERS (INDIA)
LIMITED

.....Petitioner Company

Authenticated Copy of the Minutes of Order dated
24th July, 2009 along with Scheme of Amalgamation

M/s Rajesh Shah & Co. Advocates for
the Petitioner Company

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

THIS AGREEMENT (hereinafter referred to as "the said Agreement") made at Mumbai this 1st day of April, 2012, between **ASIAN PAINTS LIMITED**, an existing Company under the Companies Act, 1956, and having its Registered Office at 6A, Shantinagar, Santacruz (East), Mumbai 400 055 (hereinafter called "the Company") of the FIRST PART AND Shri K. B. S. Anand, Indian Inhabitant (hereinafter called "the Managing Director") residing at 251, Kalpataru Heights, Sane Guruji Marg, Jacob Circle, Mumbai - 400011, of the SECOND PART;

WHEREAS

The Board of Directors by resolution passed at its meeting held on 29th March, 2012, appointed Shri K. B. S. Anand, as an Additional Director with effect from 1st April, 2012 and Managing Director and CEO with effect from 1st April, 2012 to 31st March, 2015, in accordance with Section 269, Schedule XIII and all other provisions, as may be applicable under the Companies Act, 1956, including the statutory modification(s) or re-enactment(s) thereof, subject to approval of the shareholders at a General Meeting. The Board at the said meeting also approved the terms and conditions including the terms of remuneration as set out in this Agreement.

NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. The Company shall appoint Shri K. B. S. Anand and Shri K. B. S. Anand shall serve the Company as the Managing Director and CEO (hereinafter referred to as "the Managing Director") from 1st April, 2012 to 31st March, 2015, subject to such employment being previously determined in pursuance of any of the provisions of this Agreement. This agreement may be renewed for further periods from time to time upon the terms and conditions as are contained herein or upon such other terms and conditions as may be mutually agreed upon.
2.
 - (i) Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall manage the business and affairs of the Company and exercise such powers as are vested in the Managing Director by the Board of Directors subject to any limitation or conditions which may be prescribed by the Act or the provisions of Memorandum and / or Articles of Association or the Board or by the Company in General Meeting.
 - (ii) Without prejudice to the generality of the foregoing and in enlargement thereof and not in limitation thereof, the Managing Director is vested with the powers hereinafter specifically referred to :
 - a) To manage, conduct, transact and carry on the business affairs, and operations of the Company including power to enter into contracts and to vary and / or rescind them;
 - b) To enter into and become party to and to sign and execute all deeds, instruments, contracts, receipts and all other documents or writings on behalf of the Company not requiring to be executed under its Common Seal and not otherwise provided for in the Articles of Association of the Company jointly with other Authorised Signatories as may be notified by the Board of directors from time to time;
 - c) To make, sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company all cheques, bills of exchange, drafts, hundies, promissory notes, deck warrants, delivery orders, railway receipts, bills of lading and other mercantile

- documents and other negotiable instruments and securities jointly with other Authorised Signatories as may notified by the Board of Directors from time to time;
- d) To become party to and to present for registration and admit execution of and to do every act, matter or thing necessary or proper to enable registration on behalf of the Company of all deeds, instruments, contracts, agreements, receipts and all other documents whatsoever;
 - e) To institute, defend, prosecute, conduct, compound, refer to arbitration and abandon and compromise legal or other proceedings, claims, and disputes by or against the Company or in which the Company may be concerned or interested.
 - f) To receive and give effectual receipts and discharges of money, funds, goods or property payable to or to be received by the Company ;
 - g) To approve and authorise spending within the overall financial limits including capital expenditure budget as may be approved, from time to time, by the Board :
 - (A) to purchase, pay for, acquire, sell, repurchase, import and export all machinery and plant, etc. ;
 - (B) to acquire on lease or by purchase, exchange or sell or dispose or otherwise, the properties, buildings, lands, premises, etc., for factories, workshop, offices, showrooms, godowns, etc., of the Company;
 - (C) to borrow or raise (otherwise by debentures) in the name or otherwise on behalf of the Company such sum or sums of monies as may be required for the business of the Company;
 - h) Subject to the provisions of the Section 292 of the Companies Act, 1956 and when so authorised by the Board and within the financial limits that may be fixed by the Board, from time to time, to make loans for such purposes and upto such maximum amount as may be specified by the Board from time to time;
 - i) Subject to the provisions of Section 292 of the Companies Act, 1956 and when so authorised by the Board and within the financial limits from time to time fixed by the Board, to invest and deal with the moneys of the Company not immediately required upon investments of such nature as may be specified by the Board from time to time or to deposit the same with banks, financial institutions, non-banking financial companies, mutual funds or any other persons or bodies corporate and from time to time to realise and / or vary such investments;
 - j) To operate upon or open accounts, current, cash credits, fixed or otherwise with bank or bankers, or with any company or companies, firm or firms, individual or individuals and to avail import credit facilities and/or any other foreign exchange facilities and to pay moneys into and to draw moneys from any such account or accounts from time to time jointly with other Authorised Signatories of the Company as may be notified by the Board of Directors from time to time;
 - k) To attend and vote at all meetings in all bankruptcy, insolvency and liquidation or other proceedings in which the Company may be interested or concerned.
 - l) To appoint or employ for the Company's transactions and management of affairs and from time to time to discharge or remove or suspend or reappoint or re-employ or replace managers, officers, clerks, workmen, employees, and / or other members of the staff of the Company, bankers, all kinds of agents, brokers, advocates, barristers, solicitors, pleaders, lawyers, mechanics, engineers, merchants, retail and wholesale commission dealers, technicians and experts with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as

the Managing Director may deem fit, subject to supervision of the Board of Directors of the Company.

Provided, however, any decision of the Managing Director on appointment, re-appointment, removal, suspension, etc., of the Senior Managers placed in grades M1 and M2 of the Company, shall be approved by the Remuneration Committee of the Board of Directors of the Company;

- m) To incur from time to time subject nevertheless to the provisions of the Act, such expenses and to lay out such sum or sums of money as the Managing Director may deem expedient for the offices or the establishments of the Company and for the purposes of maintaining and carrying on the works and business of the Company as the Managing Director may think fit, subject to supervision of the Board of Directors;
 - n) To appoint from time to time any attorney /attorneys or officer / officers for management and transaction of the affairs of the Company generally or in specified locality or district or province or state;
 - o) The Managing Director shall have full power and authority to appoint one or more Attorney(s) as he may deem fit in respect of operations of various Divisions/ Plants/ Branches and/or Depots and/or Godowns and/or Factories of the Company all across the country and abroad and to execute on behalf of the Company and to revoke any such appointment from time to time and to substitute or appoint any other or others in place of such Attorney as the Managing director, from time to time may think fit.
 - p) AND GENERALLY to make all such arrangements and to do all acts, deeds, matters and things on behalf of the Company as may be usual necessary or expedient in the conduct or management of the business of the Company and as are not by the Act or by the Memorandum and Articles of Association of the Company expressly required to be done by the Company in General Meeting or by the Board, subject to supervision of the Board of Directors of the Company.
3. As the Managing Director of the Company, Shri K. B. S. Anand shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare, excluding cases where he is appointed or nominated as a Director on the Board of any of the Company's subsidiaries, Joint Ventures and other associate Companies.
4. The Managing Director, whenever required by the Board shall undertake such travelling in India and abroad as the Board may from time to time direct in connection with the business of the Company.
5. Shri K. B. S. Anand shall not, during the continuance of his term as the Managing Director or at any time thereafter, divulge or disclose to any person whosoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his tenure as the Managing Director in connection with the business or affairs of the Company, or any trade secrets or secret formula of the Company and he shall use his best endeavor to prevent any other person from so doing. Provided however any divulgence or disclosure to the officers or employees of the Company for the purpose of the business shall not be deemed to be a contravention of this clause.

6. On the termination of the employment with the company, howsoever arising, and for a period of two years thereafter, the Managing Director shall not, neither on his behalf nor on behalf of any other person solicit business in competition with the company from any clients of the company with whom, he would have had dealings at any time during the course of his employment with the company.
7. The Managing Director shall always maintain the highest degree of confidentiality and keep as confidential the records, documents and other Confidential Information relating to the business of the company, which may be known to him or confided in him by any means and he shall use such records, documents and information only in a duly authorised manner in the interest of the company. For the purposes of this clause 'Confidential Information' means information about the Company's business and that of its customers which is not available to the general public and which may be learnt by him in the course of his current or past employment. This includes, but is not limited to, information relating to the organization, its customer lists, employment policies, personnel, and information about the company's products, processes, including ideas, concepts, projections, technology, manuals, drawing, designs, specifications, and all papers, resumes, records and other documents containing such Confidential Information.
8. Shri K. B. S. Anand hereby agrees with and undertakes to the Company that he shall not so long as he functions as the Managing Director of the Company become interested or otherwise concerned directly or otherwise through his wife and / or his children in any selling agency or distributorship/dealership of the Company or its products in future without the prior approval of the Company and his appointment as such Managing Director shall cease and determine if he shall at any time contravene the undertaking contained in this clause.
9. (a) The Company shall be entitled to determine this Agreement forthwith in the event of the Managing Director being found guilty of misconduct or negligence in the discharge of his duties or in the conduct of the Company's business or of any other act or omission inconsistent with his duties as the Managing Director or in breach of this agreement which in the opinion of the Board renders his immediate resignation from the office of the Managing Director necessary.

(b) For the purpose of this clause, the Board's opinion as to whether any of the events mentioned in sub-clause (a) hereof have occurred or not shall be final and binding upon the Managing Director and the Managing Director shall not be entitled to question the same on any ground and in any form whatsoever.
10. The employment of the Managing Director under this Agreement shall forthwith determine if he shall become insolvent or make any compromise or arrangement with his creditors.
11. Notwithstanding anything to the contrary contained in this Agreement, either party shall be entitled to terminate this Agreement by giving, not less than six calendar months notice in writing to the other, without the necessity of assigning any reason and on the expiry of the period of such notice, this agreement shall stand terminated and the Managing Director shall cease to be the Managing Director of the Company. PROVIDED HOWEVER, the Company

shall be entitled to terminate the employment agreement forthwith at any time by paying him six months' basic salary in lieu of such notice.

Notwithstanding the fact the Shri K. B. S. Anand was appointed as a director, forthwith upon termination of this employment agreement for any reasons whatsoever, Shri K. B. S. Anand shall be deemed to have vacated his office as a director in accordance with the provisions of section 283 (1)(l) of the Companies Act, 1956.

12. The Company shall pay to Shri K B S Anand, Managing Director during the continuance of this Agreement the following Salary and Perquisites with effect from 1st April, 2012 to 31st March, 2015:

Remuneration

I. Salary:

For the period from 1st April, 2012 to 31st March, 2015: Rs. 10,00,000/- per month with increment not exceeding 20% per annum at the discretion of the Board of Directors of the Company.

II. Commission:

The Managing Director shall be paid commission with effect from 1st April, 2012, at the maximum of 0.75% for each financial year on the net profit of the Company as calculated under Section 349 of the Companies Act, 1956 and such other applicable provisions, if any, of the Act, as may be determined by the Board of Directors from time to time.

Perquisites:

- A. The Managing Director will be provided furnished accommodation and in case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance of Rs. 2,80,000/- per month.
- B. Provident Fund: 12% of the basic salary.
- C. Superannuation: 15% of the basic salary.
The contribution stated at (B) and (C) is subject to any changes effected in the schemes / rules of the respective funds.
- D. Car: Provision of Company cars for official and for personal purpose of the Managing Director. E. Telephone: Provision of 2 (two) telephones at the residence of the Managing Director and internet broadband and reimbursement of mobile telephone expenses. Personal international calls shall be billed by the Company to the Managing Director.
- F. Other Perquisites: The perquisites other than A, B, C, D and E above shall be within an overall limit of 55% of annual basic salary per annum of the Managing Director. Such perquisites will include leave travel assistance, utilities expenses, reimbursement of personal driver's salary, payment of club fees (maximum of 2 clubs) excluding entrance fees, etc.; but exclusive of reimbursement of medical expenses, reimbursement of telephone, internet and petrol expenses. The perquisites shall be valued as per the Income Tax Act, 1961.

Benefits and Amenities:

- A. Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time.

- B. Leave: Leave on full pay and allowances at the rate of one month for every eleven months of service with liberty to accumulate such leave for a period of three months. Leave encashment for a maximum of three months accumulated leave to be permitted at the end of the term.
- C. Loan and Other Schemes: Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- D. Other benefits and amenities: Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- E. Reimbursement of costs, charges and expenses: The Company shall pay or reimburse to the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

The remuneration, perquisites, benefits and amenities as aforesaid to be allowed to the Managing Director shall be subject to such limits, if any, as laid down by the Companies Act, 1956.

Notwithstanding anything to the contrary herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Section II of Part II to Schedule XIII (as amended) of the Companies Act, 1956, and as may be decided by the Board of Directors of the Company.

The scope and quantum of remuneration, perquisites, benefits and amenities specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act 1956, and/or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time or for any other reason as the Board may deem fit.

- 13. Subject to the provisions of the Companies Act, 1956, Shri K. B. S. Anand, while he continues to hold office of the Managing Director, shall not be liable to retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Directors to retire, but shall ipso facto and immediately cease to be the Managing Director, if he ceases to hold office of a Director due to any cause.

IN WITNESS WHEREOF THE COMPANY HAS CAUSED ITS COMMON SEAL TO BE HEREUNTO AFFIXED AND THE MANAGING DIRECTOR HAS HEREUNTO SET HIS HAND THE DAY AND THE YEAR FIRST HEREINABOVE WRITTEN.

THE COMMON SEAL OF ASIAN PAINTS)	Sd/-
LIMITED HAS) HEREUNTO BEEN AFFIXED)	SHRI ASHWIN CHOKSI
PURSUANT TO THE) RESOLUTION OF THE)	Sd/-
BOARD OF DIRECTORS PASSED) AT THE)	SHRI ASHWIN DANI
MEETING HELD ON 29 TH MARCH, 2012 IN)	Sd/-
THE PRESENCE OF)	SHRI ABHAY VAKIL

SIGNED, SEALED AND DELIVERED BY THE)
WITHIN NAMED SHRI K. B. S. ANAND)