



**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION**

Asian Paints Limited

CIN: L24220MH1945PLC004598

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

www.asianpaints.com

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
Digitally signed by Registrar of Companies
Date: 2013.02.01 14:33:31
GMT+05:30

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.

No. 4598/TA

CERTIFICATE OF CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
UNDER THE COMPANIES ACT, 1956.

IN THE MATTER OF **ASIAN PAINTS (INDIA) PRIVATE LIMITED** I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed by the company at its Extra-ordinary General Meeting on the 4-12-1973.

The name of "**ASIAN PAINTS (INDIA) PRIVATE LIMITED**" has this day been changed to "**ASIAN PAINTS (INDIA) LIMITED**". And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this SEVENTEENTH day of DECEMBER one thousand nine hundred and seventy three.

The Seal of
Registrar of
Companies,
Bombay

Sd/-
(**V. M. GODBOLE**)
Asst. Registrar of Companies
Maharashtra, Bombay.

No. 4598

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

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

[Under the Companies Act, 1956 (1 to 1956)]

IN THE MATTER OF M/s. ASIAN OIL & PAINT COMPANY (INDIA) PRIVATE LIMITED.

I hereby certify that M/s. Asian Oil & Paint Company (India) Private Limited, which was originally incorporated on 24th day of October, 1945 under the Indian Companies Act, 1913 and under the name ASIAN OIL & PAINT COMPANY (INDIA) PRIVATE LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in the Government of India. Ministry of Finance, Department of Company Affairs & Insurance, Company Law Board, Regional Director, Western Region, Bombay by his letter No. RD : D : 10 (16)-65-Change dated 5th June, 1965 the name of the said Company is this day changed to ASIAN PAINTS (INDIA) PRIVATE LIMITED and this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at a Bombay this NINETH of August ONE THOUSAND NINE HUNDRED AND SIXTY-FIVE (18th Sravana 1887).

The Seal of
Registrar of
Companies,
Bombay

Sd/-M.V. SHAH

ASST.
REGISTRAR OF
COMPANIES,

MAHARASHTRA,
BOMBAY.

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

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THE INDIAN COMPANIES ACT, 1913
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF

ASIAN PAINTS LIMITED

- | | | |
|------|--|--|
| I. | The name of the Company is "Asian Paints Limited." | Name of the Company. |
| II. | The Registered Office of the Company will be situate in the Province of Bombay. | Registered Office. |
| III. | The objects for which the Company is established are : | Objects. |
| 1. | To acquire and take over as a going concern and carry on the business of manufacturing Oil & Colour Paints of all kinds and also brushes required for painting etc., now carried on by Messrs. Suryakant Chandulal Dani, Champaklal Hiralal Choksey, Arvind Ishwarlal Vakil, Himatlal J. Vora and Chimanlal Nanabhai Choksi in partnership in Bombay in the name and style of "Asian Oil & Paint Co.," together with all the real and personal property and assets of the said partnership firm of that business used in connection therewith belonging thereto inducing all assets, liabilities, name, goodwill etc., of the business recently purchased and run by them in the name and style of "Universal Paint Manufacturing Co." and with a view thereto to enter and carry into effect either with or without modification an agreement which has been already prepared and engrossed and is expressed to be made between the said partnership firm of the one part and the above named company of the other part, a copy whereof has for the purpose of identification been signed by the two of the subscribers hereto. | To acquire business.

To enter into agreement. |
| 2. | To carry on, either in connection with the business aforesaid or as distinct or separate businesses, the businesses of manufacturing Oil and Colour Paints of all types and all kinds including manufacturers and dealers in Lacquers, Enamels, Paints, Varnishes, Oils, Distempers, Dry Colours, Minerals, Disinfectants, Turpentine, Painting Brushes, and/or any other item or items that can be manufactured or dealt with in connection with the Company's aforesaid business. | To carry on oil and colour paint business. |
| 3. | To carry on the business of manufacturers, dealers, importers, of Oil and Colour Paints and Brushes of all types and all kinds including Lacquers, Enamels, Paints, Varnishes, Oils, Distempers, Dry Colours, Minerals, Disinfectants, Turpentine, Painting Brushes and other item connecting with the business of Oil and Coloured Paints. | To carry on oil and colour paint business. |
| 3-A | To carry on business as manufacturers and dealers in : | |
| | (a) All types of synthetic rubbers and elastomers, synthetic resins, plastics, latices and formulations thereof including reclaimed rubber and all kinds of rubber and plastic products and goods; | |
| | (b) Styrene, butadiene and similar monomers, ethylene, alcohol, petroleum fractions and other chemical substances of all kinds, to manufacture compounds, synthetic and other substances, basic, intermediate or otherwise from chemical substances of all kinds; | |

- (c) All kinds of plastic materials, styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyethylene, polyoleifines, vinyl acetate and copolymers of one or more of the above and/or other products, acrylics and polyesters, polycarbonate and polyethers and epoxy resins and compositions, silicon resins and compositions, P-F, U-F and other thermosetting resins and moulding compositions, nylons, Rilsan and similar thermoplastics and moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin) oxygen, nitrogen, hydrogen, halogen, hydrocarbon gases, including ethylene and acetylene, propylene, butanes and homologues and allied types of reagents, weedicides, pesticides, fungicides, colouring materials, pigments and lakes, dyes, toners, perfumes and flavoring chemicals, rubber chemicals, plastic and resinous materials, elastomers, gums, glues and adhesive and sealant compositions, plasticizers, surface active agents, tanning agent, coating resins, solvents, marine chemicals, synthetic fibres, fertilisers and all types of Industrial chemicals, acids, alkalies, hormones, trace elements;
- (d) Alkalies, acids, tanins, essences, and photographic, sizing, chemical, petrochemical, industrial and other preparations and articles of any nature and kind whatsoever, waxes natural and synthetic, industrial solvents and pasting agents, extenders, rubber chemicals including vulcanisers, anti-oxidants, accelerators, reinforcing agents, silica compounds, softners, blowing agents, and special chemical substances, cements, pigments, plasticizers and extenders, dyestuffs and intermediates;
- (e) All types of chemicals, including basic chemicals, organic and inorganic chemicals and fertilisers, plant growth activators and regulators and other articles and compounds, ingredients and products and other things of any description for use in connection therewith.

3-B To carry on the business of home improvement & decor including interior and exterior furnisners & decorators for home, offices, factories or any other building and for the purpose to manufacture, process, produce, prepare, make, sell, purchase, import, export, trade, market, all types of items/products of exterior and interior decoration/ furnishing, modular furniture, modular kitchens, all kinds of kitchen appliances, wooden furniture, steel furniture including wood, mica, laminates, partitions, panel products, rods, laminates, plywood, doors, windows made from wood, board, aluminum, kitchenware, venetian blinds, grills, door closures, all types of fittings, bathroom faucets and other fixtures, hardware, glasses, mirrors, sun films, wall papers, wall cladding, leatherette cloth, sanitary fittings, electric fittings and other accessories, fans, lamps, coolers, security items, all kinds of appliances and other products; all types of building materials including flooring materials which includes tiles, wooden flooring, flooring laminates, industrial flooring, carpets, rugs; all types of roofing materials, shingles; insulation materials, construction chemicals, water proofing; prefabricated building materials and other building material and architectural work".

- | | | |
|-----|--|---|
| 4. | To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above objects, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property. | To carry on any other business. |
| 5. | To carry on the manufacture and sale of patent medicines and preparations and generally to carry on the business of manufacturers, buyers, and sellers of and dealers in all kinds of medicines and medical preparations and drugs whatsoever and obtain patents for them. | To carry on business in patent medicines. |
| 6. | To carry on all or any of the businesses of chemists, druggists, chemical manufacturers, and importers and manufacturers of and dealers in pharmaceutical and medicinal preparations. | |
| 7. | To manufacture, buy, sell, and deal in mineral water, wines, cordials, liquors, soups, broths, and other restoratives or food, specially suitable or deemed to be suitable for invalids and convalescents. | |
| 8. | To adopt such means of making known the products of the Company as may seem expedient, and in particular by advertising in the press by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations. | |
| 9. | To purchase or by any other means acquire any freehold, leasehold, or other property for any estate or interest whatever, and any rights, privileges, or easements over or in respect of any property, and any buildings, offices, factories, mills, works, wharves, roads, railways, tramways, machinery, engines, rolling stock, vehicles, plant, live and dead stock, barges, vessels, or things, and any real or personal property or rights whatsoever which may be necessary for, or may be conveniently used with, or may enhance the value of any other property of the Company. | To acquire property. |
| 10. | To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, offices, factories, mills, works, wharves, roads, railways, tramways, machinery, engines, walls, fences, banks, dams, sluices, or water courses, and to clear sites for the same, or to join with any person, firm, or company in doing any of the things aforesaid, and to work, manage, and control the same or join with others in so doing. | To construct and alter buildings. |
| 11. | To apply for, register, purchase, or by any other means acquire and protect, prolong, and renew, whether in India or elsewhere, any patents, patent rights, brevets d'invention, licences, trade marks, designs, protections, and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire. | To acquire patents.

To grant licenses in respect of patents. |
| 12. | To acquire and undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm, or company, or to acquire any | To acquire other businesses |

To amalgamate.		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 | <p>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.</p> <p>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.</p> | To support charitable institutions. |
| 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 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.

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| 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.
 - 3A. 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 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. જયાબાઈ જમનાદાસ 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.

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF

ASIAN PAINTS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to the Special Resolution passed by the shareholders of the Company by way of Postal Ballot on 29th September, 2015, in substitution for and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

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| 1. Save as reproduced herein, the regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 (Table 'F'), as are applicable to a public company limited by Shares, shall not apply to the Company. | Table 'F' not to apply |
| The regulations for the management of the Company and for the observance by the Members thereto and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013 be such as contained in these Articles. | Company to be governed by these Articles |

INTERPRETATION

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| 2. In the interpretation of these Articles, unless repugnant to the subject or context: | |
| (a) The "Act" means the "Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company Law, so far as may be applicable. | "Act" |
| (b) "Articles" means the Articles of Association of the Company as registered with the Registrar of Companies including any alteration, modification and substitution thereto. | "Articles" |
| (c) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act. | "Annual General Meeting" |
| (d) "Beneficial owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996. | "Beneficial Owner" |
| (e) "Board" or "Board of Directors" means the Directors of the Company collectively and shall include a committee thereof. | "Board of Directors" or "The Board". |
| (f) "The Company" or "This Company" means 'Asian Paints Limited'. | "Company" |
| (g) "Extraordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof. | "Extraordinary General Meeting" |
| (h) "Members" means the duly registered holders from time to time of the Shares of the Company and includes the subscribers | "Members" |

to the Memorandum of Association of the Company, every other person who agrees in writing to become a Member of the Company and whose name is entered in the register of Members of the Company, as also one whose name is entered as a beneficial owner of the Shares in the records of Depository.

- “Meeting” or
“General Meeting”
- (i) “General Meeting” means a meeting of the Members of the Company.
- “Memorandum of Association” or
“Memorandum”
- (j) “Memorandum of Association” or “Memorandum” means the Memorandum of Association of the Company registered with the Registrar of Companies and includes any alteration, modification, substitution thereto.
- “Rules”
- (k) “Rules” means the rules as prescribed under relevant sections of the Act and as are applicable for the time being in force
- “Security”
- (l) “Security” or “Securities” means the securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 and includes such securities as may be specified by SEBI from time to time.
- “Share”
- (m) “Share” or “Shares” means Share in the share capital of the Company and includes stock where a distinction between stocks and Shares is expressed or implied.
- “Seal”
- (n) “Seal” means the common seal of the Company.
- “SEBI”
- (o) “SEBI” means the Securities and Exchange Board of India.
- “Singular number”
- (p) Words importing the singular number include, where the context admits or requires, the plural number and vice-versa.

The marginal notes and titles used in these Articles shall not affect the construction thereof.

Words importing the masculine gender shall include the feminine gender. The heading or sub-heading hereto shall not affect the construction of Articles.

Save as aforesaid and unless the context otherwise requires, words or expressions defined or contained in these Articles, shall, if not inconsistent with the context or subject, bear the same meaning as defined in the Act or any statutory modification thereof in force on the date on which these regulations become binding on the Company.

CAPITAL AND VARIATION OF RIGHTS

- Capital and Shares
3. (1) The authorized share capital of the Company shall be such amount and be divided into such class, number or kind of Shares as may from time to time, be provided in Clause V of the Memorandum of Association.
- (2) Subject to the provisions of the Act and these Articles, the Board of Directors shall be empowered to modify, increase the share capital and to divide the Shares for the time being into several classes and attach thereto preferential, deferred, qualified, or special rights or conditions, as may be determined by or in accordance with the Act or Articles or terms of issue 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 Act or Articles or the terms of issue.

(3) Further, subject to these Articles and Section 61 and other applicable provisions, if any, of the Act, the Company may, in General Meeting from time to time, decide to alter the conditions of its Memorandum of Association as follows:

- (a) increase its authorized share capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- (c) convert all or any of its fully paid-up Shares into stock and reconvert that stock into fully paid-up Shares of any denomination;

Provided that 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;

- (d) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; and
- (e) cancel Shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of capital within the meaning of the Act.

4. (1) (a) Any further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of private placement offer, right issue or preferential offer, subject to these Articles and in accordance with the provisions of the Act including Sections 43, 47 and 50 of the Act and Rules.

Mode of further issue of Shares

(b) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

New capital subject to conditions same as existing capital

(2) Subject to the provisions of Section 55 and other applicable provisions, if any, of the Act and other applicable laws, the Company shall have power to issue or re-issue preference Shares of one or more classes, which, at the option of the Company, are liable to be redeemed or converted into equity Shares, on

Issue of preference shares

such terms and conditions and in the manner provided in the resolution authorising such issue and in absence of any specific condition of their issue in that behalf in such manner as the Board may deem fit.

Issue of securities with differential rights

- (3) Notwithstanding anything contained in any of these Articles, but subject to the provisions of the Act or Rules or and other applicable laws, the Company may from time to time and at any time issue to any person(s) as it may deem fit, Shares whether equity, preference or any other class or any other financial instruments or Securities, by whatever name called, with differential voting rights and Shares or instruments or Securities so issued may carry rights as to vote, dividend, capital or otherwise, which may be disproportionate to the rights attached to the other Shares or Securities of the Company.

Power of the Board for Capitalization

- (4) Subject to the provisions of Section 63 and any other applicable provisions, if any, of the Act, the Rules and other applicable laws for the time being, the Company in General Meeting may resolve that the whole or any part of the undivided profits of the Company for the time being standing to the credit of the free reserve account or the Capital Redemption Reserve account or the Securities Premium Account, or any amount representing premium received on the issue of Shares, debentures, debenture-stock or any other Securities, any other reserve/fund which may be permitted to be utilized in this regard under the Act, the Rules and other applicable laws, may be capitalised and distributed amongst the Members of the Company, in proportion to the amounts paid-up or credited as paid-up thereon, as fully paid up bonus Shares or the resolution of such issue may require wherever such a resolution as aforesaid shall have been passed, the Board shall have the power to generally do all acts and things required to give effect thereto.

Board's power to issue fractional certificate, etc.

- (5) The Board for the purpose of this Article shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of relevant Share(s) or other Securities becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.
 - (c) Any agreement made under the aforesaid authority shall be effective and binding on such Members.

Shares under the control of the Board

5. Subject to the provisions of the Act and the Articles, the Shares of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount and at such time as it may from time to time deem fit.

6. Subject to the provisions of the Act and the Articles, the Board may issue and allot Shares in the capital of the Company, on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or services rendered to the Company and any Shares which may be so allotted may be issued as fully paid-up or partly paid-up or for consideration otherwise than for cash and if so issued, shall be deemed to be fully paid-up or partly paid-up Shares, as the case may be.
- Board may allot shares for consideration otherwise than cash
7. (1) Where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on these Shares shall be transferred to an account, to be called Securities Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as specifically provided under the Act and Articles, apply as if the Securities Premium Account were paid-up share capital of the Company.
- Securities Premium Account
- (2) The Securities Premium Account may, notwithstanding anything contained in sub-regulation (1) hereof but subject to complying with the provisions of Section 52 and other applicable provisions, if any of the Act, be applied by the Company.
- (a) towards the issue of unissued Shares of the Company, to the Members of the Company as fully paid up bonus Shares;
- (b) in writing off the preliminary expenses of the Company;
- (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of Shares or debentures of the Company; or
- (d) in providing for the premium payable on the redemption of any redeemable preference Shares or of any debentures of the Company; or
- (e) for the purchase of its own Shares or other permissible Securities under Section 68 of the Act.
8. The Company may at any time pay commission to any person in consideration of his subscribing, or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or Securities of or Debentures of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares in or Securities of or Debentures of the Company and the provisions of Section 40 of the Act and any other Rules or regulations, or other applicable SEBI laws in this behalf shall be observed and complied with. Such commission shall not exceed the maximum permissible rate as prescribed in the Rules or under any other applicable laws for the time being. Subject to the provisions of the Act and these Articles, the aforesaid commission may be paid in cash or by allotment of Securities or both or partly by cash and partly by allotment of Securities.
- Underwriting Commission
9. Whenever the share capital, by reason of the issue of preference Shares or issue of different classes of Shares or otherwise is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 and other applicable provisions, if any, of the Act and the Rules and whether or not the Company is being wound up, be modified, commuted, affected, abrogated dealt with or varied with the consent
- Variation of members' rights

in writing of the holders of not less than three-fourth of the issued capital of that class or with sanction of a special resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall, *mutatis mutandis*, apply to every such meeting.

Further, where the proposed variation by one class of shareholders affects the rights of any other class of shareholders, the consent of the three-fourth of such other class of shareholders shall also be obtained and the provisions of these Articles shall apply to such variation.

Buy-back of Securities

10. Notwithstanding anything contained in these Articles but subject to the provisions of the Act, the Rules and any other applicable law for the time being in force, the Company may purchase its own Shares or other specified 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.

Reduction of Capital

11. Subject to the provisions of the Act (including Sections 52, 55 and 66), the Rules framed thereunder and other applicable laws, the Company may by passing a special resolution, or in any manner and in particular and without prejudice to the generality of the foregoing power, may -
- (a) extinguish or reduce the liability on any of its Shares in respect of share capital not paid-up;
 - (b) either with or without extinguishing or reducing liability on any of its Shares, (i) cancel any paid-up share capital which is lost, or is unrepresented by available assets; or (ii) pay off any paid up share capital which is in excess of the wants of the Company, and may, if and so far as necessary alter its Memorandum by reducing the amount of its share capital and of its Shares accordingly; or
 - (c) reduce any amount standing to the credit of the Securities Premium Account;
 - (d) reduce any amount standing to the credit of the Capital Redemption Reserve Account; and
 - (e) any other amount standing to the credit of any other reserve or fund of capital nature.

CERTIFICATES

Issue of Share certificate

12. (1) Subject to the provisions of Section 29, 46 and other applicable provisions, if any, of the Act, Rules and other applicable Regulations issued by SEBI, every Member or allottee of Shares or Securities of the Company shall be entitled to receive one certificate specifying the name of the person(s) in whose favour it is issued, the Shares /security, as the case may be, to which it relates, the certificate number and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee of the Board in this regard 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. Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as it may think fit.

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| <p>(2) Subject to the Act, every share certificate shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by two Directors, duly authorised by the Board for the purpose or persons acting on behalf of the Directors or the Committee of the Board if so authorised by the Board; and the Secretary or any other person authorised by the Board for the purpose, 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 Whole time Director. The share certificate issued shall be in conformity with the provisions of the Act and the Rules. Further, a director/authorized representative, shall deemed to have signed the share certificate if their respective signature(s) are printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, or digitally signed, but not by means of a rubber stamp.</p> | <p>Certificates to bear Seal</p> |
| <p>(3) The particulars of every certificate issued in accordance with the provisions of these Articles, the Act and the Rules, shall be the <i>prima facie</i> evidence of the title of the person of such Shares and the particulars of every such share certificate issued shall be entered in the register of Members maintained by the Company under the Act read with the relevant Rules along with the name(s) of the person(s) to whom it has been issued, indicating the date of the issue.</p> | <p>Issue of certificates to be <i>prima facie</i> evidence of title</p> |
| <p>(4) Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after allotment or within one month registration of transfer or transmission, or such time as may be required under the Act and the Rules –</p> <p>(a) one certificate for all his Shares without payment of any charges; or</p> <p>(b) several certificates issued for one or more of his Shares, upon payment of Rs. 50/- for every certificate or such charges as may be fixed by the Board for each certificate after the first. The charges may be waived off by the Company.</p> <p>The Company shall also comply with the regulations issued by the SEBI or any other regulatory authority in this regard from time to time.</p> | <p>Members entitled to receive share certificates within prescribed time</p> |
| <p>13. Subject to the provisions of the Act and the Rules, any two or more joint allottees of a Share shall, be treated as a single Member for issue of share certificates 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.</p> | <p>One certificate for shares held jointly</p> |
| <p>14. Notwithstanding anything contained in these Articles but subject to the provisions of Section 29 and other applicable provisions, if any, of the Act, the Company shall be entitled to dematerialise or rematerialise its Shares, debentures and other securities (both existing and future) held by it with the Depositories provided that in case of a public offer of its securities for subscription, the same shall be only in a dematerialised form pursuant to the relevant provisions of the Act, the Rules, the Depositories Act, 1996 (including the relevant rules and regulations thereunder), Regulations issued by SEBI and other applicable laws, if any.</p> | <p>Issue of Securities in dematerialised form</p> |

Such a person who is the Beneficial Owner of the Securities can at any time opt out of a Depository, if permitted by law in respect of any securities in the manner provided under the applicable laws including 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.

Issue of new certificate in place of one defaced, lost or destroyed

15. No certificate of any Share(s) 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 pages 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. Subject to the Act and the Rules, the Company may charge such fee as the Board thinks fit, not exceeding fifty (50) rupees per certificate or Rules, on splitting or consolidation of the share certificate(s) or in replacement of share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out. The issue of new share certificate(s) shall be in conformity with the provisions of the Act and the Rules issued thereunder, or any other statutory modification or re-enactment thereof.

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

16. Except as ordered by a Court of competent jurisdiction or required by law or otherwise stated in these Articles, the Company shall be entitled to treat the person whose name appears on the register of Members as a holder of any Share or whose name appears as the Beneficial Owner of Shares in the records of the Depository, as the absolute owner therefore 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 (but not exceeding three) or the survivor or survivors of them.

Dividend how remitted in case of joint-holding

17. If any Share stands in the names of two or more persons, the person first named in the register of Members shall, as regards receipts of dividends or bonus and service of notice, be deemed to be recognized for payment in respect of such Shares, unless otherwise notice received by the Company from any of the joint holders in this regard stating otherwise. However, 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 Shares and for all incidents thereof according to the Articles.

FURTHER ISSUE OF CAPITAL

Further issue of shares

18. (1) Subject to the provisions of the Act, where at any time, the Company proposes to increase its subscribed share capital by the issue of further Shares, such Shares shall be offered—

- (a) to persons who, at the date of the offer, are holders of equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those Shares at that date by sending a letter of offer,
- (b) such offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined,

- (c) such offer shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person; and the notice referred above shall contain a statement of this right, however, the aforesaid right shall be subject to such terms and conditions as may be imposed by the Board at its absolute discretion.
 - (d) 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 which is not dis-advantageous to the shareholders and the Company.
- (2) Subject to the provisions of the Act and the Rules, the Company may issue further Shares to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and in conformity with the provisions prescribed under the Act and in the Rules or the Articles or other applicable laws, if any.
- (3) The Company may also issue further Shares in accordance with the provisions of the Act, the Rules and other applicable laws, to any person(s), if authorised by a special resolution, whether or not those person(s) include the person(s) referred to in Section 62(1)(a)/(b) of the Act, either for cash or for a consideration other than cash.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into Shares in the Company, provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.
19. Subject to the provisions of Sections 54, 62 and other applicable provisions, if any, of the Act, the Rules, and subject to these Articles, and other applicable SEBI regulations issued in this regard, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Managing Director, the Whole time directors, Executive Chairperson or Executive Vice-chairperson, if any, such number of equity Shares of the Company, 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. The issue price of such Shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue. In the alternative to equity Shares, mentioned hereinabove, the Board may also offer employees stock option, employees stock purchase Shares, stock appreciation rights, general employees benefits/rights or other retirement benefits, etc., in accordance with the provisions of the Act, applicable laws including the SEBI (Share Based Employee Benefits) Regulations, 2014, as may be amended from time to time.

Employee's Stock
Options

LIEN

- Company to have lien on Shares
20. (1) The Company shall have a first and paramount lien –
- (a) on every Share (not being a fully paid-up Share), for all monies (presently payable or not) called, or payable at a fixed time, in respect of that Share; and
 - (b) on all Shares (not being fully paid Shares) standing registered in the name of a single person (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company.
- Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this regulation.
- Lien to extend to dividends, bonuses, etc.
- (2) The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.
- Company to enforce lien by way of sale
21. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien.
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency or otherwise.
- Validity of Sale
22. (1) Subject to the provisions of the Act, to give effect to any such sale, the Board may authorise any person for the sale of Shares to the purchaser thereof.
- Purchaser to be registered as of Shares' holder
- (2) The purchaser shall be registered as the holder of the Shares comprised in any such sale.
- Purchaser not affected
- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Application of proceeds of sale
23. (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- Payment of residual money
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

CALLS ON SHARES

- Board may make calls
24. (1) The Board may, from time to time, subject to the provisions of Section 49 and any other applicable provisions, if any, of the Act, the Rules, Regulations issued by SEBI and the terms on which any Shares have been issued; subject to the conditions of

allotment by a resolution passed by the Board make such calls as it thinks fit, upon the Members, 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, by the Board, to the person or persons and at the times and places appointed by the Board.

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| (2) | Fifteen days, or such other period as specified by the Act, notice in writing of any call shall 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 call |
| (3) | 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. | Calls to date from resolution |
| (4) | A call may be revoked or postponed at the discretion of the Board. | Call may be revoked or postponed |
| (5) | The Company may accept from any Member, the whole or a part of the amount remaining unpaid on any Shares held by him, even if no part of that amount has been called up. | Company to accept unpaid share capital, although not called up. |
| (6) | The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof. | Joint-holders, jointly and severally liable to pay calls |
| (7) | The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls subject to the provisions of the Act, the Rules and other applicable laws. | Power of Board to extend time for payment of calls. |
| (8) | 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 twenty four (24) per cent per annum or such rate as may be prescribed under the Act, the Rules or other applicable laws, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. | Calls may carry interest. |
| (9) | 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. | Sums deemed to be calls |
| (10) | Subject to the provisions of the Act and other applicable laws including Regulations issued by SEBI, 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 in the register of Members as the holder, at or subsequently at the | Proof on trial of suit for money due on shares |

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

(11) 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

(12) Subject to the provisions of the Act, 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.

No voting rights in respect of the call money paid in advance.

(13) 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.

Provisions as to calls to apply, *mutatis mutandis*, to debentures, etc.

25. The provisions of these Articles relating to calls shall, *mutatis mutandis*, apply to any other securities, if any, of the Company.

FORFEITURE OF SHARES

If call or instalment not paid, notice must be given

26. If a Member fails to pay any call, or installment of a call or any money due in respect of any Share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time, as the call or any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

<p>27. Subject to the provisions of the Act, the notice aforesaid shall –</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.</p>	Form of notice
<p>28. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board or the Committee thereof 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>	In the event of default of payment of shares to be forfeited
<p>29. A forfeited Share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.</p>	Forfeited shares may be sold
<p>30. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	Cancellation of forfeiture
<p>31. (1) A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.</p>	Member still liable to pay money owing at the time of forfeiture
<p>(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the Shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the Share.</p>	Member still liable to pay money owing at the time of forfeiture and interest cessation of liability
<p>32. (1) Subject to the provisions of the Act and the Rules, a duly verified declaration in writing that the declaring personnel is the Director, the Manager or the Secretary or any other person authorised by the Board in this regard, of the Company and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>	Certificate of forfeiture
<p>(2) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.</p>	Title of purchaser/ transferee of forfeited shares
<p>(3) The transferee shall thereupon be registered as the holder of the Share; and</p>	Transferee to be registered as holder
<p>(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected</p>	Transferee not affected

by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

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| Sums deemed to be calls | 33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |
| Surrender of shares | 34. The Board may, subject to the provisions of the Act and the Rules, accept a surrender of any Shares from or for any Member desirous of surrendering on such terms as they think fit. |
| Provisions as to forfeiture of shares to apply, <i>mutatis mutandis</i> , to Securities etc. | 35. The provisions of these Articles relating to forfeiture of Shares shall, <i>mutatis mutandis</i> , apply to any other Securities, if any, of the Company. |

TRANSFER OF SHARES

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| Instrument of transfer to be executed by transferor and transferee | 36. (1) The instrument of transfer of any Securities in the Company shall be in a prescribed form in accordance with the requirements of the Act read with the Rules, executed by or on behalf of both the transferor and transferee and specifying the name, address and occupation, if any, and has been delivered to the Company along with the certificates relating to the Security, or if no such certificate is in existence, along with the letter of allotment of the Security.

(2) Provided that, subject to the provisions of the Act, Rules and other applicable provisions, where on an application in the prescribed form in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Provided further that nothing in this Article shall prejudice any power of the Company to register as Security holder, any person to whom the right to any Security in the Company has been transmitted by operation of law.

(3) The transferor shall be deemed to remain a holder of the Security, until the name of the transferee is entered in the statutory register in respect thereof.

Provided nothing in this Article shall apply to transfer of Securities held in dematerialized form through depository. |
| Register of Transfer | 37. (1) 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. |
| Transfer shares held on dematerialisation | (2) Notwithstanding anything contained in these Articles, in case of transfer of Shares or Securities held in electronic or fungible form, the provisions of the Depositories Act, 1996, or statutory modification of re-enactment thereof shall apply. Provisions of |

Section 45 of the Act, relating to progressive numbering shall not apply to the Securities of the Company which has been dematerialised.

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| <p>38. 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 based on the terms of issue of such Security by the Company. 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 rules/regulations framed thereunder and other applicable provisions of law 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.</p> | <p>Option for investors to hold the Securities in dematerialised form or in physical form</p> |
| <p>39. Notwithstanding anything to the contrary contained in these Articles, but subject to the provisions of the Act and the Depositories Act, 1996 (Rules and Regulations framed thereunder) and other applicable laws, 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 under the Act and these Articles, 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 Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> | <p>Rights of depositories and Beneficial Owners in respect of the Securities held in demat form</p> |
| <p>40. The registers and index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act, 1996 read with relevant rules and regulations framed thereunder, shall be deemed to be the register and index of Members and Security holders as the case may be for the purposes of these Articles.</p> | <p>Register of Members</p> |
| <p>41. Notwithstanding anything contrary contained in these Articles, but subject to the provisions of the Act and other applicable provisions of the Depositories Act, 1996 and rules and regulations framed thereunder, where securities are held with in the Depositories, the records of the beneficial owner may be served by such Depositories to the Company by means of electronic mode or by delivery of floppies or discs.</p> | <p>Serving of the details of Beneficial owners</p> |
| <p>42. Notwithstanding anything contained in these Articles, but subject to the provisions of the Act and other applicable provisions of the Depositories Act, 1996 and rules and regulations framed thereunder, where securities are dealt with by a Depository, the Company shall intimate the details of allotment of such securities to the Depositories immediately.</p> | <p>Intimation of allotment to the Depositories</p> |
| <p>43. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Securities made or purporting to be made by any apparent legal owner thereof (as shown on appearing in statutory registers to the</p> | <p>Company not liable for disregard of a notice prohibiting registration of a transfer</p> |

prejudice of persons having or claiming any equitable right, title or interest to or in the said Securities, 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/registers 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.

Power to decline transfer of Securities.

44. (1) The Board may, subject to the right of appeal conferred by Section 58 of the Act read with the Rules, decline to register –
- (a) the transfer of securities, not being a fully paid Share; or
 - (b) any transfer of securities on which the company has a lien.
- (2) The Board may decline to recognise any instrument of transfer unless –
- (a) the instrument of transfer is in the form as prescribed under the Act and the relevant Rules;
 - (b) the instrument of transfer is accompanied by the certificate of the Securities to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

Delegation of power to approve transfer of Securities.

45. Notwithstanding anything contained in these Articles, the Board of Directors may delegate to the Company's Registrar and Transfer Agents or any Committee of the Directors or any officials of the Company, the power to approve transfer and transmission of Securities and to do all incidental things thereto.

Closure of Register of transfer of Securities

46. Subject to the provisions of the Act and Rules and other applicable laws including Regulations issued by SEBI on giving not less than seven days previous notice in accordance with Section 91 of the Act and the Rules made thereunder, the registration of transfers of Securities may be suspended at such times and for such periods as the Board may from time to time determine.

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

Title of Shares on death of the Member

47. (1) Subject to the provisions of the Act, on the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a holder, shall be the persons recognised by the company as having any title to his interest in the Shares or any other person as may be required by law from time to time.

Estate of deceased Member liable

- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

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| <p>48. (1) Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board or any Committee thereof and subject as hereinafter provided, elect, either –</p> <p>(a) to be registered himself as holder of the Share; or</p> <p>(b) to make such transfer of the Share as the deceased or insolvent Member could have made.</p> <p>(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.</p> | <p>Transmission Clause</p> |
| <p>49. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Company to give effect to such registration or transfer.</p> | <p>Board's right to decline registration</p> |
| <p>50. (1) If the person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(2) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer deed / agreement of the Share.</p> <p>(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were signed by that Member.</p> | <p>Indemnity to the Company</p> <p>Notice of entitlement</p> <p>Manner of testifying election.</p> <p>Limitations applicable to notice of transmission</p> |
| <p>51. Subject to the provisions of the Act, the Rules and Regulations issued by SEBI, a person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which the deceased or insolvent Member was entitled, as if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.</p> | <p>Claimant to be entitled to same advantage</p> |

JOINT HOLDERS

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| <p>52. Where two or more persons are registered as joint holders (not more than three) of any Share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles and the Act read with Rules:</p> <p>(1) The joint-holders of any Share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such date.</p> | <p>Liability of joint-holders</p> |
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- Death of one or more joint-holders
- (2) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person(s) recognized by the Company as having any title to the Share but the Board may require such evidence of death as it may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other person.
- Receipt by one of the joint shareholder shall be sufficient
- (3) Any one of such joint-holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such Share.
- Delivery of certificate and giving of notice to first named holder.
- (4) Only the person whose name stands first in the register of Members as one of the joint-holders of any Share shall be entitled to the delivery of certificate, if any, relating to such Share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- Vote of joint-holders
- (5) (a) Any one of two or more joint-holders may vote at any meeting either personally or by Attorney or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such Shares shall alone be entitled to vote in respect of such Shares but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint holder present by any one attorney or proxy stands first or higher (as the case may be) in the register in respect of such Shares.
- Executors or administrators as joint-holder
- (b) Several executors or administrators of a deceased Member in whose (deceased Member) sole name any Share stands, shall for the purpose of this clause be deemed joint-holders.
- Provisions as to joint-holders as to shares to apply *mutatis mutandis* to debentures, etc.
- (c) The provisions of these Articles relating to joint holders of Shares shall, *mutatis mutandis*, apply to any other Securities, if any, of the Company registered in joint names.

MEETINGS OF MEMBERS

- Annual General Meeting
53. (1) The Company shall in each year hold in addition to any other meeting a General Meeting, as its Annual General Meeting in accordance with the provisions of the Act and the Rules made thereunder and shall specify the meeting as such in the notice calling it and, except in the case where the registrar of companies, has given an extension of time for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. However, the Annual General Meeting shall be held within a period of six months from the date of closing of the financial year of the Company.

- (2) Further, if the Registrar of Companies, for any special reason has extended the time within which any Annual General Meeting (not being first Annual General Meeting) meeting may be held, then the meeting may be held within such the additional time.
- (3) Subject to the provisions of the Act, any Member of a Company entitled to attend and vote at a General Meeting of Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.
- (4) Provided that unless where the proxy is appointed by a body corporate, a proxy shall not be entitled to vote except on a poll.
54. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting in accordance with and subject to the provisions of the Act, the Rules and other applicable laws. Convening of Extra-Ordinary General Meetings by the Board
55. Subject to the provisions of the Act, every Annual General Meeting shall be called during business hours, that is between 9 a.m. to 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated for the time being. For the purpose of this clause, national holiday means and includes a day declared as national holiday by the Central Government. Time and Place of the Annual General Meeting
56. No business shall be transacted at any General Meeting, unless a quorum is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act and the Rules. Quorum at the General Meeting
57. (1) Subject to the provisions of the Act, if within half an hour from the time appointed for holding a Meeting of the Members, a quorum is not present, the meeting, if called by or upon the requisition of Members, shall stand cancelled and in any other case, shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place, as the Board may determine. Meeting adjourned for want of quorum
- (2) Provided that in case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than three days or such period as provided under the Act and Rules, notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
- (3) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the Member present shall be quorum.
58. (1) Any General Meeting of the Company (including Annual General Meeting) may be called by giving not less than clear twenty-one days' notice in writing or through any electronic mode, as prescribed under the Act read with Rules. Length of notice for calling General Meeting

Meeting at shorter notice	(2) A General Meeting may be called after giving notice shorter than that specified in sub-regulation (1) hereof, if consent is accorded thereto in writing or through electronic mode, by Members of the Company, who are entitled to vote at the General Meeting and holding not less than ninety-five per cent of such part of the paid -up share capital of the Company as gives a right to vote at the General Meeting in accordance with the provisions of the Act and the Rules.
Contents of Notice	<p>59. (1) Every notice calling meeting of the Members of the Company shall specify the place and the day, date and hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to and in accordance with the provisions of the Act and the Rules, any notice calling a General Meeting shall be given either in writing or through electronic mode:</p> <p>(a) to every Member of the Company, to the legal representative of any deceased Member or the assignee of an insolvent Member,</p> <p>(b) the auditor or auditors of the Company; and</p> <p>(c) every director of the Company, by sending the same in accordance with the provisions of Section 20 of the Act read with the Rules.</p>
Ordinary and Special Business	<p>(3) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed to be special business, with the exception of business relating to the consideration of the financial statements and reports of the Auditors and Board of Directors thereon; the declaration of dividends; the appointment of directors in the place of those retiring; and the appointment of, and the fixing of the remuneration of the auditors.</p> <p>In the case of any other meeting, all business shall be deemed special.</p>
Explanatory Statement to be annexed to the Notice	<p>(4) A statement setting out the material facts concerning each item of special business to be transacted at a General Meeting, shall be annexed to the notice calling such meeting, including the nature of concern or interest, financial or otherwise, if any in respect of each of the items of every director and the manager and their relatives, if any and every other key managerial personnel and their relatives. Any other information and facts that may enable Members to understand the meaning, scope and implications of the items of business and to take decision thereon shall also be disclosed.</p> <p>(5) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Chairperson of the General Meetings	60. The Chairperson of the Board of Directors shall be entitled to take the chair at every General Meeting, or if there be no such Chairperson, or if in any meeting he/she is not present within fifteen minutes after the time appointed for holding such meeting, or declines to take the chair, the vice-chairperson, if any, shall be entitled to take the chair. If the vice-chairperson, is also not present or is unwilling to take the

chair, the directors present shall elect one of them as Chairperson and if no director be present or if the directors present decline to take the Chair, then the Members present shall elect one of the Members to be a chairperson.

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| 61. No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the Chair is vacant. | No business to be conducted before election of Chairman |
| 62. All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings. | Extra-ordinary General Meeting |
| 63. (1) The Board shall, on requisition of the Members as hereinafter provided or such other number of Members as required under the Act read with the Rules, forthwith proceed to convene Extra-ordinary General Meeting of the Company in accordance with the Act.

(2) If at any time there are not within India sufficient directors to form a quorum, or if the number of directors prescribed by these Articles and the continuing directors fail or neglect to increase the number of directors to that number or to convene General Meeting, any director or any two or more Members of the Company may call an Extra-ordinary General Meeting in the same manner as nearly as possible as that in which meetings may be called by the directors. | Extra-ordinary General Meeting by requisition |
| 64. Unless the Act provides otherwise, in case of requisition, the following provisions shall have effect –

(1) The requisition shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.

(2) The number of Members entitled to requisition a General Meeting in regard to any matter shall be such number of them as hold at the date of the receipt of the requisition, not less than one tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to that matter.

(3) Where two or more distinct matters are specified in the requisition, the provisions of above mentioned sub-regulation (2) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that sub-regulation is fulfilled.

(4) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a General Meeting for the consideration of those matters on a day not later than forty five days from the date of the deposit of the requisition, the General Meeting may be called by the requisitionists themselves within a period of three months from the date of requisition.

(5) A meeting called under this regulation by requisitionists shall be called in the same manner as nearly as possible, as that in which meeting is to be called by the Board.

(6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a General Meeting | Extra-ordinary General Meeting by requisition |

shall be repaid to the requisitionists by the Company and any sums so repaid shall be deducted by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

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| Accidental omission to give notice not to invalidate meeting | 65. Subject to the provisions of the Act, any accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such meeting. |
| Questions how decided | 66. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in Section 109 of the Act read with the Rules or the voting is carried out electronically, if applicable under the Act and the Rules. |
| Chairperson's declaration of results of voting by show of hands | 67. A declaration by the Chairperson of the meeting that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact. |
| Demand for poll | 68. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his own motion, or shall be ordered to be taken by him on demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company –

(a) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or

(b) holding Shares on which an aggregate sum of not less than five lakh rupees or such other higher amount as may be prescribed under the Act, has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand. |
| Time of taking poll | 69. A poll demanded on any question of adjournment or appointment of Chairperson of the meeting shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson) shall be taken at such time not being later than forty-eight hours from the time, when the demand was made and in such manner and place as the Chairperson of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which poll was taken. |
| Scrutinizers to be appointed | 70. Where a poll is to be taken, the Chairperson of the meeting shall appoint such number of persons as he deems necessary, to scrutinize the poll process and the votes given on the poll and to report thereon to him. The Chairperson shall have power to regulate the manner in which the poll shall be taken. |
| Demand for poll not to prevent transaction of other business | 71. The demand for a poll, except on the question of the election of the Chairperson 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. |

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| 72. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees or such other number as may be prescribed under the Act and the Rules, has been paid up and the Company shall give its Members notice of the resolution in the such manner as may be prescribed under the Act and the Rules. | Resolution requiring special notice |
| 73. (1) The Company shall cause minutes of the proceedings of every General Meeting of any class of Members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and the Rules and kept by making within thirty days, or such other time as required under the Act, of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof or such other time as required under the Act, in books kept for that purpose with their pages consecutively numbered. | Minutes of proceedings of meetings and resolutions passed by Postal Ballot |
| (2) Subject to the provisions of the Act, there shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting- | Certain matters not to be included in Minutes |
| (a) is, or could reasonably be regarded, as defamatory of any person; or | |
| (b) is irrelevant or immaterial to the proceedings; or | |
| (c) is detrimental to the interests of the Company. | |
| (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. | Discretion of Chairperson in relation to Minutes |
| (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be conclusive evidence of the proceedings recorded therein. | Minutes to be conclusive evidence |
| 74. The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall— | Inspection of minutes books of general meetings |
| (1) be kept at the registered office of the Company; and | |
| (2) be open to inspection by any Member without charge, during 11.00 a.m. to 3.00 p.m. on all working days other than Saturdays and Sundays. | |
| 75. Any Member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in Article 74 above, provided that a Member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost. | Members may obtain copy of minutes subject to the payment of fees |
| 76. The Company shall, in respect of such items of business as specified under the Act and the Rules, including other applicable laws, transact by means of postal ballot. Further, the Company may, in respect of any other item of business other than ordinary business and any business | Conduct of business by Postal Ballot |

in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot. The Company shall follow the procedure for conducting postal ballot as specified under the Act and the Rules.

VOTING RIGHTS

Restrictions on voting rights

77. Subject to the provisions of the Act and the Rules, no Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

Entitlement to vote on show of hands and on poll

78. Subject to any rights or restrictions for the time being attached to any class or classes of Shares and the provisions of the Act, the Rules and these Articles—

(1) on a show of hands, every Member not disqualified to vote under the Act or under these Articles, present in person (or being a body corporate present by a representative duly authorised) shall have one vote; and

(2) on voting by electronic means i.e. e-voting or a poll, the voting rights of Members [not disqualified to vote under the Act or under these Articles, when present in person (including a body corporate by a duly authorised representative)] or by an agent duly authorised under a Power of Attorney or by proxy shall be in proportion to his Share in 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 second proviso to sub-section (2) of Section 47 of the Act and other relevant provisions of the Act and the Rules framed thereunder, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference Shares and any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital. A Member is not prohibited from exercising his voting rights on the ground that he had not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

Voting by persons of unsound mind, minors, etc.

79. Subject to the provisions of the Act and the Rules framed thereunder, a Member of unsound mind, or in respect of whom an order has been made by any Court having appropriate jurisdiction, may vote, whether on a show of hands or on a poll, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy.

Business may proceed pending poll

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

Representation of body corporate etc.

81. (1) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of debentures) authorise such persons as it thinks fit, by a resolution of its Board of Directors or other governing body or by a letter issued by the principal officer of such body corporate, to act as its representative at any meeting of

the Company or any class of Members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, creditor or holder of debentures of the Company.

The production of a copy of the resolution referred above, certified by a director or the secretary of such body corporate or such other person as required as per the law governing such body corporate, before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives appointment and his right to vote thereat.

- (2) Where the President of India or the Governor of a State, is a Member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of Members of the Company and such a person shall be deemed to be Member of the Company and shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), as the President or, as the case may be, the Governor could exercise as a Member of the Company.

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| 82. Subject to the provisions of the Act, the Rules framed thereunder and these Articles, vote 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 authorized in accordance with the provisions of Section 113 and other applicable provisions, if any, of the Act. A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of Section 108 of the Act read with the Rules framed thereunder. | Method of voting |
| 83. Subject to the provisions of the Act, on a poll taken at a meeting of the Company, a Member entitled to more than one vote or proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he is entitled to. | Right of Members to vote differently |
| 84. Subject to the provisions of the Act and the Rules framed thereunder, and other provisions of these Articles, any person entitled under the transmission clause to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that atleast 48 (forty eight) hours (or such other time period as may be required under the Act and the Rules) before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such Shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent Members, etc. |

PROXY

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| 85. Subject to the provisions of the Act, any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting, provided that a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote | Member may vote in person or otherwise |
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except on poll. A person appointed as proxy shall act on behalf of such Member or number of Members not exceeding fifty (50) and such number of Shares as prescribed under the Act and the Rules issued thereunder.

Proxies to be deposited forty eight hours before the meeting

86. Subject to the provisions of the Act, the instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

Form of proxy

87. An instrument appointing a proxy shall be in such form as prescribed under the Act read with the relevant Rules framed in this regard.

Proxy to be valid notwithstanding death of the principal, transfer of shares etc.

88. Subject to the provisions of the Act, a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Chairperson of the meeting to be the judge of validity of any vote

89. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

Number of Directors

90. Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen) or such number as may be fixed by the Act, read with the Rules issued thereunder, from time to time. Provided that, if the number of directors exceeds 15 or such other limit prescribed under the Act and the Rules, prior permission of the Company by way of Special Resolution shall be obtained.

Directors not liable to retire by rotation

91. Subject to the provisions of the Act, the Board shall have the power to determine the directors, whose period of office is or is not liable to retire by rotation. A retiring director shall be eligible for re-election. Subject to the provisions of the Act, the Rules and any other law for the time being in force, the Board shall be entitled to appoint Non-Executive Director, whose office shall not be liable to retire by rotation.

Appointment and Remuneration of Independent Directors

91A. Subject to the provisions of Section 149, other applicable provisions of the Act, the Rules and the provisions of other applicable laws or other rules and regulations in force which are applicable, the Company shall appoint such number of Independent Directors as may be necessary, and the appointment of such Independent Directors, shall be approved in the General Meeting. The Independent Directors of the Company shall have such qualifications and shall perform such functions, duties, roles and responsibilities as

may be prescribed under the Act, the Rules and other applicable laws. Subject to the provisions of the Act, the Rules and other applicable laws, the Independent Directors of the Company, shall be entitled to receive remuneration by way of fees, reimbursement of expenses for attending the meetings of the Board and other meetings and profit related commission as may be approved by the Members.

92. Any trust deed for securing debentures or debenture stocks, may, if arranged, provide for the appointment, from time to time by the trustee thereof or by the holders of the debentures or debenture stocks, of some person to be a director of the Company and may empower such trustee or holders of debentures or debenture stocks, from time to time, to remove and re-appoint any director so appointed. The director appointed under this Article is herein referred to as 'Debenture Director' and the term 'Debenture Director' means the director for the time being in office under this Article. Subject to the provisions of the Act, the Rules and other applicable laws, the Debenture Director shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provision as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the provisions herein contained. Debenture Director
93. (1) Subject to these Articles, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles and in accordance with the Act read with the Rules issued thereunder. Appointment of Additional Directors
- (2) The Additional Director(s), shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act and the Rules.
94. Subject to the provisions of the Act and the Rules, the Company may appoint, not less than two-third of its total number of directors, in accordance with the principle of proportional representation. Option to adopt principle of proportional representation for appointment of directors
95. Subject to the provisions of the Act, the Rules and other applicable laws, the Company may have, the director(s) elected by the small shareholders in such manner and with such terms and conditions as may be provided under the Act, the Rules and other applicable laws. Appointment of directors elected by small shareholders
96. Notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. Whenever the Company enters into any contract with any government, bank, financial institution or any other person (the appointer) for borrowing any money or for providing any guarantee or security or for underwriting or for subscription to the securities of the Company, the Board shall have power, subject to the provisions of the Act, to agree that such appointer shall have the right to appoint a director(s). A person so appointed shall be hereinafter referred to as "Nominee Director(s)" on the Board of the Company and his tenure shall be governed by the terms of such provision of law or agreement or as may be decided by the appointer as the case may Nominee Director

be and subject to the provisions of the Act. Such terms may include the right conferred thereunder to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s). Such Nominee Director(s) shall not be required to hold any qualification Share in the Company. Subject to the provisions of the Act and the resolution passed in the General Meeting, such Nominee Director(s) shall not be liable to retirement by rotation. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligation as any other director of the Company. The Nominee Director(s) appointed shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and the meetings of the Committee of which the Nominee Director(s) is/are Member(s), as also the minutes of such meetings.

Qualification Shares for a director

97. Subject to the provisions of the Act, a director need not hold any qualification Shares of the Company.

Continuing directors may act notwithstanding vacancy

98. Subject to the provisions of the Act, the continuing director or directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles or under the Act, for a meeting of the Board of Directors, the continuing director or directors may act for the purpose of increasing the number of directors to that fixed for the quorum or for summoning a General Meeting of the Company, and for no other purpose.

Disqualifications of a Director

99. (1) A person shall not be capable of being appointed as a director of the Company, if—

- (a) he is of unsound mind and stands so declared by competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.

Provided that, if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any Shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under Section 188 of the Act at any time during the last preceding five years; or
- (h) he has not complied with provisions of sub-section (3) of Section 152 of the Act.

- (2) No person who is or has been a director of a company which—
- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
 - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

Provided that the disqualifications referred to in Article 99(1) (d), (e) and (g) shall not take effect—

- (i) for thirty days from the date of conviction or order of disqualification;
- (ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or
- (iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed off.

100. Subject to the provisions of the Act, the office of a director shall become vacant if—

Vacation of office of a Director

- (a) he incurs any of the disqualifications mentioned in Section 164 of the Act;
- (b) he absents himself from all meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board;
- (c) he acts in contravention of Section 184 of the Act relating to entering into any contract or arrangement in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in contravention of Section 184 of the Act; or
- (e) he becomes disqualified by an order of the Court or Tribunal;
- (f) he has been convicted by a Court of any offence whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

- (g) he is removed in pursuance of the provisions of the Act or he resigns his office;
- (h) he having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that Company.

101. (1) The Board may, subject to the provisions of the Act, appoint a person (not being a person holding any alternate directorship for any other director in the Company), to act as an Alternate Director for a director (hereinafter in this Article called the

Appointment of an Alternate Director

	<p>“original director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act and other applicable laws.</p>
Duration of office of an Alternate Director	(2) An Alternate Director shall not hold office for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate the office if and when the original director returns to India.
Re-appointment provisions not applicable to an Alternate Director	(3) If the term of office of the original director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the original director and not to the alternate director.
Rights of an Alternate Director	(4) Every such alternate director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of directors and to attend and vote as a director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original director.
Appointment of director to fill a casual vacancy	102. If the office of any director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting vacancy may be filled by the Board, subject to the provisions of the Act, the Rules and other applicable laws. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office, if it had not been vacated by him.
Remuneration of Directors	103. (1) The remuneration of a director for his service shall be such sum as may be fixed by the Board of Directors and approved by the Members, subject to the maximum permissible limit under the Act, the Rules and other applicable laws. The directors may further, subject to the sanction of the central government (if any required under the Act and the Rules) may be paid such further remuneration as the Company shall, from time to time, determine.
Reimbursement of expenses	(2) The Board of Directors may subject to the maximum permissible limit prescribed under the Act, the Rules and applicable laws, allow and pay to any director who attends a meeting of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with the business of the Company at place other than his usual place of residence for the purpose of attending, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
Remuneration for extra services	(3) Subject to the provisions of Sections 149, 188, 196, 197, 198, and other applicable provisions, if any, of the Act and the Rules issued thereunder read with Schedule V thereof, if any director (not being Independent Director), being willing, shall be called upon to perform extra services (which expression shall include work done by a director as a Member of any committee formed by the director or in relation to signing share certificates or to make special exertions in going or residing out of his place of

residence or otherwise for any of the purposes concerning the business/operations/functioning of the Company), the Company shall remunerate, in addition to the remuneration including sitting fees, the concerned director so doing either by a fixed sum or otherwise as may be determined by the Board of Directors.

104. Subject to the provisions of the Act and the Rules, all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any person and in such manner as the Board shall from time to time determine. Execution of negotiable instruments
105. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter, at the first meeting of the Board in every financial year or wherever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company(ies), bodies corporate, firms or other association of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the Rules. Disclosure by Directors
- (2) Subject to the provisions of the Act and the Rules, every Director of the Company who is in any way whether directly or indirectly, concerned or interested, in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in which such contract or arrangement is discussed and shall not participate in such meeting.
- (3) Where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first Board Meeting held after he becomes so concerned or interested.
- (4) Subject to the provisions of the Act and the Rules, any contract or arrangement entered into by the Company without disclosure as aforesaid, or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- (5) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other body corporate or any firm or other entity, where any of the directors (or such director in association with any other director(s) of the Company) holds/hold not more than two percent of the paid up share capital of that other body corporate or is not a promoter, manager, chief executive officer of that body corporate, or such director is not a partner, owner or Member, in such firm or other entity, as the case may be.
106. Subject to these Articles and the Act, not less than two-thirds of the total number of directors of the Company, shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles and be appointed by the Company in General Meeting. Rotation of Directors

Retirement by rotation	<p>107. Subject to the provisions of Section 152 and other applicable provisions of the Act and the Rules, at every Annual General Meeting of the Company, one-third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office of director.</p> <p>Subject to the provisions of the Act and these Articles, the Debenture Directors, Independent Director, Nominee Director, the Managing and Whole-time Director of the Company, shall not be subject to retirement under this Article.</p>
Determination of Directors to retire at an Annual General Meeting	<p>108. Subject to Section 152 of the Act and the Rules framed thereunder, the directors to retire by rotation under these Articles 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 amongst themselves, be determined by lot.</p>
Retiring director eligible for re-election	<p>109. Subject to the provisions of the Act, a retiring director shall be eligible for re-election as a director of the Company.</p>
Company to fill vacancy	<p>110. Subject to Sections 152 and 169 of the Act, the Company at the General Meeting at which a director retires in manner aforesaid, may fill up the vacancy by appointing the retiring director or some other person thereto after complying of the necessary procedure, as required under the Act.</p>
Provision in default of appointment	<p>111. Subject to the provisions of the Act and the Rules—</p> <ol style="list-style-type: none"> (1) If the place of retiring director is not so filled up and the meeting had 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 national holiday till the next succeeding day which is not a holiday, at the same time and place; (2) 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— <ol style="list-style-type: none"> (a) at the meeting or the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; (b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed; (c) he is not qualified or is disqualified for appointment as director; (d) a resolution, whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act; or (e) Section 162 of the Act is applicable to the case.
Appointment of directors to be voted individually	<p>112. (1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as directors of the Company by a single resolution unless a resolution that it shall be so made had been first agreed to by the meeting without any vote being given against it.</p>

- (2) A resolution moved in contravention of aforesaid Article, shall be void, whether or not objection was taken at the time of its being so moved.
- (3) Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring directors in default of another appointment as hereinbefore provided shall apply.

For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

113. (1) Subject to the provisions of the Act and the Rules, no person, not being a retiring director shall be eligible for election to the office of director at any General Meeting unless he or some other Member intending to propose him has, at least fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a director or the intention of such Member to propose him as a candidate for that office, as the case may be, along with a deposit of such amount as may be prescribed under the Act and the Rules, which shall be refunded to the director or such Member, as the case may be, if the person succeeds in getting elected as a director or gets more than twenty five per cent of the total valid votes cast either on show of hands or on poll on such occasion.
- (2) The Company shall inform its Members of the candidature of the person for the office of director or the intention of a Member to propose such person as a candidate for that office by complying with the provisions of the Act and the Rules issued thereunder.
- (3) Every person (other than a director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a director) proposed as a candidate for the office of a director shall sign and file with the Company consent in writing to act as a director, if appointed.
- (4) A person, other than—
 - (a) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
 - (b) an additional or alternate director or a person filling a casual vacancy in the office of a director under Section 161 of the Act, appointed as a director or re-appointed as Additional or Alternate Director, immediately on the expiry of the term of office;
 shall not act as a director of the Company unless he has on or before his appointment signed and filed with the company his consent in writing to act as such director.

Notice of candidature of appointment as director

114. Every director and every key managerial personnel of the Company 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 Section 170 of the Act. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board next after it is given.

Notice by directors and key managerial personnel about holding of securities

POWERS OF THE BOARD

General powers of the Company vested in Board.

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

Certain powers of the Board to be exercised only at Board meeting

116. Without derogating from the powers vested in the Board of Directors under the Act, the Rules and these Articles, the Board shall exercise the powers on behalf of the Company as mentioned in Section 179 of the Act read with the Rules issued thereunder, including any amendment(s) thereof only at a meeting.

Subject to the provisions of the Act and the Rules, the Board may, by resolution passed at a meeting delegate to any Committee of Directors, Managing Director, Manager or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office, the powers specified in the said section and the rules on such conditions as it may specify.

Powers of the Board

117. Without prejudice to the general powers conferred by this Article and so as not in any way to limit or restrict those powers, but subject to the restrictions contained in these Articles or where otherwise so provided under the Act and the Rules, it is hereby declared that the directors shall have the following powers, that is to say power –

- (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 40 of the Act.
- (3) Subject to Sections 179 and 188 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 the provisions 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 institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.
- (7) 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.
- (8) 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.
- (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 relevant provisions of the Act including Sections 179, 185, 186, 188 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 187 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 dependents 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 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 or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference Shares, debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part 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 179 of the Act to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than Share of this Company) as they may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof of 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 money of the Company might right be applied or expended; and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and/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 purchase or repayment of redeemable preference Shares, debentures or debentures stock 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.

- (16) 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-regulations.
- (17) To comply with the requirements of all laws as may be applicable and necessary 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.
- (18) Subject to Section 179 and other applicable provisions 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.
- (19) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be Attorney or Attorneys of the Company for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the 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 favour of the Members or any of the Members of any local board established as aforesaid or in favour of any company, or the shareholders, directors, nominees or manager of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney 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.

- (20) Subject to Sections 184, 188 and other applicable provisions 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.
- (21) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorised to carry on in any part of India or abroad.
- (22) To purchase, take on lease for any term or terms of years or otherwise, acquire any factories or any land or lands with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and subject to such terms and conditions as the directors may think fit and in any such purchase, lease or other acquisition, to accept such title as the directors may believe, or may be advised to be reasonably satisfactory.
- (23) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as the Board may think proper all or any part of the building, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
- (24) To purchase or otherwise acquire or obtain licence for the use of and to sell, exchange or grant licence for the use of any trade-mark, patent invention or technical know-how.
- (25) To sell from time to time any articles, materials, plans, stores and other articles and things belonging to the Company, as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- (26) From time to time, to expand the business and undertaking of the Company by adding to, altering or enlarging all or any kind of the buildings, factories, workshops, premises, plant and machinery for the time being the property of or in the possession of the Company or by erecting new or additional buildings and to expend such sum of money for the purposes aforesaid or any of them as may be thought necessary or expedient.
- (27) To undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversion or reversions and otherwise to acquire the free-hold, simple or all or any of the lands of the

Company for time being held under lease or for an estate less than free-hold estate.

- (28) Subject to the provisions of the Act, to improve, manage, develop, exchange, lease, sell, re-sell and re-purchase dispose or deal or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (29) To lease, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and accept payment of satisfaction for the same in cash or otherwise, they think fit.
- (30) To spend a part of profits of the Company on Corporate Social Responsibility in accordance with the provisions of Section 135 of the Act and the Rules.
- (31) Such other powers as the Act made thereunder may provide from time to time.

118. The Board shall have the power to 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.

Power of the Board to borrow

Provided further that the powers specified in Section 180 of the Act read with the Rules issued thereunder, shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated; or

119. Save as otherwise provided under the Act, 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.

Acts of Board or Committee not valid notwithstanding informal appointment.

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 been terminated.

MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, MANAGEMENT

120. Subject to the provisions of the Act, the Rules and these Articles, the Board, subject to the approval of the Members, if required, shall have power to appoint from time to time one or more of their Members to be Managing Director(s) and/or Whole-time Director(s) and/or

Appointment of Managerial Personnel

Manager(s) of the Company for such terms not exceeding five years at a time or such other time as may be permitted under the Act, as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

Remuneration of Managerial Personnel

121. The remuneration of the managerial personnel shall (subject to Section 197 and Schedule V to the Act and other applicable provisions of the Act and of these Articles and of any contract between the managerial personnel and the Company) be fixed by the Board, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits or by way of all these modes or any other mode not expressly prohibited by the Act.

Appointment of Chairperson or Vice-Chairperson

122. Subject to the provisions of the Act, the Rules and of these Articles, the Board shall have power to appoint from time to time any of its Members as executive chairperson or an executive vice chairperson, 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 these Articles, the Board may by resolution vest in such executive chairperson or vice-chairperson, as the case may be, 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 chairperson and/ or executive vice-chairperson shall (subject to the provision of Section 197 of the Act and Schedule V to the Act and other applicable provisions of the Act) be fixed by the directors and subject to the approval of the Members, if any required from time to time. Nothing in this Article, shall prohibit the Board from appointing one its Members as a non-executive chairperson or a non-executive vice-chairperson.

Managing Director to report to Executive Chairman or Board.

123. The Managing Director or directors who are in the whole time employment in the Company shall subject to supervision and control of the executive chairperson, if appointed and in absence of executive chairperson shall report to the Board of Directors and exercise such powers as are vested in them by the Board.

Cessation as a Director will result in cessation of office of Managing Director, Executive Chairperson and Vice-Chairperson

124. Subject to the provisions of the Act, if executive chairperson, vice-chairperson or Managing Director ceases to hold the office of director, he shall *ipso facto* and immediately cease to be an executive chairperson, Vice-Chairperson or a Managing Director of the Company.

PROCEEDINGS OF THE BOARD

Meeting of Directors

125. (1) In accordance with the provisions of the Act, the Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(2) A director may and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

- (3) The directors may adjourn and otherwise regulate their meetings as they think fit.
- (4) The quorum of the Board meeting shall be as provided in the Act.
126. (1) Notice of every meeting of the Board of Directors shall be given to every director at his address registered with the company in accordance with the provisions of the Act, the Rules and any other law for the time being in force. Notice of the Board meeting
- (2) The notice shall be given to directors specifying the time and place of the meeting. A director may at any time and the secretary upon the request of a director made at any time shall convene a meeting of the Board of Directors by giving notice to every other director at his registered address or every director as the case may be.
127. (1) Subject to Section 174 of the Act and the Rules framed thereunder, the quorum for a meeting of the Board of Directors shall be one-third of its total strength or two directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. Quorum for the Board meeting
- Provided that, where at any time the number of interested directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining directors (that is to say, the number of directors who are not interested) present at the meeting being not less than two shall be the quorum during such time.
- (2) For the purpose of aforesaid sub-regulation (1)—
- (a) “Total strength” means total strength of the Board of Directors of the Company determined in pursuance of the Act, after deducting therefrom number of the Directors, if any, whose place may be vacant at the time; and
- (b) “Interested Director” means a director within the meaning of Section 184(2) of the Act;
- (c) any fraction of a number shall be rounded off as one.
128. Subject to the provisions of the Act and the Rules, if a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week at the same time and place or if that day is a national holiday, till the next succeeding day which is not a national holiday at the same time and place. Adjournment of Board Meeting for want of quorum
129. The Secretary shall as and when directed by the directors to do so, convene a meeting of the Board by giving a notice to every other director in accordance with the provisions of the Act, the Rules and any other law for the time being in force. When meeting to be convened
130. The directors may from time to time elect from among their Members a chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the chairperson is not present within fifteen minutes after the time appointed for holding the same or if the chairperson is unable or unwilling to take the Chairperson, Vice-Chairperson of the Board Meeting

chair, the vice-chairperson shall be entitled to take the chair at such meeting. If there be no such chairperson and/or vice-chairperson 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 them to be the chairperson of the meeting.

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| Questions at Board Meetings how decided | 131. (1) Save as otherwise expressly provided in the Act and the Rules, questions arising at any meeting of the Board shall be decided by a majority of votes. |
| Casting vote of Chairperson | (2) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote. |
| Participation at Board/committees meetings through Video or audio-visual means | 132. The participation of directors in a meeting of the Board or of any of its committees, may be either in person or through video conferencing or audio visual means as may be prescribed under the Act and the Rules framed in this regard. |
| Delegation to Committees of the Board | 133. (1) The Board may, subject to the provisions of the Act and the Rules, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit. |
| Committee to confirm to Board regulations | (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. |
| Chairperson of Committee | (3) A committee may elect a chairperson of its meetings unless the Board, while constituting the committee has appointed a chairperson of such committee. |
| Who to preside at Committee Meetings | (4) If no such chairperson is elected or if at any meeting the chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be chairperson of the meeting. |
| Committee to meet | 134. (1) A committee may meet and adjourn as it thinks fit. |
| Questions at committee how to be decided | (2) Questions arising at any meetings of the committee shall be determined by a majority of votes of the Members present. |
| Acts of Board or Committee to be valid notwithstanding defect of appointment | 135. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. |
| Passing of resolution by circulation | 136. (1) Subject to the provisions of the Act and the Rules, a resolution passed by circular without a meeting of the Board or a committee of the Board appointed under these Articles shall subject to the provisions of sub-regulation (2) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held. |
| | (2) A resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the resolution, |

has been circulated in draft together with necessary papers, if any, to all the directors, or to all the Members of the committee at their addresses registered with the company in India or by post or by courier or through electronic means as may be prescribed and has been approved by a majority of the directors or Members of the committee who are entitled to vote on the resolution.

Provided that where not less than one-third of the total number of directors of the company for the time being, require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

137. (1) The minutes of each meeting of the Board and the Committees of the Board shall contain a fair and correct summary of the proceedings thereat.
- (2) Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meetings in such books shall be dated and signed—
- (a) in the case of minutes of proceedings of a meetings of Board or of a committee thereof, by the chairperson of the said meetings or the chairperson of the next succeeding meeting.
 - (b) in case of minutes of proceedings of the General Meeting by the chairperson of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that chairperson within that period by a director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- (4) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (5) In the case of a meeting of the Board of Directors or a Committee of the Board, the minutes shall 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.

Minutes of Board
and Committee
Meetings

Nothing contained in above mentioned sub-clause (1) to (5) hereof shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the chairperson 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.
- (6) The chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-regulation.

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| Minutes to be conclusive evidence | 138. The minutes of the proceedings of meeting of the Board or of every committee kept in accordance with the provision of Section 118 of the Act shall be evidence of the proceedings recorded therein. |
| Meeting deemed to be duly called | 139. Subject to the provisions of the Act, where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Act, then until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat have duly taken place and the resolutions passed by postal ballot to have been duly passed and in particular all appointments of directors, key managerial personnel, auditors or company secretary in practice made at the meeting shall be deemed to be valid. |
| Secretarial Standards | 140. The Company shall observe Secretarial Standards (including those with respect to Board meetings and General Meetings) as may be specified by the Institute of Company Secretaries of India and approved/notified by the Central Government from time to time. |
| Constitution of Board and committees | 141. Subject to the applicability of the relevant provisions of the Act, the Rules and other applicable laws, the Board shall constitute the relevant Committees of the Board.

Further, the Board may at its absolute discretion also constitute such other committee(s) including any advisory board/committees (which the Board or Committees may or may not comprise of the Board Member(s) as its constituents), to perform such functions/act, as may be decided in this regard from time to time. |

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY
OR CHIEF FINANCIAL OFFICER**

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| Appointment of Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer | 142. Subject to the provisions of the Act and the Rules framed thereunder, the Board may from time to time appoint and at their discretion, remove a Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer, and authorise them to perform any functions, which by the Act are to be performed by the a Chief Executive Officer, Company Secretary or Chief Financial Officer respectively and to execute any other managerial, ministerial or administrative duties or functions, which may, from time to time, be assigned to any of them by the Board. The Board may also, at any time, appoint some person (who need not be the key managerial personnel) to keep the registers required to be kept by the Company. |
| Managing Director may be appointed as the Chief Executive Officer; etc. | 143. Subject to the provisions of Section 203 of the Act and the Rules issued thereunder and any other law or statutory provision in force, an individual may be appointed as chairperson as well as Managing Director or Chief Executive Officer of the Company or the same individual as the Chief Financial Officer and Company Secretary of the Company. |

REGISTERS

144. (1) Subject to the provisions of the Act, the Company shall keep and maintain at its Registered Office, all statutory registers as required under the Act and the Rules namely, register of charges (alongwith instruments of charges), register of Members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans and investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide and in such manner and containing such particulars as prescribed by the Act and the Rules. Statutory Registers
- (2) The registers and copies of annual return shall be open for inspecting during 11.00 a.m. to 3.00 p.m. on all working days, other than Saturdays and Sundays, at the Registered Office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed under the Act and the Rules.
145. (1) The Company may exercise the powers conferred on it by the Act and the Rules with regard to the keeping of a foreign register in any country outside India in accordance with the provisions provided therein. Foreign Registers
- (2) The foreign register shall be open for inspection and may be closed and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of Members.

THE SEAL

146. (1) The Board may provide for a Common Seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereto and the Board shall provide for the safe custody of the Seal. The Seal, its custody and use
- (2) Subject to the provisions of the Act, the Seal of the Company, if any, shall not be affixed to any instrument except by the authority of the Board or any Committee of the Board authorized by it in that behalf and except in the presence of at least two directors or any one director and the Company Secretary, where the Company has not appointed a Company Secretary, duly constituted attorney or such other person as the Board may appoint for the purpose; and such directors or secretary or duly constituted attorney or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. In respect of share certificates, the Seal may be affixed in accordance with the provisions of the Act. Affixation of Seal

DIVIDENDS AND RESERVE

147. (1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid, on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares. Division of Profits

	(2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this regulation as paid on the Share.
Company in General Meeting may declare dividend	148. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the relevant provisions of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in General Meeting.
Dividend to be paid out of profits	149. No dividend shall be payable except out of profits of the Company arrived at in the manner provided for in Section 123 of the Act.
Interim dividend	150. The Board of Directors may from time to time pay to the Members such interim dividend during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is sought to be declared. Provided that in case the Company has incurred loss during the current financial year upto the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the rate as may be prescribed under the Act and the Rules.
Capital paid in advance not to earn dividend	151. Where the capital is paid on any Shares in advance of the calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right, to dividend or to participate in profits.
Dividend in proportion of amount paid up	152. Subject to the provisions of the Act, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares and for portion or portions of the period in respect of which the dividends is paid, but if any Shares is issued on terms, providing that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No dividend if Member is indebted to company	153. Save as otherwise provided under the Act, no Member shall be entitled to receive payments of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Right in case of transfer of Shares	154. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint-holders	155. Any one of the several persons who are registered as joint holders of any Share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how paid	156. The dividend payable in cash may be paid by cheque or warrant sent through post direct to registered address of the shareholder entitled to the payment of the dividend or by credit to his bank account or in any electronic mode or in the case of joint holders, to the registered address of one of them first named in the register of Members or to such person and to such address as the first named holder in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or

for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheques or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

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| 157. (1) The Board may, before recommending or declaring any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose including meeting contingencies or for equalizing dividends or for any other purposes to which the profits of the Company may be properly applied and pending such applications may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit and from time to time deal with and vary such investments and dispose off all or any part thereof for the benefit of the Company. | Reserves |
| (2) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve. | |
| 158. Subject to the provisions of the Act and the Rules, the Company shall transfer the amount of dividend including interim dividend to a separate account in a scheduled bank within five days from the date of declaration of such dividend. | Separate account for payment of dividend |
| 159. Subject to the provisions of the Act, the Company shall pay the dividend or send the warrant in respect thereof, to the shareholders entitled to the payment of dividend, within stipulated time under Section 124 from the date of the declaration unless— | Dividend to be paid within stipulated time |
| (1) where the dividend could not be paid by reason of the operation of any law; | |
| (2) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; | |
| (3) where there is a dispute regarding the right to receive the dividend; | |
| (4) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or | |
| (5) where, for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company. | |
| 160. No unclaimed dividend shall be forfeited by the Board and the directors shall comply with provisions of Section 124 of the Act, applicable provisions of Companies Act, 1956, the Rules framed or any statutory modifications thereof for the time being in force as regards unclaimed dividends. | Unclaimed dividend |
| 161. Subject to the provisions of Section 124 of the Act and applicable provisions of Companies Act, 1956 no dividend shall bear interest as against the Company. | No dividend to bear interest |
| 162. Any General Meeting declaring a dividend may, on the recommendations of the Board, 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 | Dividend and call together |

payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

- Dividend payable in cash
163. No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserve of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

ACCOUNTS

- Accounts deemed to be settled
164. Subject to the provisions of the Act, the financial statements when audited and approved by the shareholders, shall be conclusive evidence.

- Books of accounts
165. (1) The Company shall keep at its registered office or such other place as permitted under the Act, the books of accounts and other relevant books and papers and financial statements for every financial year, which give true and fair view of the state of the affairs of the Company, including that of branch office or offices, if any. The Company may also keep the books of accounts and other relevant books and papers and financial statements in electronic form or such other permitted form as may be prescribed under the Act from time to time.
- (2) For this purpose, the term financial statement of the Company includes—
- (a) a balance sheet as at the end of the financial year;
 - (b) a profit and loss account;
 - (c) cash flow statement for the financial year;
 - (d) a statement of changes in equity, if applicable; and
 - (e) any explanatory note annexed to, or forming part of any document referred to in sub-clause (a) to sub-clause (d).

The books of accounts and financial statements shall be kept in accordance with the provisions of the Act and the Rules framed thereunder.

- Inspection of accounts or books by Members
166. (1) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members, not being directors.
- (2) No Member (not being a director) shall have any right of inspecting, any account books or documents of the Company, except as allowed by law or authorized by the Board.

- Financial Statements to be laid before the Members at the Annual General Meeting
167. The Board of Directors shall from time to time in accordance with Sections 129, 134 and other applicable provisions, if any, of the Act and the Rules, cause to be prepared and laid before each Annual General Meeting, financial statements.

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| 168. | Subject to the provisions of the Act, a copy of every such financial statement (including the Auditors Report and every other document required by law to be annexed or attached to the balance sheet), shall at least clear twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company, to every trustee for holders of debentures issued by the Company, whether such Member or trustee is or is not entitled to have notices of General Meetings of the Company sent to him, and to all persons other than such Members or trustees being persons so entitled. | Right of Members to copies of Financial statement |
| | Further, provided that, if the copies of the documents aforesaid are sent less than clear twenty-one days before the date of the Meeting, they shall notwithstanding that fact be deemed to have been sent if it is so agreed by ninety-five percent of the Members entitled to vote at the meeting. | |
| 169. | Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors. | Audit of accounts |
| 170. | Auditors shall be appointed and their qualification, rights and duties regulated in accordance with and subject to the relevant provisions of the Act. | Auditor's appointment, qualification etc. |

DOCUMENTS AND NOTICES

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| 171. | A documents may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed under the Act and the Rules framed thereunder. | Service of documents |
| 172. | Save or otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a director, the Managing Director or the Secretary or other authorised officer of the Company and need not be under the Common Seal of the Company. | Authentication of documents |

WINDING UP

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| 173. | (1) Subject to the provisions of the Act and the Rules made thereunder –

If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the Members, in kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. | Winding up of the Company |
| | (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. | |

- (3) The liquidator may, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITY

Directors' and others
right of indemnity

174. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or any competent authority.

SECURITY CLAUSE

Secrecy Clause

175. (1) 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.
- (2) 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.

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 વિકૃલદાસ વોરા	૨૦૦ શેર દર રૂા. 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 રૂા. ૧૦૦ ના.
7. Jayabai Jamnadas Vora, Pathak Bldg., Ardeshir Dadi Cross Lane, C.P. Tank, Bombay. Occupation Nil. Sd. જયાબાઈ જમનાદાસ વોરા	૫૦ શેર દર રૂા. 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 Fee 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
	Rs. 20,00,00,000

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
	Rs. 12,94,44,000

- 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
	Rs. 5,00,000

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
	Rs. 26,100

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-obliger 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 Talaja, 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'

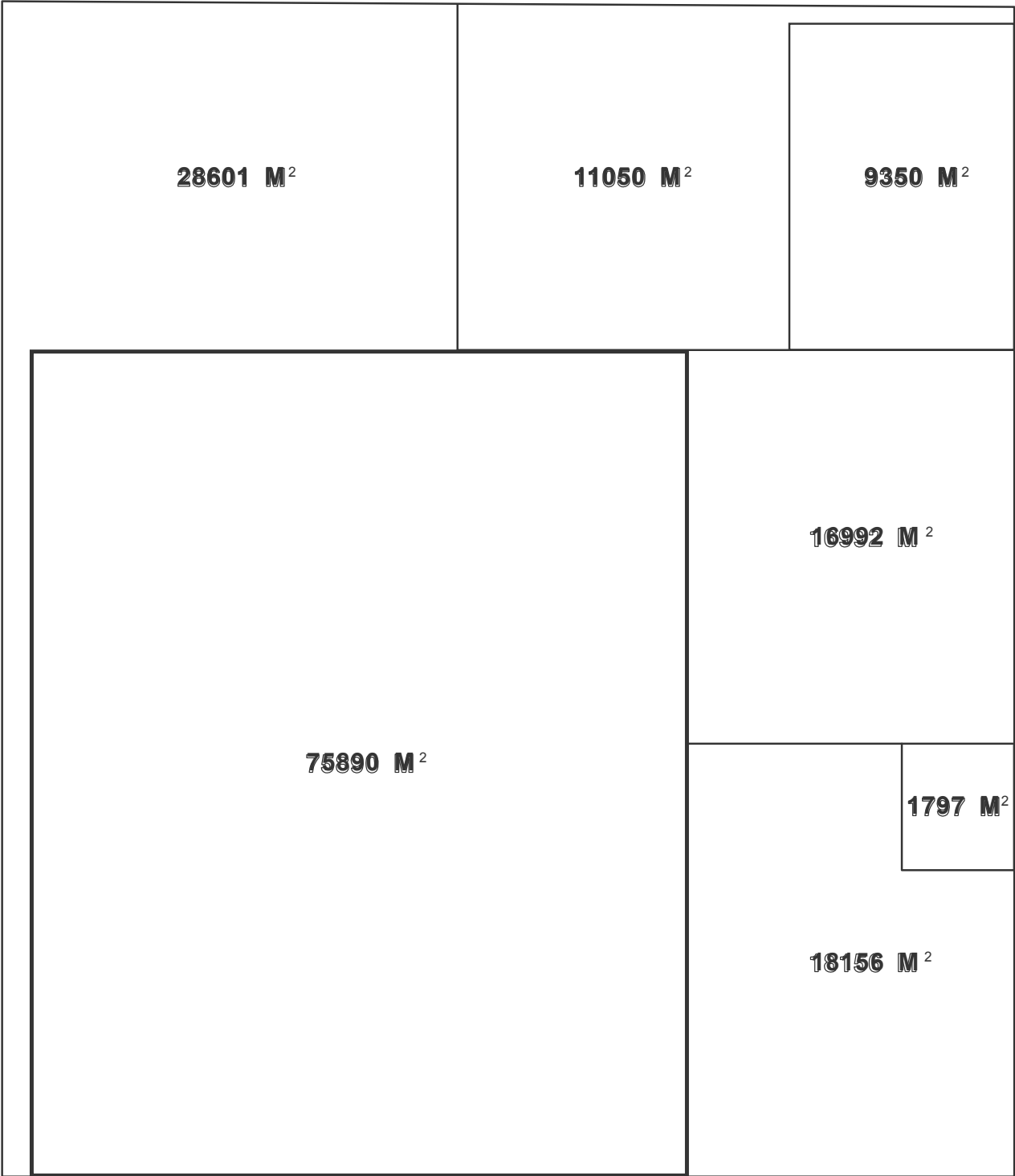
ASSETS OF APCOTEX DIVISION OF ASIAN PAINTS (INDIA) LIMITED TO BE VESTED IN APCOTEX LATTICES LIMITED

IMMOVEABLE :

1. Land : Leasehold land at Talaja 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 Talaja 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 Cl type and accessories, pump Sr. No. 09422.
6)	1 No. Chemflo centrifugal pump model 4 x 3-9 in Cl 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. S. 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) Acqueous 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 value 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 maker 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. Guage 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, fiexure 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. Thermosyphom 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. Vaccum 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 11/4 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 1/2 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 INALL**

		(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
		87.00
ESTIMATED CURRENT LIABILITIES AND PROVISIONS :		
		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 IFCI, 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 (IA) 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

Sd/-

(M.M.S. SRIVASTAVA)
MEMBER

NEW DELHI,
DATED : 14/9/1995

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 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 bouns 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% Reedemable 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 TRANSFEREE 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 Rathi 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 Tansferee 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
<u>Authorised Capital</u>	
25,000 Equity shares of Rs. 100/- each	25,00,000
Total	25,00,000
<u>Issued, Subscribed and Paid up Capital</u>	
5,000 Equity Shares of Rs. 100/- each	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 :

<u>Authorised Capital</u>	Rupees
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
<u>Issued, Subscribed and Paid up Capital</u>	
9,59,19,779 Equity Shares of Rs. 10/- each fully paid-up	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

