MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
KHODAY INDIA LIMITED

CO.No. 1590

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies, Karnataka, Bangalore
Under the Companies Act, 1956 (1 of 1956)

IN THE MATTER OF KHODAY INDIA LIMITED.

I hereby certify the Khoday Distilleries Limited, which was originally incorporated on twenty eighth day of September 1965 under the Companies Act, and under the name Khoday Distilleries Private Limited having duly passed the necessary resolution in terms of Section 21 of Companies Act, 1956, and the approval of the 'Central Government signified in writing having been accorded thereto in the Department of Company Affairs.

Registrar of Companies, Karnataka, Bangalore, letter No. TS.1/15901/CN-4/S.21 dated 24-1-1992 the name of the said company is this day changed to KHODAY INDIA LIMITED and this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at Bangalore this 14th day of February, 1992 (One thousand nine hundered Ninety Two)

sd/-

(BALAI LAL SINHA)

Registrar of Companies
Karnataka, Bangalore

Second Certificate Pursuant to
Section 610 (1) (b) of Companies Act, 1956

CERTIFICATE OF INCORPORATION

I hereby certify that KHODAY DISTILLERIES LIMITED was incorporated under the Companies Act, 1956, on the Twenty Eighth day of September One Thousand Nine Hundred and Sixty Five.

Given under my hand at Bangalore this Fifth day of June One Thousand Nine Hundred and Eighty Six.

(J. K. RAMANI)
Registrar of Companies
Karnataka, Bangalore

Seal of the Registrar of Companies
KARNATAKA

Form I.R.

CERTIFICATE OF INCORPORATION

No. 1590

I hereby Certify that KHODAY DISTILLERIES PRIVATE LIMITED is this day incorporated under the Companies Act, 1956, (No. 1 of 1956) and that the Company is Limited.

Given under my hand at Bangalore this Twentyeight day of September One Thousand Nine Hundred and Sixty-five (6th Asvina 1997 SE)

The Seal of
The Registrar of Companies
Mysore
Bangalore

sd/-
S. NARAYANAN
28-9-65
Registrar of Companies
Mysore, Bangalore

MEMORANDUM OF ASSOCIATION OF KHODAY INDIA LIMITED

I The name of the Company is "KHODAY INDIA LIMITED"

II The Registered Office of the Company will be situated in the State of Karnataka

III. A. The objects for which the Company is established are :

1) To manufacture, distill prepare, blend and bottle Liquors, such as, Brandy, Whiskey, Gin and Rum, Beer, Wines, Liquors and all types of Liquors and generally to carry on the business of manufacturers, dealers, importers and exporters of Liquors.

2) To carry on the business of manufacturers of and dealers in soft drinks, fruit juice, aerated water, mineral water and other beverages, essences, flavour and colours for liquors, fruit products, beverages and all edible products.

3) To carry on the business of manufacturers of and dealers in alcohol and their derivatives, basic and synthetic chemicals and solvents, such as, ethers and esters.

4) To carry on the business of manufacturers of and dealers in pharmaceutical medicinal and toilet preparations and perfumery products.

5) To purchase and take over, manage, control, undertake on otherwise acquire any business, either in part or in entirety carried on by any individual, firm, joint family or company which is in accordance with the objects mentioned herein and in particular to purchase or otherwise acquire from such business right, properties and assets including plants, machinery, lands, buildings, goodwill, liabilities and obligations and to pay the vendors in suitable manner.

6) To manufacture and deal in bottles, corks, stoppers, capsules, closures, labels, boxes and containers.

Ameded at EGM held o 18.12.1999 by Special Resolution

6A. To carry on with or without collaboration the trade or the business of manufacturing of and dealers in all kinds and classes of paper, Board and Pulp namely:

a) Writing paper, printing paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, bank or bond paper, badami paper, brown or buff paper, bible paper, cartridge paper, cloth lined paper, azurelaid and woven paper, creamlaid and woven paper, grease proof paper, gummed paper, hand made paper, parchment paper, drawing paper, kraft paper, manila paper, envelop paper, tracing paper, vellum paper, water proof paper, carbon paper sensitised paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper and all other kinds of ordinary and special papers.

b) Paste board, card board, straw board, pulp-board, leather board, mill board, corrugated board, box board, post cards, visiting cards, and all other kinds of ordinary and special boards.

c) Soda pulp, mechanical pulp, sulphite pulp and all other kinds of pulp.

d) All kinds of articles in the printing, processing and manufacturing of which in any form of, paper, board or pulp is used and also to deal in or manufacture and other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

6B. To purchase or sell or otherwise handle or deal in grass, timber, wood, bamboo, straw, cotton, jute, flax, hemp, sugarcane, leather, asbestos, rags, waste paper, gunnies, water-hyacinth, jute sticks or other fibres, fibrous substances or other things as may furnish materials for pulp and for paper or board manufacture in any of its branches or as may be proper or necessary in connection with manufacturing of all kinds of paper, board and pulp.

6C a) To carry on in India or abroad the business on its own or as agents, distributors, representatives, dealers, merchants, exporters, clearing and forwarding agents, shipping agents, warehousemen, commission and selling agents, in all kinds of information technology industry, information technology products, information technology services.

Amended vide Special Resolution passed by Postal Ballot, Scrutinizers Report dated 20.3.2003

b) To carry on in India or elsewhere in the world the business of designing, developing, improving, providing software development, information highways, internet services, audio and video conferencing facilities for all types of industries, Commercial establishments, construction industry, educational institutions, hospitality industry, hospitals, service industry, central and state governments, government departments, autonomous bodies, local authorities, trusts, banks, insurance companies, transport corporations, companies, firms, individuals, carry on business of Computer Educational Institutions, Training Centres, Placement Services.

c) To carry on India or elsewhere in the world the business as exporters, importers, wholesale dealers, distributors, agents, franchisors and/or franchisees for computer software and hardware products. To carry on the business as consultants, advisers, developers, franchisors and/or franchisees in computer software and hardware related services including Computer aided designing, computer aided drawings, circuits and graphic work.

B. Objects Incidental & Ancillary to the main objects:

7) To establish, subsidise, assist and/or promote any other company for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such Company and to act as Managing Agents or Secretaries and Treasurers of any such Company.

8) To carry on business, and to act, as merchants, traders, commission agents, carriers, or in any other capacity in India, overseas or elsewhere, and to import, export, buy, sell, barter, exchange, pledge, make advances upon or otherwise deal in goods, produce, articles and merchandise, and for the purpose of the Company's business to establish or acquire and carry on offices, trading stations, factories, stores and depots either in India, overseas or elsewhere to purchase, lease or otherwise acquire develop carry on and improve any business, real or personal property or any undivided or other interests whatsoever therein respectively.

9) To enter into, ratify and adopt agreements for foreign collaboration, for technical know-how, financial aid and for training personnel.

10) To import, export, buy, sell, and deal in (whether as principals, agents, brokers, or otherwise) substances and articles of every or any description and to carry on all or any of the business

of importers and exporters, manufacturers, buying and selling agents, wholesale and retail dealers, in all and every kind of general produce, substance, goods, materials, merchandise, and articles from in and to all parts of the world.

11) To Carry on the business of exporters and importers and general order suppliers of all sorts of goods, merchandise and commodities and to deal in them either in retail or wholesale.

12) To construct, carry out, maintain, improve, manage, work, control and superintendent any markets, reservoirs, watertanks, bridges and works in connection therewith, hydraulic works, electrical work and factories, coolie lines and houses and bustees, villages and other works and conveniences, which may seem, directly or indirectly conducive to any, of the objects of the Company and to contribute, to subsidise or otherwise aid or take part in any such operations.

13) To acquire, establish, construct, provide and maintain and administer factories, townships, estates, railway sidings, buildings yards, wells, water reservoirs, channels, pumping-installations, purification plants, pipe lines, landing-grounds, hangars, garages, storage sheds and accommodation of all description connected with the business of the Company.

14) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.

15) To perform or do all or any of the following operations, acts or things.

i) to pay the costs, charges and expenses of the promotion and establishment of the company

ii) to sell, let, dispose of or grant rights over all or any property of the company.

iii) to erect buildings, plant and machinery for the purpose of the Company.

iv) to make experiments in connection with any business of the company and to protect any invention of the Company by letters patent or otherwise.

v) to manufacture plant, machinery, tools, goods and things for any of the purposes of the business of the Company.

vi) to draw, accept and negotiate bills of exchange, promissory notes and other negotiable instruments.

vii) to underwrite the shares, stocks or securities of any other Company and to pay underwriting commissions and brokerage on any shares, stocks or securities issued by this Company.

viii) subject to Banking Companies Act, 1949, to borrow money or to receive money on deposits either with or without security or secured debentures, debenture stocks (perpetual or terminable) mortgage or other Security charged on the undertaking of all or any other assets of the Company including uncalled capital.

ix) to advance, to lend money and to invest money of the Company in such manner (other than in the shares of this Company) as the Directors think fit.

x) to enter into arrangements for joint working in business or for sharing profits or for amalgamation with any other Company, firm or person carrying on business within the objects of this Company.

xi) to sell the undertaking and all or any of the properties of the company for cash or for stock, shares or securities of any other Company or for other considerations.

xii) to provide for the welfare of persons employed or previously employed and the wives, windows and families of such persons by grants of money or other aid or otherwise as the Company shall think fit.

xiii) subject to the provisions of Companies Act, 1956, to donate, to subscribe to or otherwise aid charitable, political, national or other Institutions or object of public character which have any moral or other claims to support or aid by the Company by reason of the locality of its operations in such cases as may seem expedient.

xiv) to distribute any of the assets of the Company in specie or kind amongst its members, upon winding up.

16. To do all or any other things hereinbefore authorised either along or in conjunction with or as factors or agents for others or through factors or agents.

17. To do such other things as are incidental and conducive to the attainment of the objects or any of them.

C. Other objects :

TEXTILES INCLUDING SYNTHETICS

18. (a) To carry on the business of processors, combers, spinners, weavers, knitters, manufacturers, dyers, bleachers, finishers, laminators, balers and pressers of any fibrous or textile material whether an agricultural or animal or natural product or its by-product or chemical or synthetic fibre and more specially jute, hemp, silk, cotton, wool, mesta, nylon, terene, terylene, staple fibre or other synthetic fibre yarn and to manufacture any product from such raw material or textile material and to carry on the business of buyers, sellers and to transact all manufacturing, cutting and preparing process.

(b) To carry on the business of manufacturers, dealers, agents, factors, importers and exporters, merchants and financiers of all kinds of man-made fibres, fibre yarns, fibre cords, fabrics mixed or without mixing, blended or without blending materials like, woollen, cotton, metallic or any other fibres of mineral, animal or vegetable origin, manufacturing of man-made fibres, fibre cords, fibre yarns and such other fibre products of any description with or without mixing fibres of different origin, by any process using petrochemicals of any description or by using vegetable or mineral oils or products of any description for producing such fibres and to carry on the business of manufacturing, buying, selling, exporting, Importing, processing, twisting, altering, converting or dealing in or using or providing advice in use of cotton yarn, staple fibre, silk yarn, artificial yarn, nylon yarn, acryllic fibres, rayon, other fibres of fibrous materials or allied products, by-products, substances of substitutes for all or any of them, or yarn or yarns for textile or other use as may be practicable.

ELECTRONICS

19. (a) To manufacture assemble, market, fabricate, lease, supply, distribute, buy, sell, import, export, design, manipulate, exchange, alter, improve, prepare, instal, maintain, repair or otherwise deal in any or all types of electronic equipment including electronic typewriters, printers, word processors, mini and micro computers, computer peripherals, microprocessor based equipment, floppy diskettes, winchester and

hard disc drives, terminals, monitors, daisy wheel printers, black and white and colour televisions, photocopy and photographic equipment, telephone and telecommunication equipment, teleprinters, private automatic branch exchanges, electronic and electrical gadgets, video recorders, video game, electronic calculators, radar equipment, electronic accounting and business machines, electronic control instruments, electronic cash registers and cheque writing machines, intercom equipments, electronic sound and amplifier systems, projections electronic hobby kits, electronic hardware, electronic clocks, equipment, T.V. signal boosters, electronic X-ray and other medical equipment, electronic synthesizers, electronic sirens, radio, telephones, electronic navigational aids, electronic alarm systems, electronic traffic control system, electronic laboratory equipment, washing machines, electronic weighing machines, black and white and colour TV deflection components, fly back transformers, video projection equipment, electronic toys and games and screens of all kinds.

(b) To manufacture, assemble, market, fabricate, lease, supply, distribute, buy, sell export, import, design, manipulate, exchange, alter, improve, prepare, instal, maintain, repair or otherwise deal in any or all types of printed circuit boards, switches, semi-conductors, transistors, integrated circuits, memory chips, diodes, connectors resistors rectifiers, capacitors, digital meters, transformers, generators, control panels, valves, thyristors, timers plugs and sockets, leak detectors, button cells, battery chargers of all kinds.

20. (a) To carry on the business of sugar manufacturers in all its branches and kinds.

(b) To plants, grow, cultivate, produce and raise or purchase sugarcane of all varieties and kinds, sugar beat, maize, palmyra trees, palm trees and other crops or trees whatsoever to purchase, manufacture, produce, boil, refine, prepare, import, export, sell, warehouse, and generally to trade and deal in sugar, sugarcandy, sugarcane, melada, bagasse, jaggery, confectionery molasses, glucose, syrups, aerated waters, tinctures, essencess and pharmaceutical and other chemical prepartions, chemical fertilisers and manures and all other by products and raw materials of sugar industry and products such as boot polish, wax, power alcohol etc.

AGRICULTURE

21. To do, conduct, carry on all activities pertaining to Agriculture.

22. To establish, to maintain and to run fuelling stations for all kinds of transport operations for moving cargo, animals, human beings and all kinds of objects, whether on land, sea, air or otherwise in land and abroad and also create necessary infrastructure therefor and for manufacture of tankers and recruitment of necessary personnel.

23. To own and to take on lease lands for construction of industrial, residential and commercial complexes and to let them out on rent after equipping such buildings with all amenities and also engage staff for maintenance and collection of Revenue therefrom.

24. To take and give on lease movable and immovable properties, plant and machinery, land and building, patent and goodwill and other assets of any description in a manner as may be decided to be conducive to the Company's business.

Activities in Realty Sector

As amended by special resolution passed through postal Ballot and considered at the AGM held on 17-12-2007

25. To promote, own, develop, establish, manage projects either by itself or in association with any other person, company or firm in the realty sector in the nature of industrial, residential, commerical and amusement complexes, Townships, Malls, residential units and condominium and to maintain, let on lease / rent or sell such complexes, Townships, Malls, residential units and condominium and to purchase, own, take on lease land for the purpose.

Special Economic Zones

As amended by special resolution passed through postal Ballot and considered at the AGM held on 17-12-2007

26. To promote, develop, set up, operate, manage (either by itself or in association with any other person(s), firm(s) or companies) Speical Economic Zones in respect of any type of industry, activity as notified from time to time by the Ministry of Commerce & Industry, Government of India and to purchase, own, take on lease land for the purpose.

Hotels and Resorts

As amended by special resolution passed through postal Ballot and considered at the AGM held on 17-12-2007

27. To own, acquire, estalbish, develop, manage (either by itself or in association wih any other person(s), firm(s) or companies) Hotels, Resorts and allied activities and to purchase, own, take on lease land for the purpose.

Bio-Technology, Nano Technology & other high end technology activities

As amended by special resolution passed through postal Ballot and considered at the AGM held on 17-12-2007

28. To own, acquire, establish, develop, manage (either by itself or in association with any other person(s), firm(s) or companies) Bio-Technology Parks, Laboratories, Companies & firms in the Bio-Technology, Nano-Technology and other high end technology areas and to purchase, own, take on lease land for the purpose.

Setting up, acquisition of other businesses in India & outside India

As amended by special resolution passed through postal Ballot and considered at the AGM held on 17-12-2007

29. To establish, purchase, take over, manage, control, undertake or otherwise acquire any business in India and outside India either in part or in entirety carried on by any individual, firm, joint family or body corporate and in particular to purchase or otherwise acuire from such business, rights, properties and as such including plants, machinery, lands, buildings, goodwill, liabilities and obligations and to pay the vendors in suitable manner.

IV. The liability of the members is limited.

As altered by Special Resolution passed at the AGM held on 30-12-2008

V. The Share Capital is Rs.45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs.10/- each with power for the Company to increase or reduce or divide the shares in the Capital for the time being into several classes and attach thereto respectively such preferential or other rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 and provided by the Articles of Association for the time being."

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

Sl No	Name and Address description & occupation of subscribers	No of Share taken by each subscriber	Name, address description and occupation of witness
1	K.L. RAMACHANDRA S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'Neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
2	K.L. NARAYANASA S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'Neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
2	K.L. SRIHARI S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'Neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
Dated this 16th day of September 1965			

AMALGAMATION OF

KHODAYSS SYSTEMS LIMITED

WITH THE COMPANY

Pursuant to the Scheme of Amalgamation as approved by the Hon'ble High Court of Karnataka vide its Order dated 22-8-2003, in Company Petition Nos. 98/2003 & 99/2003, the Company known as Khodayss Systems Limited merged with the Company w.e.f. 1-4-2002. The said court order is annexed herewith.

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 22ND DAY OF AUGUST 2003

BEFORE

THE HON'BLE MR. JUSTICE N. KUMAR

COMPANY PETITION Nos. 98/2003 & 99/2003

BETWEEN (CO.P.No. 98/2003):

KHODAY INDIA LTD
REGD OFFICE AT NO.54, KANNAYAKANA
AGRAHARA , ANEKAL TALUK
BANGALORE DISTRICT

...PETITIONER

(By M/S A MURALI ASSOCIATES)

AND

NIL

(SRI R V VEERENDRA SHARMA, ACGSC FOR ROC;
SRI C GNANAMURTHY & ASSTS. FOR OBJECTORS.)

BETWEEN (CO.P.NO. 99/2003)

KHODAYS SYSTEMS LTD
REGD OFFICE LAKSHMI VENKATESWARA COMPLEX
NO.11, RACE COURSE ROAD
BANGALORE 560 009

...PETITIONER

(By M/S A MURALI ASSOCIATES)

AND

NIL

(SRI DEEPAK FOR OL;
SRI R.VEERENDRA SHARMA, ACGSC FOR ROC)

Counsel for the Petitioners has filed the above Company Petitions under Sections 391 to 394 of the Companies Act, 1956 praying that for the reasons stated therein this Hon'ble Court may be pleased to sanction the Scheme of Amalgamation, Annexure-A hereto, be sanctioned by the Hon'ble High Court so as to be binding on the petitioner Company, its shareholders,

This Copy Contains 14 Pages
and Court Fee Stamps of Rs. 42.15 recd in cash
if affixed.

unsecured creditors and secured creditors also Khoday India Limited and its shareholders, unsecured creditors and secured creditors and etc.

These Company Petitions coming on for orders this day, the court made the following:

O R D E R

The petitioner in Co.P.No.98/2003 Koday India Limited is the Transferee company. The said company was incorporated on 28.9.1965 with the Registrar of Companies in Mysore and Bangalore, with its Registered Office at No.54, Kannayakana Agrahara, Anekal Taluk, Bangalore District. The main object of the petitioner-company is to carry on the business of manufacturers of and dealers in soft drinks, fruit juice, aerated water, mineral water and other beverages, essences, flavour and colours for liquors, fruit prodocts, beverages and all egible products etc.

2. The authorised share capital of the petitioner-company is Rs.45,00,00,000/- divided into 4,50,00,000 equity shares of Rs.10/- each and the issued share capital is Rs.15,11,04,480/- divided into 1,51,10,448 equity shares of Rs.10/- each and

subscribed and paid up capital of the petitioner-company is Rs.14,56,74,480/- divided into 1,45,67,448 equity shares of Rs.10/- each fully paid up. In fact in para-5 of the petition in detail the business of the company is clearly set out.

3. The Board of Directors of the company has approved and adopted a Scheme of Amalgamation at its meeting held on 27.3.2003 by virtue of which the company known as Khodays Systems Limited, (hereinafter referred to as Transferor Company) is sought to be amalgamated with the petitioner company subject to confirmation by this court. Accordingly, the petitioner company filed Company Application No. 322/2003 seeking permission of the court to call for a meeting of shareholders and creditors of the company to consider and approve the scheme of amalgamation. Accordingly, this court by its Order dated 4.4.2003 permitted the petitioner to call the meeting of shareholders and creditors of the company. Accordingly, meeting was held and the shareholders and creditors of the company by over-whelming majority have approved the scheme of amalgamation. The Chairman of the said meeting has filed its report before this court stating that the scheme of amalgamation has been approved by

statutory majority. It is thereafter the present petition is filed by transferee company seeking sanction of the scheme of amalgamation.

4. Similarly the transferor company Khodays Systems Limited has filed Company Petition No.99/2003 seeking sanction of the aforesaid scheme of amalgamation. The petitioner in this petition was incorporated on 23.6.1999 with the Registrar of Companies in Karnataka, having its registered office at Lakshmi Venkateshwara Complex, No.11, Race Course Road, Bangalore 560 009. The authorised share capital of the petitioner-company is Rs.30,00,00,000/- divided into 3,00,00,000/- equity shares of Rs.10/- each and the issued, subscribed and paid up share capital is Rs.30,00,000-00 equity shares of Rs.10-00 each fully paid up.

5. The object of the petitioner-company is to carry on in India and abroad the business on its own or as agents, distributors, representatives, dealers, merchants, exporters, clearing and forwarding agents, shipping agents, warehousemen, commission and selling agents in all kinds of information technology products, information technology services and other business as set out in

the memorandum of association which are also set out in para-5 of the petition. The Board of Directors of the said company also formulated a scheme of amalgamation under which the petitioner-company was to be amalgamated with the company Khodays India Limited, the transferor company. The petitioner company also filed an application before this court in C.A.No. 323/2003 seeking permission of the court to convene a meeting of the shareholders and creditors of the company to consider and approve the said scheme of amalgamation. Accordingly, this court by its order dated 4.4.2003 permitted the petitioner to convene the meeting of shareholders and creditors and further directed the Chairman of the meeting to submit his report. In the meeting held the shareholders and creditors of the company on over-whelming majority has approved the scheme of amalgamation. The Chairman of the meeting has submitted his report informing by statutory majority the scheme has been approved. It is thereafter the petitioners have filed the present petition seeking sanction of this court for the said scheme of amalgamation.

6. The promoters of the transferor and transferee company and most of the Directors of these two companies are also on the Board of the transferor company. The memorandum of association provides for carrying on these two business by both the companies. The ~~Karnataka~~ Board of Directors of both the companies submit that the proposed amalgamtion is for the benefit of both the companies and in para-10 of the petition they have set out in detail how it is advantageous for both the companies if the scheme of amalgamation is sanctioned by this court. According to them the managerial expertise of the transferee company will considerably benefit the amalgamated company which will be able to function as one single unit with the focus of the management entirely on the amalgamated company. The operational costs will be considerably reduced and the amalgamated company will be able to operate more economically and effectively resulting in better turnover and profits. The amalgamated company will have the benefit of the financial resources, managerial and technical expertise of both the companies.

T OF KARNATAKA ★ BLORE

7. This court while entertaining both these petitions directed the petitioners to take out notice in one edition of the Hindu and Kannada Prabha and accordingly in both the petitions paper publication has been taken out. The Registrar of Companies was served with notice and in the transferor petition Official Liquidator has also been duly notified. The Official Liquidator after appearance requested the court for appointment of Chartered Accountant to look into the affairs and books of the transferor company. Accordingly, Chartered Accountant was appointed. After going through the accounts Chartered Accountant has submitted his report stating that the affairs of the transferor company are not conducted in the manner prejudicial to the interest of public. Accordingly, the Official Liquidator has no objection for sanctioning the scheme as propounded by the petitioner.

8. In so far as the Registrar of Companies is concerned, he has filed his statement of objections. The first objection raised is that Clause-9(a) of the scheme states that the transferee company shall not be bound to absorb all the employees of the transferor company upon scheme

become effective. Therefore, it was contended the future of the employees of the transferee company is uncertain and the same is against the interest of the employees of the transferor company. The second objection raised is as per the balancesheet of the transferor company as on 31.3.2002 the share application money pending allotment was to the tune of Rs.17,63,00,951-00 but the scheme is silent about the treatment of this share application money upon amalgamation. On such objection being raised the company has filed an affidavit in reply to the same. In the affidavit it is stated that the transferee company undertakes to absorb all the employees of the transferor company with continuity of service for the purpose of gratuity, leave, terminal benefits etc. Thus the objection raised by the Registrar of Companies on that count is fully taken note of and satisfactorily answered. In so far as second objection is concerned it is stated that the transferor company has allotted 2,90,09,967 equity shares of Rs.10/each on 15.2.2003 and as on date the paid up capital of the transferor company is Rs.30,00,00,000/- and the said amount is reflected in the scheme of amalgamation and also in the petitions. Further it is stated that there are no share application money pending as on date and to

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substantiate the same, application copy of Form No.2 is filed with the ROC is produced. With this explanation the objection raised by the Registrar of Companies is also well met.

9. One of the shareholder of the company appeared before this court in pursuance of notice opposing the sanctioning of the scheme. The objection raised is, the sanctioning of the scheme would seriously affect the implementation of buy-back scheme which is sanctioned by this court on an earlier occasion and thereby he would be deprived of availing the benefit of the said buy-back scheme. In reply thereto, the transferee company has agreed to give effect to buy-back scheme and pay amount which are due to the objector. Accordingly, a memo is filed by the transferor company stating that as per the scheme of arrangement sanctioned by this court in Company Petition No. 29/2002 the petitioner had purchased shares of the objecting shareholder and its group consisting of 53,134 equity shares of Rs.10-00 of the petitioner company at the rate of Rs.25/- per share and settled the consideration by demand drafts totalling Rs.13,28,350-00. Along with the said memo they have produced copy of the letters of the objecting share

holder and its group acknowledging receipt of the aforesaid amount. The objecting shareholder has also filed memo stating that the petitioners have purchased shares belonging to the objector and its group consisting of 53,134 equity shares of Rs.10-00 of the petitioner company at the rate of Rs.25/- per share and settled the consideration by demand drafts totalling Rs.13,28,350-00. Therefore, he submits he has no objection for sanctioning of the scheme of amalgamation. Apart from this objector no other shareholder or creditor of the company has appeared before this court objecting for the sanctioning of the scheme.

10. The material on record discloses that both the companies with the permission of the court convened a meeting of shareholders and creditors of the company to consider the scheme of amalgamation. Accordingly, the shareholders and creditors of both companies by over-whelming majority has approved the scheme of amalgamation propounded by both companies. The Chairman of the meeting has submitted their report. Therefore it is clear that Section 391 (2) of the Companies Act has been complied with. Now the point that arise for consideration is, when the

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petitioners have complied with all legal requirements whether a case for according sanction of the said scheme is made out.

11. The Official Liquidator has no objection for according sanction sought for. The objections raised by the Registrar of Companies are fully met and those objections no more exist. The only objecting shareholder has been fully satisfied. In so far as the work force is concerned, earlier the transferee company was not prepared to absorb all the employees of the transferor company. When it was objected by the Registrar of Companies now an affidavit is filed undertaking to absorb all the employees of the transferor company in the transferee company with full benefits. Thus the interest of the labour is fully taken care of and the petitioners wants Clause-9(a) of the Scheme to be modified to that extent. According to the terms of the scheme, the 13 shares of the face value of Rs.10-00 of the transferor company were allotted to 10 shares of Rs.10-00 each of the transferee company. When the shareholders of both companies in the meeting held have unanimously approved the said

share transfer mechanism which on the face of it appears to be fair and proper I do not find any legal impediment to accept the said share transfer.

12. According to Clause-5A of the Scheme, of secured and unsecured debts, liabilities, duties and obligations of the transferor company along with any charge, encumbrances, lien or securities thereon shall also be and transferred or be deemed to be and stand transferred, without any further act, instrument or deed to the transferee company pursuant to the provisions of Section-394 of the said Act so that the transferee company takes over all the liabilities of the transferor company and answerable to all the creditors of the transferor company. The certificate filed by the Chartered Accountant clearly shows that the affairs of both companies are not conducted in the manner prejudicial to the interest of the public or shareholders of the company. The scheme of amalgamation does not contravene any law which is in force for the time being. The material on record disclose that the transferee company holds substantial interest in the transferor company and most of the Board of Directors of the transferee company are on the Board of transferor company and

the advantages which would accrue after amendment as set out in the scheme of amalgamation clearly demonstrates that this amalgamation is for the benefit of both companies and commercially viz. Under the circumstances, in the absence of any legal impediment and in the interest of the shareholders, creditors is taken care of and when no public interest is involved a case for according sanction is made out. Hence, I pass the following order.

a) Both Company Petitions are allowed.

b) The Scheme is sanctioned subject to the following modifications.

Clause-9(a) of the Scheme reads as under :

> The Transferee Company shall not be bound to absorb all the employees of the Transferor company upon the scheme become effective. However, for restructuring purposes the transferee company shall have the right to retain only such number of employees for the operations of the transferor company and the other employees not taken over shall be settled as per prevailing labour laws. The absorption or continuation of the employees of the transferor company by the transferee company shall be solely at its discretion.

is modified as :

The transferee company shall absorb all the employees of the transferor-company with continuity of service, gratuity, leave terminal benefits etc.

The transferor company is ordered to be dissolved without there being an order of winding up.

Petitioners shall pay the requisite stamp duty for drawing up decree in accordance with law.

Office is directed to draw decree in Form 22.

Sd/-
Judge

(a) The date on which the application was made 23-8-03

(d) The date on which the requisite additional charges, if any, are paid

(e) The date on which the requisite additional charges, if any, are paid

(f) The date on which the copy is ready 6-9-03

(g) The date on which the copy is delivered to the applicant 6-9-03

(h) 9-9-03

PR.

(i) The date on which the copy is delivered to the applicant 6-9-03

(j) Number of folios Gowramma

T.G.V. Rao 6/9/03

SCHEME OF AMALGAMATION OF KHODAYSS SYSTEMS LIMITED WITH KHODAY INDIA LIMITED

PART I - GENERAL

1. This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of Khodayss Systems Limited with Khoday India Limited pursuant to Section 391 to 394 and other relevant provisions of the Act.

2. In this Scheme, unless repugnant to the meaning or context thereof, the following expression shall have the following meanings.

   "Act" means the Companies Act, 1956 or any statutory modification or re-enactment there of:

   "Appointed Date" means 1.4.2002

   "Effective Date" means the date on which a certified copy of the order of the Hon'ble High Court of Karnataka at Bangalore confirming this Scheme is filed with the Registrar of Companies in Karnataka at Bangalore.

   'Transferee Company" means Khoday India Limited having its registered office at 54, Kannayakana Agrahara, Anekal Taluk, Bangalore District.

   "Transferor Company" means Khodayss Systems Limited having its Registered office at Lakshmi Venkateshwara Complex, No.11, Race Course Road, Bangalore-560 009.

   Other expressions used in the Scheme and not expressly defined herein shall carry the same meaning as is given in the Companies Act, 1956.

PART II-SHARE CAPITAL

3(a) The Share Capital of Transferee Company is as under:

	Rs.
Authorised	
4,50,00,000 Equity Shares of Rs.10/- each.	45,00,00,000/-
Issued	
1,51,10,448 Equity Shares of Rs.10/-each	15,11,04,480/-
Subscribed and Paid up:	
I,45,67,448 Equity Shares of Rs.10/- each fully paid up (includes 64,50,000 Equity Shares allotted as fully paid Bonus shares by capitalisation of Reserves and II,10,448 Equity Shares of Rs.10/- each allotted and issued as fully paid up shares pursuant to the scheme of amalgamation for consideration other than cash).	14,56,74,480/-

(b) The Share Capital of Transferror Company is as under :

	Rs.
Authorised	
3,00,00,000 Equity Shares of Rs.10/- each	30,00,00,000/-
Issued, Subscribed and Paid up:	

PART III - TRANSFER AND VESTING

4 (A) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, the undertaking and the entire business and all the movable and immovable properties, tangible and intangible properties, assets, plant and machinery, factories, buildings, offices, depots, investments of all kinds, lease and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licences, registrations, contracts, engagements, arrangements of all kinds, rights, title, powers, interests, authorities, privileges, liberties, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to Import entitlements, benefits, quotas, trademarks, permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, contracts, sanctions and approvals, benefits including relief under Income Tax Act, 1961 and all other interests (hereinafter collectively referred to as the "Said Assets") shall be and stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act, so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company.

(B) In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

(C) The Transferee Company, at any time after coming into effect this scheme in accordance with the provisions here of if so required, under any law or otherwise execute deeds of confirmation in favour of any party to any contract or agreement to which the Transferor Company are a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under provisions of this scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the behalf of Transferor Company to be carried out or performed.

5. Upon the coming into effect of this Scheme and with effect from the Appointed Date.

(a) All secured and unsecured debts, liabilities, duties and obligations of the Transferor Company along with any charge, encumbrances, lien or securities thereon (hereinafter referred to as the "said Liabilities") shall also be and transferred or be deemed to be and stand transferred, without any further act, instrument or deed, to the Transferee Company pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which such debt, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

(b) Loans or other obligations, if any, due between or amongst the Transferor Company and Transferee Company shall stand Discharged and there shall be no liability in that behalf. In so far any securities, debentures or notes, if any, issued by the Transferor Company and held by the Transferee Company and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date and shall be of no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(c) All contracts, bonds, agreements and other documents whatsoever nature to which the Transferor Company is a party and which is subsisting or having effect immediately on or after the Appointed Date without any further concurrence of any other party or parties thereto shall remain in full force and effect and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company has been a party thereto.

6(A) With effect from Appointed Date and up to the Effective Date.

(a) The Transferor Company shall carry on and shall be deemed to have carried on all their business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said Assets for and on account and in trust for, the Transferee Company.

(b) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies of any third party, or save as expressly permitted by this scheme or with the prior written consent of the Transferee Company, alienate, charge, mortgage or encumber or otherwise the said Assets and shall not deal with the said Assets or any part thereof; and

(c) save as specifically provided in the Scheme, each of the Transferor Company or the Transferee Company shall not make any change in its capital structure either by any increase, (by issue of equity shares on a rights basis, bonus share, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in Clause 10(a) below), except by mutual consent of the respective Boards of Directors of the Transferor Company and the Transferee Company.

(B) With effect from the Appointed Date, all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by such Transferor Company shall, for all purpose, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

7 (a) Upon the coming into effect of this scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

(b) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, proposed and enforced by or against the Transferee Company.

8. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to be benefit of which Transferor Company may be eligible and which are subsisting or having effect immediately before the effective date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of such Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writing or confirmation at any time prior to the effective date, enter into any triparte arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause.

9 (a) The Transferee Company shall not be bound to absorb all the employees of the Transferor Company upon the scheme becoming effective. However, for restructuring purposes the Transferee Company shall have the right to retain only such number of employees for the operations of the Transferor Company and the other employees not taken over shall be settled as per prevailing labour laws. The absorption or continuation of the employees of the Transferor Company by the Transferee Company shall be solely at its discretion.

(b) In so far as the provident fund, gratuity fund, superannuation fund or any other special scheme(s)/funds(s) created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said Schemes/funds in accordance with provisions of such schemes/funds as per the terms provided in the respective trust deeds, in relation to such schemes/funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

PART IV REORGANISATION OF CAPITAL

10 (a) upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the said Assets and the said Liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further approval under section 81(1 A) of the Act, if required and without further application, act or deed, issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of Transferor Company, on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Transferee Company.

Equity Share of Rs.10/- (Rupees ten only) each, credited as fully paid up, to the equity shareholders of the Transferor Company whose names are recorded in Register of Members on the Record Date in the ratio of 10 (ten) Equity Shares of the face value of Rs.10/- (Rupees ten only) each in the Transferee Company for every 13 (thirteen) Equity Shares of the face value of Rs.10/- (Rupees ten only) each in Transferor Company.

(the ratio of the shares to be allotted to the shareholders of the Transferor Company by the Transferee Company for the Shares held by them in the Transferor Company being referred to as the "Share Exchange Ratio")

(b) Such equity shares to be issued and allotted by the Transferee Company in terms of Clause 10(a) shall rank pari passu in all respects with the existing equity shares of the Transferee Company, save and except in relation to dividends to which they will be entitled to proportionately from the Appointed Date.

(c) For the purposes aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the concerned authorities, for the issue and allotment by the Transferee Company to the Members of the Transferor Company, the Equity shares in the share capital of the Transferee Company in the Share Exchange Ratio.

11. Upon the coming into effect of the Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee company. Notwithstanding anything to the Contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose name shall appear on the register of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the relevant Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

PART V - GENERAL TERMS AND CONDITIONS

12 (a) The Transferee Company and the Transferor Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity share holders in respect of the accounting period prior to the Effective Date.

(b) The equity shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company as provided in Clause 10 hereof shall be proportionately entitled to dividends from the Appointed Date. The holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their rights under their respective articles of association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferee Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective boards of directors of the Transferor Company and subject to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

13 (i) The Accounts of the Transferor Company and the Transferee Company would be made out in a combined manner following the pooling of interest as stipulated in the Accounting Standard 14 of the Institute of Chartered Accountants of India with effect from appointed date i.e. 1.4.2002.

(ii) The net surplus if any arising out of the amalgamation in the books of the Transferee Company after providing for the adjustments, shall be credited by the Transferee Company, to a special account in the books of the Transferee Company as a free reserve, to be styled "Amalgamation Reserve Account".

14. The Transferor Company shall with all reasonable despatch, make applications/ petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

15. The Transferee Company shall also with all reasonable despatch, make applications/petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme under provisions of law and obtain all approvals as may be required under law.

16 (a) The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which the High Court of Karnataka at Bangalore and/or any other authorities under law may deem fit approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law). The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee or committees of the concerned Board or any director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "delegates").

(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegates of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficult that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this scheme.

(c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of any of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective.

17. This Scheme is conditional upon and subject to :

    (a) the Scheme being agreed to by the requisite majorities of the members and creditors (where applicable of the Transferor Company and the Transferee Company) as required under the Act and the requisite orders of the High Court of Karnataka at Bangalore referred to in Clauses 15 and 16 above being obtained.

    (b) the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 being obtained for the issue and allotment of equity shares to non-resident shareholders pursuant to this Scheme.

    (c) such other sanctions and approvals including sanctions of any governmental authority.

    (d) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Karnataka.

18. All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and 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, provided that in respect of common costs, charges and expenses not specifically attributable to any company the same shall be borne in equal proportion by the Transferor Company.

19. The Transferor Company shall stand dissolved without winding up.

20. The Transferee Company and Transferor Company shall have liberty to apply to the Hon'ble High Court of Karnataka at Bangalore for necessary directions to remove difficulties, if any, in implementing the Scheme.

AMALGAMATION OF MANAYLUX PAPERS AND BOARDS PRIVATE LIMITED WITH THE COMPANY

Pursuant to the Scheme of Amalgamation as approved by the Hon'ble High Court of Karnataka vide its Order dated 25-9-2000, in Company Petition Nos. 123 and 124 of 2000, the Comapny known as Manaylux Papers and Boards Pvt Ltd., merged with the Company w.e.f. 1-4-1999. The said court order and the approved Scheme of Amalgamation are annexed herewith.

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 25th DAY OF SEPTEMBER 2000

BEFORE

THE HON'BLE Mr. JUSTICE H.L. DATTU

COMPANY PETITION NO. 123/2000 c/w.

COMPANY PETITION 124/2000

Khoday India Limited
Registered Office No. 54
Kannayakana Agrahara
Anekal taluk
Bangalore Dist.

... PETITIONER
in COP 123/2000
(Transferee company)

Manaylux Papers & Boards
Pvt Ltd., Regd. Office
No. 75, 1st Floor
3rd Cross, Bangalore - 25.

... PETITIONER
in COP 124/2000
(Transferor company)

(By Sri A. Murali, Adv., for Petitioner
Sri Thomas V. Peter, Adv., for O.L.
Sri T.M. Venkatareddy, Adv., for ROC)

===

These Company Petitions are filed under Section 391 to 394 of the Companies Act, with a prayer to sanction the Scheme of amalgamation.

These company petitions coming on for hearing this day, the Court made the following;

ORDER

In these petitions filed under Sections 391

HIGH COURT OF KARNATAKA BANGALORE

7 Pages
and Court Fee Stamps of Rs. 21
if affixed.

to 394 of the Companies Act, 1956, petitioner in company petition 124/2000 is seeking an order to sanction the Scheme of Amalgamation, whereunder, a company known as Manaylux Papers and Boards Private Limited (the transferor company) is proposed to be merged with M/s. Khoday India Limited (the transferee company), the petitioner in company petition 123/2000.

2. The transferee company was incorporated under the provisions of Companies Act, 1956 on 28.09.1965. It's registered office is situate at No. 54, Kannayakana Agrahara, Anekal taluk, Bangalore district. The authorised Share Capital of the company is Rs.20,00,00,000/- (Rupees twenty crores only), divided into 2,00,00,000 (two crores) equity shares of Rs.10/(Rupees ten only) each and the Issued Share Capital is Rs.1,40,00,000/(Rupees One crore fourth lakhs only) and the subscribed and paid up capital is Rs.13,45,70,000/(Rupees one crore thirty four lakhs fifty seven thousand only) consisting of 64,50,000 equity shares allotted as fully paid bonus shares by capitalisation of reserves.

3. The main objects for which the petitioner - transferee company was incorporated

was to manufacture distill prepare blend and bottle liquors such as Brandy, Gin and Rum, Beer, Wines, Liquors and other activities as stated in the Memorandum of Association of the Company. The company has commenced its business activities in the year 1965 and it has filed before this Court the latest balance sheet made upto 31.03.1999.

4. Petitioner company in Co.P.124/2000 is Manaylux Papers and Boards Private Limited, It's registered office is situate at No. 75, 1st floor, 3rd Cross, Residency Road, Bangalore - 25. The authorised Share Capital of the company is Rs.12,50,00,000/- (Rupees twelve crores fifty lakhs only), divided into 1,25,00,000 (one crore twenty five lakhs) equity shares of Rs.10/(Rupees ten only) each and the Issued, Subscribed and Paid-up Share Capital is Rs.12.21,49,000/- (Rupees twelve crores twenty one lakhs forty nine thousand only) consisting of 1,22,14,900/- (one crore twenty two lakhs fourteen thousand nine hundred) Equity Shares of Rs.10/(Rupees ten only) each fully paid-up. The main objects for which the petitioner - transferor company was incorporated was to carry on the business of manufacturing of and dealers in all kinds and classes of paper, Board and pulp and other allied activities as stated in the Memorandum

HIGH COURT OF KARNATAKA

of Association of the Company. The company has commenced its business activities in the year 1981 and it has filed before this Court the latest balance sheet made upto 31.03.1999.

5. The Board of Directors of both the companies in their Special Meeting held on 20.05.2000 has approved the Scheme of Amalgamation for the merger of Transferor Company with the Transferee company, which according to them will be benefit of both the companies.

6. It is stated in the petitions, that by virtue of the orders made by this Court on 13.04.2000 both the companies have convened the meetings of the Shareholders of the companies, for purposes of considering and if thought fit, approving with or without modification the Scheme of Amalgamation, whereunder, the Transferor company is proposed to be merged with the Transferee company. The Chairman appointed for that purpose after holding the meeting as prescribed under the Act and the Rules, has filed a copy of the resolution passed in the meeting, wherein all the Shareholders have approved the Scheme of Amalgamation of both the companies and thereby approving the Scheme without reservation.

7. Notice of these petitions was ordered to be taken out to the Regional Director, Department of Company Affairs, Chennai and Official Liquidator attached to this Court. It was also ordered to be published in one edition of 'The Hindu' newspaper calling for objections if any by 07.07.2000. Since petitioner company in Co.P.124/2000 is a Transferor company, a report under Section 394(1) was called for from the Official Liquidator. Initially there was some objection by the Official Liquidator for Scheme of Amalgamation and since those objections are rectified by the Transferor company, at the time of hearing of the petition, the Official Liquidator had no objections whatsoever for sanctioning the Scheme of Amalgamation. Petitioner company in Co.P.123/2000 is a Transferee company, requirement of Section 394(1) of the Companies Act is not attracted and hence no report is required before ordering Amalgamation.

8. Before this Court, the learned counsel appearing for Registrar of Companies has filed a memo. In the memo, they have stated that they do not either support or oppose the petitions. No one else has filed any objections opposing the Scheme

THE HIGH COURT OF MADRAS

of Amalgamation pursuant to the advertisement issued by this Court. There seems to be no impediment for sanctioning the Scheme of Amalgamation.

9. I have perused the proposed scheme and the resolutions passed by the Shareholders of both the companies endorsing the Scheme of Amalgamation. The Board of Directors of both the companies are of the opinion that the proposed amalgamation will benefit both the companies. The Scheme of Amalgamation, to me, it appears, is for the benefit of both the companies. To me, the Scheme looks reasonable and fair and is not adverse to the interest of Shareholders or the employees of the companies. The Scheme seems to be of bonafide commercial nature and not opposed to public interest or for evasion of taxes.

10. In the circumstances, the Scheme of Amalgamation is allowed permitting the amalgamation of the companies as envisaged in the Scheme and the same would be binding on both the companies, its Shareholders and Creditors from the date of the order.

11. For the reasons stated, petitions are

allowed. The office is directed to draw the order as per Rules. Ordered accordingly.

Sd/- JUDGE

"TRUE COPY"
T.G.V. Rangi 21/10/2000
Section Officer
High Court of Karnataka
Bangalore-560 001.

LRS/nd/16102000.

HIGH COURT OF BANGALORE

(a) The date on which the application was made 26-9-2000

(d) The date on which [illegible] charges if any, [illegible] for [illegible]

(e) The date on [illegible] additional charges, if [illegible] paid [illegible]

(d) [illegible] 21-10-2000

(e) The [illegible] for delivery [illegible]

(f) The date on which the applicant is required to appear on or before 24-10-2000

(g) The date on which the copy is delivered to the applicant 21-10-2000

(h) Examined by [illegible]

SCHEME OF AMALGAMATION
MANAYLUX PAPERS & BOARDS PRIVATE LIMITED
TRANSFEROR COMPANY
WITH
KHODAY INDIA LIMITED - TRANSFEREE COMPANY

PART I - GENERAL

1. This Scheme of Amalgamation (hereinafter refereed to as the "Scheme") provides for the amalgamation of Manaylux Papers & Boards Pvt Ltd., with Khoday India Limited pursuant to Section 391 to 394 and other relevant provisions of the Act.
2. In this Scheme, unless repugnant to the meaning or context thereof, the following expression shall have the following meanings.

   "Act" means the Companies Act, 1956 or any statutory modification or reenactment there of:

   "Appointed Date" means April 1, 1999.

   "Effective Date" means the date on which the Scheme shall take effect, being the date on which all the conditions and matter referred to in Clause 17 have been fulfilled and approval and consents referred to therein have been obtained (or such other dates as the Court may direct). References in the Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme,"

   "Transferee Company" means Khoday India Limited having its registered office at 54, Kannayakana Agrahara, Anekal Taluk, Bangalore - 560 062.

   "Transferor Company" means Manaylux Papers & Boards Private Limited having its Registered office at No. 75, 3rd Cross, Residency Road, Bangalore-560 025.

PART II-SHARE CAPITAL

3 (a) The Share Capital of Transferor Company as at January 27, 2000 is as under:

	Rs.
Authorised	
1,25,00,000 Equity Shares of Rs. 10/- each	12,50,00,000/-
Issued, Subscribed and Paid-up Capital	
1,22,14,900 Equity Shares of Rs. 10/- each	12,21,49,000/-

1,16,46,200 Equity Shares of Rs. 10/- each were allotted on 1st April, 1999 and share capital of the Transferor Company given above is after such allotment, and as of 27th January, 2000.

(b) The Share Capital of Transferee Company as at January 27, 2000 is as under:

Rs.

Authorised	
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000/-
Issued	
1,40,00,000 Equity Shares of Rs. 10/- each	14,00,00,000/-
Subscribed and Paid-up Capital	
1,34,57,000 Equity Shares of Rs. 10/- each	13,45,70,000/-

PART III - TRANSFER AND VESTING

4 (A) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, the undertaking and the entire business and all the movable and immovable properties, tangible and intangible properties, assets, plant and machinery, factories, buildings, offices, depots, investments of all kinds, lease and hire purchase contracts, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licences, registrations, contracts, engagements, arrangements of all kinds, rights, titles, powers, interests, authorities, privileges, liberties, benefits, and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to import entitlements, benefits, quotas, trademarks, permits, approvals, authorisations, rights to use and avail of telephones, telexes,facsimile, connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, contracts, sanctions and approvals, benefits including relief under Income Tax Act, 1961 and all other interests (hereinafter collectively referred to as the "Said Assets") shall be and stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the said Act, so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company

(B) In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed or availed of by the Transferor Company are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

(C) The Transferee Company, at any time after coming into effect of this scheme in accordance with the provisions here of if so required, under any law or otherwise execute deeds of confirmation in favor of any party to any contract or agreement to which the Transferor Company are a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under provisions of this scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on behalf of Transferor Company to be carried out or performed.

5. Upon the coming into effect of this Scheme and with effect from the Appointed Date.

(a) All secured and unsecured debts, liabilities, duties and obligations of the Transferor Company along with any charge, encumbrances, lien or securties thereon (hereinafter referred to as the "said Liabilities") shall also be and transferred or be deemed to be and stand transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is party to any

contract or arrangement by virtue of which such debt, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

(b) loans or other obligations, if any, due between or amongst the Transferor Company and Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far any securities, debentures or notes, if any, issued by the Transferor Company, and held by the Transferee Company and vice versa, are concerned, the same shall, unless sold or transferred by the Transferor Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date and shall be of no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(c) All contracts, bonds, agreements and other documents whatsoever nature to which the Transferor Company is a party and which is subsisting or having effect immediately on or after the Appointed Date without any further concurrence of any other party or parties thereto shall remain in full force and effect and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company has been a party thereto.

6 (A) With effect from Appointed Date and up to the Effective Date.

(a) The Transferor Company shall carry on and shall be deemed to have carried on all their business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said Assets for and on account and in trust for, the Transferee Company.

(b) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior written consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies of any third party, or save as expressly permitted by this scheme or with the prior written consent of the Transferee Company, alienate, charge, mortgage or encumber or otherwise the said Assets and shall not deal with the said Assets or any part thereof; and

(c) save as specifically provided in the Scheme, each of the Transferor Company or the Transferee Company shall not make any change in its capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus share, convertible debentures or otherwise) decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in Clause 10 (a) below), except by mutual consent of the respective Boards of Directors of the Transferor Company and the Transferee Company.

(B) With effect from the Appointed Date, all the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by such Transferor Company shall, for all purpose, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

7 (a) Upon the coming into effect of this scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

(b) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, proposed and enforced by or against the Transferee Company.

8. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to be benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the effective date, shall be in full force and effect against or in favor of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of such Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writing or conformation at any time prior to the effective date, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause.

9 (a) The Transferee Company shall not be bound to absorb all the employees of the Transferor Company upon the scheme becoming effective. However, for restructuring purposes the Transferee Company shall have the right to retain only such number of employees for the operations of the Transferor Company and the other employees not taken over shall be settled as per prevailing labour laws. The absorption or continuation of the employees of the Transferor Company by the Transferee Compnay shall be solely at its discretion.

(b) In so far as the provident fund, gratuity fund, superannuation fund or any other special scheme(s) / funds created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said Schemes/funds in accordance with provisions of such schemes/funds as per the terms provided in the respective trust deeds, in relation to such schemes/funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

PART IV REORGANISATION OF CAPITAL

10 (a) upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the said Assets and the said Liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further approval under section 81 (1A) of the Act, if required and without further application, act or deed, issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of Transferor Company, on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Transferee Company: Equity Shares of Rs. 10/- (Rupees ten only) each, credited as fully paid up, to the equity shareholders of the Transferor Company whose names are recorded in Register of Members on the Record Date in the ratio of 1 (one) Equity Share of the face value of Rs. 10/- (Rupees ten only) each in the Transferee Company for every 11 (eleven) Equity Shares of the face value of Rs. 10/- (Rupees ten only) each in Transferor Company. (the ratio of the Shares to be allotted to the shareholders of the Transferor Company by the Transferee Company for the Shares held by them in the Transferor Company being referred to as the "Share Exchange Ratio")

(b) Such equity shares to be issued and allotted by the Transferee Company in terms of Clause 10 (a) shall rank pari passu in all respects which the existing equity shares of the Transferee Company, save and except in relation to dividends to which they will be entitled to proportionately from the Appointed Date.

(c) For the purposes aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the concerned authorities, for the issue and allotment by the Transferee Company to the Members of the Transferor Company, the Equity shares in the share capital of the Transferee Company in the Share Exchange Ratio.

11. Upon the coming into effect of the Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee company. Notwithstanding anything to the Contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names shall appear on the register of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the relevant Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

PART V - GENERAL TERMS AND CONDITIONS

12 (a) The Transferee Company and the Transferor Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity share holders in respect of the accounting period prior to the Effective Date.

(b) The equity shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company as provided in Clause 10 hereof shall be proportionately entitled to dividends from the Appointed Date. The holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their rights under their respective Articles of Association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective boards of directors of the Transferor Company and subject to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

13 (i) The Accounts of the Transferor Company and the Transferee Company would be made out in a combined manner following the pooling of interest as stipulated in the Accounting Standard 14 of the Institute of Chartered Accountants of India with effect from appointed date i.e. 1st April 1999.

(ii) The net surplus if any arising out of the amalgamation in the books of the Transferee Company after providing for the adjustments, shall be credited by the Transferee Company, to a special account in the books of the Transferee Company as a free reserve, to be styled "Amalgamation Reserve Account".

14. The Transferor Company shall with all reasonable despatch, make applications/ petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required enquired under law.

15. The Transferee Company shall also with all reasonable despatch, make applications/ petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme under provisions of law, and obtain all approvals as may be required under law.

16 (a) The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which the High Court of Karnataka at Bangalore and/or any other authorities under law may deem fit approve of or impose and which the Transferor Company and the

Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law). The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee or committees of the concerned Board or any director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "delegates"

(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof of additions thereto, the delegates of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this scheme.

(c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of any of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such transfer in the Transferor Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective.

17. This Scheme is conditional upon and subject to :

(a) the Scheme being agreed to by the requisite majorities of the members and creditors (where applicable of the Transferor Company and the Transferee Company) as required under the Act and the requisite orders of the High Court of Karnataka at Bangalore referred to in Clause 15 and 16 above being obtained.

(b) the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 being obtained for the issue and allotment of equity shares to non-resident shareholders pursuant to this Scheme.

(c) such other sanctions and approvals including sanctions of any governmental authority.

(d) the certified copies of the court order referred to in this Scheme being filed with the Register of Companies, Karnataka.

18. All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and 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, provided that in respect of common cost, charges and expenses not specifically attributable to any company the same shall be borne in equal proportion by the Transferor Company.

19. The Transferor Company shall stand dissolved without winding up.

20. The Transferee Company and Transferor Company shall have liberty to apply to the Hon'ble High Court of Karnataka at Bangalore for necessary directions to remove difficulties, if any, in implementing the Scheme.

ARTICLES OF ASSOCIATION
OF
KHODAY INDIA LIMITED

Application of Table A.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply so far and so far only as they are not inconsistent with any of the provisions contained in these Articles.

INTERPRETATION

Interpretation

2. In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context :

a) "The Company" means Khoday India Limited

b) "The Act" means the Companies Act, 1956.

c) "The Directors" means the Directors of the time being of the Company

d) "The Board" means the Board of Directors of the Company.

e) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

f) "Office" means the Registered Office for the time being of the Company.

g) "Seal" means the Common Seal for the time being of the Company. the words and expressions contained in the Articles shall bear the same meaning as in the Act.

As altered by Special Resolution passed at the AGM Held on 30-12-2008

3. The Share Capital isRs.45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs.10/- each.

3(A) The Company in General Meeting may, by ordinary Resolution, increase the Capital, by the creation of new shares, by such sum, to be divided into shares of such amount, as may be specified in the Resolution.

As amended by Special Resolution Date 30-12-2000

(B) Notwithstanding anything contrary contained elsewhere in this Articles of Association and subject to the applicable provisions of laws/regulations, shares and/or debentures (hereinafter called 'the securities') of the Company may be issued in and/or converted into dematerialised/electronic form (i.e. not in physical form), either in full or in parts, and/or rematerialised any time after such issue/ conversion, either in full or in parts, at the discretion of the Board or Directors, for which the Board of Directors is hereby authorised to do so. In case of such issue/conversion of securities in/into dematerialised/electronic form, the holder/s of such securities is/are entitled to hold and/or trade such securities in the electronic form until such securities are rematerialised, subject to provisions of laws/regulations as may

8. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to be benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the effective date, shall be in full force and effect against or in favor of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of such Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writing or conformation at any time prior to the effective date, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause.

9 (a) The Transferee Company shall not be bound to absorb all the employees of the Transferor Company upon the scheme becoming effective. However, for restructuring purposes the Transferee Company shall have the right to retain only such number of employees for the operations of the Transferor Company and the other employees not taken over shall be settled as per prevailing labour laws. The absorption or continuation of the employees of the Transferor Company by the Transferee Compnay shall be solely at its discretion.

(b) In so far as the provident fund, gratuity fund, superannuation fund or any other special scheme(s) / funds created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purpose whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said Schemes/funds in accordance with provisions of such schemes/funds as per the terms provided in the respective trust deeds, in relation to such schemes/funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes/funds.

PART IV REORGANISATION OF CAPITAL

10 (a) upon the coming into effect of this Scheme, and in consideration of the transfer of and vesting of the said Assets and the said Liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further approval under section 81 (1A) of the Act, if required and without further application, act or deed, issue and allot to the equity shareholders of the Transferor Company whose names are recorded in the Register of Members of Transferor Company, on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Transferee Company: Equity Shares of Rs. 10/- (Rupees ten only) each, credited as fully paid up, to the equity shareholders of the Transferor Company whose names are recorded in Register of Members on the Record Date in the ratio of 1 (one) Equity Share of the face value of Rs. 10/- (Rupees ten only) each in the Transferee Company for every 11 (eleven) Equity Shares of the face value of Rs. 10/- (Rupees ten only) each in Transferor Company. (the ratio of the Shares to be allotted to the shareholders of the Transferor Company by the Transferee Company for the Shares held by them in the Transferor Company being referred to as the "Share Exchange Ratio")

(b) Such equity shares to be issued and allotted by the Transferee Company in terms of Clause 10 (a) shall rank pari passu in all respects which the existing equity shares of the Transferee Company, save and except in relation to dividends to which they will be entitled to proportionately from the Appointed Date.

(c) For the purposes aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the consent of the concerned authorities, for the issue and allotment by the Transferee Company to the Members of the Transferor Company, the Equity shares in the share capital of the Transferee Company in the Share Exchange Ratio.

11. Upon the coming into effect of the Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee company. Notwithstanding anything to the Contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of the Transferor Company whose names shall appear on the register of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the relevant Transferor Company shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

PART V - GENERAL TERMS AND CONDITIONS

12 (a) The Transferee Company and the Transferor Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity share holders in respect of the accounting period prior to the Effective Date.

(b) The equity shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company as provided in Clause 10 hereof shall be proportionately entitled to dividends from the Appointed Date. The holder of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their rights under their respective Articles of Association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective boards of directors of the Transferor Company and subject to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

13 (i) The Accounts of the Transferor Company and the Transferee Company would be made out in a combined manner following the pooling of interest as stipulated in the Accounting Standard 14 of the Institute of Chartered Accountants of India with effect from appointed date i.e. 1st April 1999.

(ii) The net surplus if any arising out of the amalgamation in the books of the Transferee Company after providing for the adjustments, shall be credited by the Transferee Company, to a special account in the books of the Transferee Company as a free reserve, to be styled "Amalgamation Reserve Account".

14. The Transferor Company shall with all reasonable despatch, make applications/ petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required enquired under law.

15. The Transferee Company shall also with all reasonable despatch, make applications/ petitions under section 391 and 394 and other applicable provisions of the said Act to the High Court of Karnataka at Bangalore for sanctioning of this Scheme under provisions of law, and obtain all approvals as may be required under law.

16 (a) The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which the High Court of Karnataka at Bangalore and/or any other authorities under law may deem fit approve of or impose and which the Transferor Company and the

Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law). The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a committee or committees of the concerned Board or any director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "delegates"

(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof of additions thereto, the delegates of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this scheme.

(c) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of any of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such transfer in the Transferor Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective.

17. This Scheme is conditional upon and subject to :

(a) the Scheme being agreed to by the requisite majorities of the members and creditors (where applicable of the Transferor Company and the Transferee Company) as required under the Act and the requisite orders of the High Court of Karnataka at Bangalore referred to in Clause 15 and 16 above being obtained.

(b) the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 being obtained for the issue and allotment of equity shares to non-resident shareholders pursuant to this Scheme.

(c) such other sanctions and approvals including sanctions of any governmental authority.

(d) the certified copies of the court order referred to in this Scheme being filed with the Register of Companies, Karnataka.

18. All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and 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, provided that in respect of common cost, charges and expenses not specifically attributable to any company the same shall be borne in equal proportion by the Transferor Company.

19. The Transferor Company shall stand dissolved without winding up.

20. The Transferee Company and Transferor Company shall have liberty to apply to the Hon'ble High Court of Karnataka at Bangalore for necessary directions to remove difficulties, if any, in implementing the Scheme.

ARTICLES OF ASSOCIATION
OF
KHODAY INDIA LIMITED

Application of Table A.

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall apply so far and so far only as they are not inconsistent with any of the provisions contained in these Articles.

INTERPRETATION

Interpretation

2. In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context :

a) "The Company" means Khoday India Limited

b) "The Act" means the Companies Act, 1956.

c) "The Directors" means the Directors of the time being of the Company

d) "The Board" means the Board of Directors of the Company.

e) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

f) "Office" means the Registered Office for the time being of the Company.

g) "Seal" means the Common Seal for the time being of the Company. the words and expressions contained in the Articles shall bear the same meaning as in the Act.

As altered by Special Resolution passed at the AGM Held on 30-12-2008

3. The Share Capital isRs.45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lacs) Equity Shares of Rs.10/- each.

3(A) The Company in General Meeting may, by ordinary Resolution, increase the Capital, by the creation of new shares, by such sum, to be divided into shares of such amount, as may be specified in the Resolution.

As amended by Special Resolution Date 30-12-2000

(B) Notwithstanding anything contrary contained elsewhere in this Articles of Association and subject to the applicable provisions of laws/regulations, shares and/or debentures (hereinafter called 'the securities') of the Company may be issued in and/or converted into dematerialised/electronic form (i.e. not in physical form), either in full or in parts, and/or rematerialised any time after such issue/ conversion, either in full or in parts, at the discretion of the Board or Directors, for which the Board of Directors is hereby authorised to do so. In case of such issue/conversion of securities in/into dematerialised/electronic form, the holder/s of such securities is/are entitled to hold and/or trade such securities in the electronic form until such securities are rematerialised, subject to provisions of laws/regulations as may

be applicable to the Company from time to time. The Board of Directors may at its discretion, subect to the applicable provisions of Laws, make any arrangements with Securities and Exchange Board of India, Stock Exchanges, Depositories, Registrars for transfer of securities or any other person(s) / intermediaries in order to give effect to the above said dematerialisation / rematerialisation of securities or trading of such securties.

FURTHER ISSUE OF CAPITAL

4. Nothing in this clause shall apply to increase of the subscribed capital of the company caused by the exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares of the Company or to subscribe for shares in the Company provided that the terms of issue of such debentures or terms of such loans including a term providing for such option and such term either has been approved by a special resolution passed by the Company in general meeting before the issue of debentures or the raising of the loans and also either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any made by that Government in this behalf.

Shares under Control of Directors

5. Subject to the Provisions of these Articles and of the Act, the Shares shall be under the direct control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Directors think fit and (subject to the provisions of Section 78 and 79 of the Act) either at a premium or at par or at discount provided that option or right to call of shares shall not be given to any person without the sanction of the Company in general meeting.

Acceptance of Shares

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

Deposit and calls etc., to be a debit payable immediately.

7. The money, if any, which the Board shall on allotment of any shares being allotted by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the inscription as the name of the allottee in the register of members as the name of the holder of such shares, shall become a debt due to and recoverable by the Company from the allottee there after and shall be paid by him accordingly.

Trust not recoginsed

(A) Except as required by law or ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share in trust and the Company shall not be bound or compelled in any way to recognise any benami, equitable, contingent, future or potential interest in any share or any interest in any fractional part of a share (except only by this presents or by law otherwise provided) or any other rights in respect of any share except in any absolute right to the entirety thereof in the register of members.

Variation of rights

(B) The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 186 and 187, of the Act be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply except that the necessary quorum shall be two persons holding or representing by proxy one-third of the issued shares of the class.

Issue other than for cash

C. 1) The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery and appliances supplied, or for services rendered to the Company, acquisition and/or conduct of its business, and any shares which may be so allotted, may be issued as fully paid up shares, and if so issued shall be deemed to be fully paid up shares.

2) The said power vested in the Board by this Article shall not be exercised except by the unanimous consent of all the Directors or with the previous sanction of a special resolution passed at a General Meeting of the Company.

Joint Holders

D. Where two or more persons are registered as Holders, joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit or survivorship subject to the provisions following :-

a) The person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate there of.

b) Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share, and such joint holder shall be severally, as well as jointly liable for payment of all installments and call due in respect or such share/shares.

c) Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled there to, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present, whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof, several executors or administrators, of a deceased member in whose names any share stands shall for the purpose of this Article, be deemed joint holders, thereof.

d) In case of death of any one or more of such joint holders, the survivors shall be only persons recongnised by the Company as having any title to or, interest in such share, but the directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by him jointly with any other person

e) All notices directed to be given to the members shall be given to whichever of such persons in named first in the register and notice so given shall be sufficient notice to all the holders of such shares.

LIEN

Company's lien on Shares

8. The Company shall have a first and paramount lien upon all the shares *(other than fully paid up shares)* registered in the name of each member *(whether solely or jointly with others upon the proceeds of sale thereof for all moneys whether presently payable or not)* called or payable at a fixed time in respect of such shares and no equitable interest In any share shall be treated except upon the footing and condition that this Article will have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed registration of a transfer of shares will operate as a waiver of the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

Enforcing of lien by sale.

A. For the purpose of enforcing such line, the Board may sell the Shares subject thereto in such manner as they think fit but no sale shall be made until expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being, or to the person entitled to the shares by reason of the death or insolvency of the registered holder.

Authority to transfer

B. to give effect to such sale, the Board of Doctors may authorise some person to transfer the shares sold to the purchase thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall neither be bound to see to the application of the purchase money, nor will 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

8. C.1. The net proceeds of any such 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.

2. The residue, if any, shall subject to, 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.

Application of any money due to share holder

8.D. Any Money due from the Company to a shareholder, may without the consent of such shareholder be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company in respect of call or otherwise.

CALLS ON SHARES

9. Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the

conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the date, time and place or at the dates, times and places appointed by the Board of Directors.

Call when deemed to be made

9(A) The Board of Directors, may when making a call by resolution determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.

Notice for call

9(B) Not less than fourteen days notice of any call shall be given specifying the date, time and place of payment of such call. The Directors may, by notice in writing to the members extend the time for payment thereof.

Sums payable at fixed date to be treated as calls

9(C) If by the terms of issue of any share of otherwise any amount is made payable at any fixed date or by instalments at fixed date whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the directors and of which due notice had been given, and all the provisions herein contained in respect of call shall relate to such amount or instalment accordingly.

Calls to carry interest

9(D) 1. If a sum called in respect of the shares is not paid before or on the day appointed for the payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Dirctors from the day appointed for the payment thereof to the time of actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in Part.

2. The provisions of this Article as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payble at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

9(E) The Board of Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any share held by him and upon all or any part of the moneys so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate not exceeding *(without the sanction of the company in General Meeting)* 9 per cent per annum as may be agreed upon between the member paying the sum in advance and the Board of Directors, but shall not in respect of such advances confer a right to the dividend or to any voting rights.

Partial payment not to preclude forfeiture

9(F) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, 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 there after proceeding to enforce a forfeiture of such shares as herein after provided.

Evidence in actions by company against shareholders

9(G) On the trial, hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company, in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the register of shareholders of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and the amount claimed is not entered as paid in the Books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call or that a quorum of Directors was present at the Board at which any call was made or that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever.

Person by whom instalments are payable

10. If by the conditions of allotment of any share, the whole or part or the amount or issue price there of shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

FORFEITURE OF SHARES

If call of instalment not paid notice may be given

11. If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Board of Directors may at any time there after during such time as any part of such a call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued.

Form of notice of forfeiture

12. The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment on or before the day named the shares in respect of which the call was made will be liable to be forfeited.

Board's right to forfeit if requirement of notice are not complied with

(A) If the requirements of any such notice as aforementioned are not complied with any share in respect of which the notice has been given, may at any time there after before the payments required by the notice has been made, be forfeited by the resolution of the Board of directors to the effect and such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

Notice after forfeiture

(B) Where a share has been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of forfeiture with date thereof shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission on neglect to give such notice or to make such entry as aforesaid.

Forfeited share to become property of the company

(C) Any share so forfeited shall be deemed to be the property of the Company.

Sale of forefeited shares

(D) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board of Directors may think fit.

Power to annul forfeiture

(E) The Directors may at any time before any share so forfeited shall have been sold reallotted or otherwise disposed of, annul the forteiture thereof on such conditions as they think fit.

The forfeiture of a share shall involve the extinction, of all interest and in all claims and demands against the Company, in respect of the shares and of all other right incidental to the share, except only such of those rights as by these Articles are expressly saved.

Liability after forfeiture

(F) A person whose shares have been forfeited shall cease to be a member in respect of the forfeiture shares, but shall notwithstanding the forfeiture, remain liable to pay and shall forthwith pay on demand all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the share, but his liability shall cease if and when the Company received payment at call of the nominal amount of share whether legal proceedings for the recovery of the same had been barred by limitation or not.

Declaration of forfeiture

(G) A duly verified declaration in writing that the declarant is a Director 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 shares and that declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a good title to the shares and the person to whom the share is sold or disposed shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by way of irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Non-payment of sums payable at fixed times

(H) 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 share become payable at a fixed time, whether on account of the amount of the share or by way of premium or otherwise, as if the same had been payable by virtue of a call duly made and notified.

Validity of sales upon forfeiture

(I) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings not to the application of the purchase money and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Cancellation of old certificates and issue of new certificates

(J) Upon any sale, re-allotment or other disposal under the provisions of the preceeding Articles, the certificate or certificates orginally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

SHARE CERTIFICATES

Issue of share certificates

13 (a) The share certificate shall be issued in market lots and where share certificates are issued by either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge.

(b) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modifications there of, for the time being shall be duly complied with respect to all transfers of shares and registration thereof.

Fresh Certificate

14. If a Share Certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, not exceeding Rupee One and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit.

TRANSFER AND TRANSMISSION OF SHARES

15. Subject to the right of appeal under Section 108 of the Act, the Board may in its absolute discretion, and without assigning any reason whatsoever, refuse to register any transfer of share where.

a) The Company has a lien on such shares.

b) The transferee is a minor, insolvent or person of unsound mind.

c) In exceptional circumstances when it is felt that the transferor/transferee is not a desirable person from the larger point of view of interest of the Company as a whole.

Provided that the registration of a transfer shall not be refused on the ground of the transferor being alone or jointly with any other person/persons indebted to the Company on any account whatsoever, except a lien on the shares.

The Board shall specifically pass a resolution when exercising their right to refuse to register any transfer of shares and shall advise both the transferor and the transferee in writing within one month from the date on which the instrument of transfer was lodged with the company the fact of such refusal.

16. The instrument of transfer shall be in Form No. 7B of the Companies (Central Government's General Rules and Forms, 1956) and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being in force shall be duly complied with, in respect of all transfers of shares and registration thereof. Registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

No fee shall be charged for transmission of shares or for registration of any power of attorney, probate, letters of administration or other similar documents. No fee shall also be charged for registration of transfers, consolidation or Subdivision of share certificates or for issue of new share certificates in replacement of those which are old, decrepit, worn out or where the pages on the reverse for recording transfers have been fully utilised.

The instrument of transfer shall after registration remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of 6 years or more.

The Board of Directors may, after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the Registered office of the Company is situated, close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time.

As amended by special Resolution Dated 30-12-2000

16A(1) Authority for Buy-back

Subject to the provisions contained in Section 77A, 77AA and 77B of the Companies Act, 1956 and/or corresponding provisions of any statutory modification or re-enactment and subject to rules and regulations that may be framed by Central Government and/or other authorities including Securities and Exchange Board of India or any other appropriate authority as may be concerned, the Company in a general meeting may upon the recommendation of the Board of Directors or any committee of the Board of Directors, at any time and from time to time, by a special resolution authorise buy-back of securities of any part of the company's share capital which are fully paid-up (hereinafter referred to as buy-back scheme in these Articles).

16A(2) Mode of buy-back

Subject to the authority being granted pursuant to the preceding article, the Board or the Committee thereto formulate the mode including the terms and conditions of buy-back of securties of the Company, in its absolute discretion, which is not otherwise prohibited by law.

16A(3) Extinguishing of shares certificates

On payment of the agreed consideration as per the scheme of buy-back made pursuant to these Articles, the securties covered and arising out of such buy-back scheme, shall stand extinguished and be physically destroyed within the prescribed time limit. The shares offered for buy back if already dematerialised shall be extinguished and destroyed in the manner specified under Securties and Exchange Board of India (Depositories and Participants) Regulations 1996 and the byelaws framed thereunder. All share certificates that are extinguished or destroyed pursuant to this article shall not be reissued on any account whatsoever and there shall be a register maintained at the Registered Office of the Company, furnishing the required details of all such extinguished/destroyed share certificates arising out of the buy-back scheme.

16A(4) Consequential changes

The Register of Members shall be suitably modified giving effect to the buy-back scheme and the share certificates that are consequently extinguished/destroyed arising out of the buy-back scheme.

16A(5) Validity

The Articles hereto under the Chapter (Buy-Back of Securties') shall be valid and shall prevail over all other Articles, notwithstanding anything else contained to the contrary in these Articles.

MEETING OF MEMBERS

Annual General Meeting.

17. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provision of Section 166 and 210 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the City in which the Registered Office is situate, as the Board may determine and the Notice calling the meeting shall name it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend, either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with the proxies and the Register of Directors' shareholdings of which the latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual list of Members, Summary of the share capital, Balance-sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the provision of Section 159, 161 and 220 of the Act.

Place of Keeping and inspection of register and returns

17A(1) The Register of Members, Index of Members, the Register and Index of Debenture Holders and copies of all Annual Returns prepared under section 159 and 161 of the Act together with the copies of certificates and documents required to be annexed thereto under section 159 and 161 of the Act shall be kept at the Registered Office of the Company.

PROVIDED THAT such registers, indexes, returns and copies of certificates and documents or any one or more of them may instead of being kept at the Registered Office of the Company, be kept at any other place within the city or town in which the registered office of the Company is situated for the time being if;

i. Such other place has been approved for this purpose by a Special Resolution passed by the Company in General Meeting and

ii. The Registrar has been given in advance a copy of the proposed Special Resolution.

17B(a). The Registers, index, returns and copies of the certificates and other documents referred to in sub-clause (1) hereof shall, except when the Register of Members or Debenture Holders is closed under the provisions of the Act, be open during the business hours (subject to such reasonable restrictions as the Company may impose, so that not less than two hours in each day are allowed) for inspection (i) of any member or debenture holder without fee and (ii) of any other person on payment of fee of one rupee for each inspection.

(b) Any such member, debenture holder or other person may take abstract from the said document or require copy thereof in accordance with Section 163 of the Act.

Extraordinary General Meeting

17C. The Company shall cause any copy required by any person under clause (b) of sub-clause (3) to be sent to that person within a period of ten days exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

18. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital, as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Requisition of Members to state object of meeting

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

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

On receipt of requisition, Directors to call meeting and in default, requsitions may do so

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

Meeting called by requisitionists

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

Length of Notice of Meeting

22. 1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.

2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto:-

i) in the case of an Annual General Meeting by all the members entitled to vote there at;

ii) in the case of any other meeting, by members of the Company holding not less than ninety five percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

Provided that where any members of the company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those member shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the latter.

Contents and manner of service of Notice

23(1) Every notice of a meeting 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.

23(2) Subject to the provisions of the Act, notice of every general meeting shall be given;

a) to every member of the Company in the manner authorised by sub-section (1) to (4) of Section 53 of the Act.

b) to the persons entitled to a share in consequence of the death, or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased or assignee of the insolvent, or by like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred and

c) to the Auditors or Auditor, for the time being of the Company, in any manner authorised by Section 53 of the Act in the case of any member of the Company.

PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under Sub-section(3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by the Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

23(3) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote and attend instead of himself and that a proxy need not be a member of the Company.

Special and Ordinary Business Explanatory Statement

24(1) a) In the case of an Annual General Meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business, relating to;

i) The consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors;

ii) The declaration of dividend;

iii) The appointment of Directors in the place of those retiring; and

iv) The appointment of, and the fixing of remuneration of the auditors.

b) In the case of any other meeting, all business shall be deemed special.

24(2) Where any item of business to be transacted at the meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material fact concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director.

PROVIDED that where any item of special business at the meeting of the Company relates to or affects any other Company, the extent of shareholding interest in that other company of every Director shall be sent out in the statement, if the extent of scuh shareholding interest is not less than 20 per cent of the paid up share capital of that other Company.

Special Notice

24(3) 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.

25. 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 not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

Resolutions requring Special notice

26. The following resolutions shall require special notice;

a) Resolution under Section 225 of the Act at annual general meeting appointing as Auditor a person other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.

b) Resolution under Section 284 of the Act removing a Director before the expiry of his period of office.

c) Resolution under Section 284 of the Act appointing a Director in place of - Director so removed.

Omission to give notice not to invalidate a resolution passed

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

Business mentioned in the Notice only to be discussad.

27(A) No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notices upon which it was convened.

Quorum at General Meeting

27(B) Five members present in person shall be a quorum for a General Meeting.

27(C) A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

If quorum not present, meeting to be dissolved or adjourned

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

Chairman of General Meeting

27(E) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary, if there be no such Chairman of the Board of Directors or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting then the members, present shall elect another Director as Chairman, and it no Director be present or if all Directors present decline to take the Chair, then the Members present shall elect one of their members to be the Chairman.

Business confined to election of Chairman whilst chair vacant

27(F) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Charir is vacant.

Chairman with consent may adjoum meeting

27(G) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place within the city or town in which the office of the Company is situate for the time being but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Questions at General Meeting how decided

27(H) At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the meeting or by any Member or Members holding not less than one tenth of the total voting power in respect of the resolution or by any Member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one tenth of the total sum paid-up on all the shares conferring that right and unless a poll is demanded, a declaration by the Chairman, that a resolution has, on a show of hands been carried or carried unanimously, or by a particular majority or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favor of or against the resolution.

Chairman's casting Vote

27(I) In case of any equality of votes, the chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

Pool to be taken if demanded

27(J) If a poll is demanded as aforesaid, the same shall subject to Article 27L be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Scrutineers at poll

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

In what case poll taken without adjournment

27(L) Any poll, duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

Demand for poll not to prevent transaction of other business

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

Amended vide Special Resolution passed at the EGM held on 18.3.2003

27(N) Passing of resolution by postal ballot:

Notwithstanding anything contained in the Articles of Association of the company, the company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters :

Instead of transacting such business in a general meeting of the company:

- any business that can be transacted by the company in general meeting; and
- particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard.

VOTES OF MEMBERS

Members in arrears not to vote

28. No member shall be entitled to vote either personally or by proxy at any General Meeting or meetings of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or others sums presently payable by him have not been

paid or in regard to which Company has and has exercised, any right of lien.

Number of votes to which a Member entitled

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

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

28(B) On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his 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 uses.

How members noncompos mentis

28(C) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands, or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Vote of joint Members

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

Voting in person or by proxy

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

Votes in respect of shares of deceased/ insolvent members

28(F) Any person entitled under Article 63 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that 48 hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall

satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy

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

Proxy either for a specified meeting or for a specified period

28(H) A member may appoint a proxy either for purposes of a particular meeting specified in the instrument and any adjournment thereof or subject to Article 109 he may appoint for the purposes of every meeting of the Company, or of every meeting to be held before the date specified in the instrument and every adjournment of any such meeting.

No proxy except for a body corporate to vote on a show of hands

28(I) A member present by proxy shall be entitled to vote only on a poll unless such member is a body corporate present by a proxy in which case such proxy shall have a vote on the show of hands as if he were a member.

Deposit of instrument of appointment

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

Form of proxy

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

Validity of Votes given by proxy not withstanding death of members

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

Time for objection to Vote

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

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

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

Minutes of Gerenal Meeting and inspection thereof by member

28(O) 1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries

thereof in books kept for that purpose with their pages consecutively numbered.

2) Each page of every book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within the period, by a Director duly authorised by the Board for the purpose.

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

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

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

6) Nothing hereing contained shall require or be deemed to require the inclusion in any such minute of any matter which in the opinion of the Chairman of the meeting (a) is, or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion, non-inclusion of any matter in the minutes on the aforesaid grounds.

7) Any such minutes shall be evidence of the proceedings recorded therein.

8) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

BOARD OF DIRECTORS

As amended by special Resolution passed on 28-12-91

29. Unless otherwise determined by a General Meeting, the number of directors shall not be less than three and not more than fifteen including all kinds of Directors, The First Directors of the Company are:-

1. Sri. K.L. Ramachandra
2. Sri. K.L. Narayansa
3. Sri. K.L. Srihari

29(A) Subject to the provisions of Section 255 of the Act, so long as Sri K.L. Ramachandra and his Associates hold or continues to hold not less than 10% of the paid up equity capital of the Company for the time being Sri. K.L. Ramachandra shall have the right by notice in writing addressed to the Company to appoint one-third of the total number of Directors who shall not be liable to retire by rotation (hereinafter called non-retiring Directors) and to remove any such Director so appointed and appoint another in his place or in place of any such Director who resigns or otherwise vacates his office and such appointment and removal shall be effected by writing to the Board.

Appointment of aditional Directors & filling of casual vacancy

30. Subject to and in accordance with the provisions of section 260 and 262 of the Act, the Directors shall have power at any time to appoint any person as a Director either as an addition to the Board or to fill

a casual vacancy but so that the total number of Directors shall not exceed the maximum fixed by the Articles.

NOMINEE DIRECTORS

As amended vide Special Resolution dt. 26-12-92

30(A) Not withstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIC), United India Insurance Company Limited (UII) or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this article referred to as the "Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantees furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same right and privileges and be subject to the obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remaining owing by the company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately upon the money owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board

Meetings and of the Meetings of the Committee of which the Nominee Directors is/are member/s also to receive the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the nominee Directors/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s, shall accrue to the Corporation and the same shall accordingly be paid by the Company direcity to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Directors in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

Alternate Directors

31. Subject to the provisions of Section 313 or any statutory modifications thereof, the Board of Directors shall have power to appoint a person as Alternate Director during the absence of a Director for a period of not less than three months In the State in which meetings of the Board are ordinarily held.

Register of Directors

32. The Company shall at its office, maintain a Register showing the names, addresses and occupation of its Directors and send to the Registrar of Companies a copy of such Register and shall, from time to time inform the Registrar any changes that take place in such Directorships as required, by Section 303 of the Act.

33. It shall not be necessary for a Director/Directors to hold any qualification shares.

As amended by Special Resolution Dated 22-9-90 (Sitting Fees)

34. Unless otherwise determined by the Company in the General Meeting each director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors attended by him or of a Committee of the Board not exceeding the amount prescribed by the Act. or the Central Government from time to time and as may be determined by the Board of Directors also from time to time subject to provisions of Section 310 of the Act and the Rules made thereunder.

Payment of travelling allowance to Directors

35 (a) In addition to the remuneration as above, the Directors may be paid travelling, hotel and other expenses for attending and returning from meeting of the Board of Directors, any Committees thereof of, General Meeting of the Company or in connection with the business of the Company.

(b) A Director who is neither in the whole time employment of the Company nor a Managing Director, if called upon to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment with the approval of the Central Government or by way of Commission, such amounts or such percentage of the net profits of the Company as the case may be, as may be determined by the Board, subject to the provisions of the Act, and such remuneration may be in addition to the remuneration payable under Sub-clause (a) above.

(c) In addition to the remuneration payable under sub-clause (b) above, any Director referred to therein shall be reimbursed such sum, as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in connection with the business of the Company.

General powers of the Board

36. The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do;

(a) Provided that the Board shall not exercise such power or do any act or thing, which is directed or required by the Act or any other provisions of law or by the Memorandum of the Company or by these Articles, to be exercised/done by the Company in General Meeting.

b) Provided further that in exercising any such power to doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the Company or these Articles or in any regulation not inconsistent therewith and duly made hereunder including regulations made by the Company in General Meeting.

c) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Express Powers of the Directors

37. Without prejudice to the general power conferred by these Articles and subject to any special provisions contained in the Act, it is hereby expressly declared that the Directors shall have the powers that is to say, power:-

a) To carry out the objects and exercise the power contained in clause III of the Memorandum of Association of the Company;

b) to have the superintendence, control and direction over Managing Director, Whole time Directors and all other Officers of the Company ;-

c) to delegate, subject to the provision of Section 292 of the Act, and any statutory modifications thereof, by a resolution passed at a meeting, to any Committee of Directors or Managing Director :-

i) the power to borrow money otherwise than or debentures;

ii) the power to invest the funds of the Company.

iii) the power to make loans.

d) to acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the company is authorised to acquire at such price generally on such terms

and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose off absolutely or conditionally any property, rights or privileges and undertakings of the Company upon such terms and conditions and for such considerations as they think fit;

e) to appoint officers, clerks and servants for permanent or temporary or special services, as the Board may from time to time think fit and to determine their powers and duties and fix their salaries and emoluments and terms of service and to remove or suspend any such officers, clerks or servants.

f) to invest and to deal with any of the moneys of the Company and to vary or release such investments.

g) 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 of satisfaction or any debts due and of claims or demands by or against the Company and to appoint Solicitors, Advocates, Counsel and other Legal Advisers for such purposes or for any other purposes and settle and pay their remuneration.

h) to pay and give gratuities, pensions and allowances to any person or persons including any Director, to his widow, children or dependants that may appear to the Directors just or proper and to make contribution to any funds and pay premiums for the purchase or provisions of any such gratuity, pension or allowance;

i) to establish maintain, support and subscribe to any charitable or such other any institution, society or club which may be for the benefit of the Company and its employees.

j) to set aside portions of the profits of the Company to form a fund or funds, before recommending any dividends for object mentioned above.

k) to make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such fund and the accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and the disposal thereof and otherwise in relation to the working and management of said fund as the Directors shall from time to time think fit;

l) to exercise the powers conferred by Section 50 or any statutory modification thereof, with regard to having an official seal for use abroad;

m) to exercise every power conferred under these Articles, not specifically mentioned in these Articles but referred to in other Articles;

n) to determine by resolution from time to time the name of person or persons who shall be entitled to do all or any of the acts mentioned in these Articles on behalf of the Company.

ROTATION OF DIRECTORS

Rotation of Directors

37(A) Subject to the provisions of Section 255 and 256 of the Act; two third of the total number of Directors (other than persons designated as Whole-time Executive Directors for the

time being) of the Company shall be liable to retirement by rotation.

37(B) 1. The Directors to retire by rotation 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 the subject to any Agreement amongst themselves be determined by lot.

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

3. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up vacancy by appointing the retiring Director or some other person thereto.

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

b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to till the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless;

i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to vote at the meeting and lost;

ii) 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;

iii) he is not qualified or is disqualified for appointment;

iv) a resolution whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or

v) the proviso to Sub-Section (2) of Section 263 of the Act is applicable to the case.

BORROWING

Borrowing

37(C) 1 The Board of Directors may from time to time but with such consent of the Company In General Meeting as may be required under Section 293 raise any money or any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not without the sanction of the Company at a General Meeting 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, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise debentures convertible into shares of this or any other company or perpetual annuities and security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part

of the property assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securties, provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which money may be borrowed by the Board of Directors.

2. The Directors may by a resolution at meeting of the Board delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director if any within the limits prescribed.

3. Subject to the provisions of the above sub-clauses, the Directors may from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions, in all respects as they think fit, and it particular, by promissory notes or by opening current accounts, or by receiving deposits and advance with or without security, or by the issue of bonds perpetual or redeemable debentures or debenture stock of the Company *(both present and future)* including its uncalled capital for the time being, or by mortgaging or charging, or pledging any lands. building, goods or other property and securties of the Company, or by such other means as to them may seem expedient.

Assignement of debenture

37(D) Such debentures, debenture stock, bonds or other securties may by made, assignable free from any equities between the Company and the person to whom the same may be issued.

37(E) a) Any such debentures, debenture stock, bonds or other securties may be issued at a discount, premium or otherwise, and with any special privileges, as to redemption, surrender, drawing, allotment of shares of the Company and the right the appoint Directors or otherwise, Debentures, debenture stocks, bonds or other securties with a right of conversion may be issued subject to the sanction of the Company in General Meeting and other provisions of the Act.

b) Any trust deed for the securing of any debenture stock and or any mortgage deed and/ or other bond for securing payment of money borrowed by or due by the Company and or any contract or any agreement made by the Company with any person, firm, body corporate, Government Authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time by any such mortgage, lender, trustees or holders of debentures or contractiong party as aforesaid of one or more persons to be a Director of Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy.

created by such person, vacating office as such Director, such power shall determine and terminate on the discharge or repayment of the respective mortgage loan or debt or debentures or on the termination of such contract and any person so appointed as director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

Subsequent assignee of uncalled capital

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

Charge in favour Director indeminity

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

PROCEEDING OF THE BOARD

Quorum

38. The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

Meeting of the Board

39. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or three directors, whichever is higher.

Chairman of the Meeting

40. The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

Continuing Directors

41. The continuing Director may act, not withstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum, the continuing Director or Directors may act for purpose of increasing the number of Directors to that fixed for a quorum, or of summoning a General Meeting of the Company but for no other purpose.

Committees

42. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such number or numbers of its body as it thinks fit.

Resolution in writing without meeting valid

43. Save as otherwise provided expressly in the Act, a Resolution in writing signed by all members of the Board or Committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee duly, convened and held.

MANAGING AND WHOLE TIME DIRECTORS

Managing Director

44. The Board of Director may, from time to time, appoint one or more of their Body to the office of the Managing Director or Whole-time Director for such period and on such terms as the Board may think fit and subject to the terms of any Agreement entered into with him may revoke such appointment.

44A In furtherance to clause No.44 the period of office shall not exceed five years or such other period as the Central Government may from time to time determine and the said appointment for the office of Managing Director and whole-time Director shall be subject to the sanction of the Central Government as may be required by law.

Power and Duties of the Managing Director

45. The Board may entrust and confer upon the Managing Director or Whole-time Director any of the powers of management which would not otherwise be exercisable by him, upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

Appointment of Secretary

46. i. The Company may appoint a Secretary on such terms and upon such conditions as the Board may think fit. Any Manager or Secretary so appointed may be removed by the Board.

ii. Subject to the provisions of the Act a Director may be appointed as Secretary.

MANAGERIAL REMUNERATION

Remuneration, Officers and Employees

47. i. The Board of Directors may fix the remuneration for Directors including Managing and Whole-time Directors or any other Officer or other employees of the Company, provided however that in fixing the remuneration of employees the Board shall comply with provisions of Sections 199 and 200 of the Act or any statutory modifications thereof.

ii. The Board shall exercise the powers conferred under clause 47 subject to the provisions of the Act and subject to the approval of the shareholders in a general meeting and subject to the approval of the Central Government as may be required by law.

THE SEAL

The Seal and its Custody

48. The Director shall provide a Common Seal for the Company and shall also provide for its safe custody.

49. The Seal of the Company shall not be affixed to any instrument except by the authority of a Resolution of the Board and except in the presence of at least two Directors, including the Managing Director and of the Secretary or such other person as the Company may appoint for the purpose.

ACCOUNTS

Inspection by Members

50. 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.

No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by the Company in General Meeting.

AUDIT

Appointment of Auditors & regulation of their duties

51. Auditors shall be appointed and their duties regulated in accordance with Section 224 to 233 of the Act both inclusive or any statutory modification thereof.

RIGHTS OF EQUITY SHAREHOLDERS IN CAPITAL AND DIVIDEND

52. i. Subject to the rights of persons, if any, entitled to share 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 dividends 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.

ii. 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.

53. The Company in annual general meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 202 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 annual general meeting.

Amended at EGM held on 29-1-1986

54. Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of the moneys provided by the Central or State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the company. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of Section 205-A of the Companies Act, 1956 in respect of all unclaimed or unpaid dividend.

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

56. Where the capital is paid in advance of the class upon the footing the the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

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

CAPITALISTATION OF PROFITS

Capitalisation

57 a) The Company In General Meeting may upon the recommendation of the Board, resolve;

i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the profit and loss account or other wise available for distribution; and

ii) that such sum be accordingly set free for distribution in the manner specified in clases (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions.

Mode of payment

b) The sum aforeasid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) either in or towards :-

i) paying up any amount for the time being unpaid on any shares held by such members respectively;

ii) paying up in full un-issued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or

iii) partly in the way specified in sub-clause (i) and partly in the way specified in sub-clause (ii) ;

Application of share premium account and capital redemption reserve fund

c) Share Premium account and a capital redemption reserve account may, for the purpose of this regulation, only applied in the paying up of un-issued shares to be issued to members of the Company as fully paid bouns shares.

Board to give effect to the resolutions

d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Appropriation and application of undivided profits

58. Whenever such a resolution as aforesaid shall have been passed the Board shall :-

i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and

ii) generally do all acts and things required to give effect thereto.

Board's power in case of fractioned distribution of shares or debentures

59. i) The Board shall have full power to make such provision by the issue of fractional certificates by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also.

ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may by 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 the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

Effect of Agreement

59(A) Any agreement made under such authority shall be effective and binding on all such members.

SECRECY

Secrecy Clause

60. a) Every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, 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 a strict secrecy respecting all transactions of the compnay with its customers and the state of the 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 to do so by the directions or by any meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

b) No member or other person (unless he is a Director or other person) in management of the affairs of the Company

or to inspect or examine in the Company's premises or properties of the Company without permission of the Directors of the Company or officers authorised by the Directors for the time being to require discovery of or any information respecting any detail, of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors or officers authorised by Directors it will be expedient in the interest of the members of the Company to communicate.

WINDING UP

Winding Up

61. a) If the Company shall be wound up, the Liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not.

Liquidator's power to fix value & divide property

b) For the purpose aforesaid, the Liquidator may set such value as 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.

Liquidator's power to vest property in Trustees

c) The Liquidator may with the like sanction, vest the whole or any part of such assets in Trustees upon such trusts for the benefit of the contributories as the Liquidators with the like sanction shall think fit, but 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 to indemnity

62. a) Subject to the provisions of Section 201 of the Act, the Managing Director, Manager, Secretary and other Officer or employee. of the Company shall be indemnified by the Company against and it shall be the duty of Directors out of the funds of the Company to pay all costs and losses and expenses (including traveling expenses) which any such Directors, Officer or employee may incur or become liable to by reason of any constract entered into or act or deed done by him as such Managing Director, Officer or Employee or in any way in the discharge of his duties.

b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

Sl No	Name and Address description & occupation of subscribers	No of Share taken by each subscriber	Name, address description and occupation of witness
1	K.L. RAMACHANDRA S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
2	K.L. NARAYANASA S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
2	K.L. SRIHARI S/o, Sri K. Lakshmansa Industrialist 9, Seshadri Road, Bangalore - 560 009.	Ten	Collect R. O'Neil S/o, J/R, O'neil Technical Adviser 1, Davis Road, Bangalore - 560 005.
Dated this 16th day of September 1965			