NOVARTIS INDIA LIMITED

ARTICLES OF ASSOCIATION

Articles No.	CONTENTS	Page No.
1	Table 'A' excluded	1
2	Interpretations	
3	Change of name of the Company	2
4	Capital	3
5	Increase of capital by the Company and how carried into effect	3
6	New capital same as existing capital	3
7	Redeemable Preference Shares	3
8	Provisions to apply on issue of Redeemable Preference Shares	3
9	Reduction of Capital	3
9A	Buy-Back of securities	3
10	Sub-division and consolidation of shares	3
11	Modification of rights	4
12	Register and Index of Members	4
13	Branch Register of Members	4
14	Shares to be numbered progressively and no share to be sub-divided	4
15	Further issue of capital	4
16	Shares under control of Directors	4
17	Power also to Company in General Meeting to issue shares	5
18	Acceptance of shares	5
19	Deposit and call etc. to be a debt payable immediately	5
20	Liability of Members	5
21	Share Certificates	5
21A	Refusal to Subdivide/ Consolidate	5
22	Renewal of Share Certificate	6
23	Joint Holders	6
24.	Company not bound to recognize any interest in shares other than that of Registered Holder	7
25	Funds etc. of Company may not be applied in purchase of shares of the Company	7
26	Commission may be paid	7
27	Brokerage on issue of shares or debentures	7
· 28	Interest may be paid out of capital	7
29	Directors may make calls	7
30	Notice of calls	7
31	Call to date from resolution	. 8
32	Call may be revoked or postponed	8
-33	Liability of joint holders	8
34	Directors may extend time	8
35	Calls to carry interest	8
36	Sums deemed to be calls	8
37.	Proof on trial of suit for money due on shares	

Articles No.	CONTENTS	Page No.
	Partial payment not to preclude forfeiture	8
38 39 .	(a) Payment in anticipation of calls may carry interest	8
	(b) Voting rights in respect of calls in advance	8
40	Company's lien on shares	9
41	As to enforcing lien by sale	9
42	Application of proceeds of sale	9
43	If money payable on shares not paid notice to be given to Members	9 '
44	Form of notice	9
45	In default of payment, shares to be forfeited	9
46	Notice of forfeiture to a Member	9
47	Forfeited share to be property of the Company and may be sold etc.	9
48	Members still liable to pay calls owing at the time of forfeiture and interest	9
49	Effect of forfeiture	10
50	Evidence of forfeiture	10
: 51	Validity of sale under Articles 40 and 46	10
52-	Cancellation of Share Certificates in respect of forfeited shares	10
53	Power to annul Forfeiture	10
54	Register of Transfers	10
55	Form of Transfer	10
56	Transfer to be left at office and evidence of title given	10
57	No transfer to minors etc.	10
58	Closure of Register of members or Debenture holders	10
59	Director's power to refuse to Register a transfer	11
59A	Refusal to Register transfers	11
60	Notice of application when to be given	11
61	Death of one or more joint holders of shares	11
62	Title to shares of deceased holders	11
62A	Nomination by Security-holders *	.11
62B	Transmission of Securities by Nominees	12
63	Compliance with the Estate Duty Act, 1953	12
64	. Transmission Clause	12
. 65	Refusal to Register in case of transmission	12
66	The Company is not liable for disregard of notice prohibiting registration of transfer	, and a second
67	Rights of successors	13
67A	Dematerialisation of Securities	13
68	Copies of Memorandum and Articles of Association to be sent by the Company	15
69	Borrowing Powers	15
70	Payments or repayment of borrowed moneys	15
71	Terms of issue of Debentures	15
72	Register of mortgages, etc. to be kept	15
73	Register and Index of Debenture holders	15
74	Shares may be converted into stocks	16
75	Rights of stock holders	16

Articles No.	CONTENTS	Page N
76	Annual General Meeting and Annual Return	16
77.	Extraordinary General Meeting	16
78	Requisition of Members to state object of meeting	
79	On receipt of requisition, Directors to call Meeting and	16
80	in default requisitionists may do so	
81	Meeting called by requisitionists	16
82	Twenty-one days notice of meeting to be given	17
83	Business to be transacted at a General Meeting and nature thereof	17
84	Omission to give notice not to invalidate a resolution passed	17
85	Meeting not to transact business not mentioned in the notice	17
86	Quorum for General Meeting	17
87	Body Corporate deemed to be personally present	17
88	If quorum not present, meeting to be dissolved or adjourned	17
89	Chairman of General Meeting	17
90	Business confined to election of Chairman whilst chair vacant	17
90	Chairman with consent may adjourn	17
	Questions at General Meeting how decided	18
92	Chairman's casting vote	18
93	Poll to be taken, if demanded	18
94	Scrutineers at poll	18
95	In what case poll taken without adjournment	18
96	Demand for poll not to prevent transaction of other business	18
97	Member in arrears not to vote	18
98	Number of votes to which member entitled	18
99	Casting of votes by a member entitled to more than one vote	18
100	Vote of member of unsound mind or who is a minor	18
101	Votes of joint member	19
102	Voting in person or by proxy	19
103	Votes in respect of shares of deceased and insolvent member	19
104	Appointment of proxy	19
105	Proxy either for specified meeting or for a period	19
106	Votes by members present or by proxy	19
107	Deposit of instrument of appointment	19
108	Form of proxy	19
109	Validity of votes given by proxy notwithstanding death of member	19
110	Time for objection to vote	19
111	Chairman of the meeting to be the judge of the validity of every vote	19
111A 112	Postal Ballot	19
	Minutes of General Meeting and inspection thereof by Members	20
113 114	Number of Directors	20
114	Appointment of Directors by CIBA- GEIGY	20
116	Debenture Directors	20
117	Provision to appoint Ex-Officio Directors	21 ·
117	Appointment of alternate Directors	21
110	Director's power to add to the Board	21

Articles No.	CONTENTS	Page No
<u>119</u>	Directors power to fill casual vacancies	21
120	Qualification of Directors	21
121	Remuneration of Directors	21
122	Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business	22
123	Special remuneration for extra services rendered by a Director	22
124	Directors may Act notwithstanding any vacancy	22
125	When the office of Director may become vacant	22
126	Directors may contract with the Company	22
127	Disclosure of interest by Directors	23
128	General Notice of Interest	23
129	Interested Director not to participate or vote in Board's proceedings	23
130	Register of Contracts in which Directors are interested	24
131	Directors may be Directors of Companies promoted by the Company	24
132	Retirement and rotation of Directors	24
133	Ascertainment of Directors retiring by rotation and filling of vacancies	24
134	Company may increase or reduce the number of Directors	24
135	Notice of candidate for office of Director except in certain cases	24
136	Register of Directors, etc., and notification of change to Registrar	24
137	Disclosure by a Director of appointment to any other body corporate	25
138	Disclosure by a Director of his holdings of shares and debentures of the Company	25 ,
139	(1) Managing Director/ Wholetime Director (2) Remuneration	25
140	Powers of Managing/ Wholetime Director	25
141	Restriction on Management	25
142	Certain persons not to be appointed Managing/ Wholetime Director	26
143	Meeting of Directors	26
144	Notice of Director's Meeting	26
145	Quorum at Board Meeting	26
146	Adjournment of Meeting for want of quorum	26
147	When meeting to be convened	26
148	Chairman / Vice Chairman	26
149	Questions at Board Meetings how to be decided	27
150	Powers of Board in Meetings	27
151	Directors may appoint Committees .	27
152	Meeting of Committee how to be governed	27
153	Resolution by circulation	27
154	Acts of Board or Committee valid notwithstanding informal defect in appointment	27
155	Minutes of proceedings of the Board	27
156	Powers of the Board	28
157	Certain powers of the Board	28
158	Secretary	31
159	The Seal, its custody and use	31

rticles No.	CONTENTS	Page No
160	Deeds how executed	31
161	Division of profits and dividends in proportion to amount paid-up	31
162	The Company in General Meeting may declare a Dividend	31
163	Dividends only to be paid out of profits	32
164	Interim dividend	32
165	Capital paid-up in advance at interest not to earn dividend	32
166	Retention of dividends until completion of transfer under Articles 62 and 64	32
167	Dividend etc. to joint-holders	32
168	No Member to receive dividend while indebted to the Company and Company's rights of reimbursement thereof	32
169	Transfer of shares must be registered	32
170	Dividends how remitted	32
.171	No interest on dividends	32
. 172	Dividend and call together	32
173	Unclaimed dividend	32
174	Capitalization	32
175	Directors to keep true accounts	33
176	Inspection of accounts or books by Members	34
177	Statement of Accounts to be furnished to General Meeting	34
178	Copies of accounts to be sent to members	34
179	Accounts to be audited	34
180	Manner or service of documents or notice on Members by Company	34
181	When notices of documents served on Members	34
182	Notices to Members having no Registered Address	35
183	Notice on joint holders	35
184	Service of notices on personal representatives, etc.	35
185	To whom documents or notices must be served or given	35
186	Members bound by documents or notices served on or given to previous holders	35
187	Documents or notice by Company and signature thereto	35
188	Service of documents or notice by a Member of the Company	35
189	Liquidator may divide assets in specie	35
190	Indemnity	35
191	Secrecy Clause	35
	Annexure Copy of Name License Agreement	37
, .	Demerger Order	41
	Merger Order	50
	Demerger Order for Transfer of Agribusiness	60
	Court Order for amalgamation of Ciba CKD Biochem Ltd.	69

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

OF

NOVARTIS INDIA LIMITED

TABLE 'A' EXCLUDED

1. No regulations contained in Table A, in the First Schedule to the Companies Act, 1956 or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to the exercise of any statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

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

INTERPRETATION

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

Interpretation Clause

"The Company" or "this Company" means NOVARTIS INDIALIMITED.

"The Company" or "this Company"

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

"Auditors"

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

"Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a resolution by circulation in accordance with the Articles or the Directors of the Company collectively.

"Board" or "Board of Directors"

"Capital" means the share capital for the time being raised or authorized to be raised, for the purpose of the Company.

"Capital"

"Debenture" includes debenture stock.

"Debenture"

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

"Directors"

"Dividend" includes bonus.

"Dividend"

'Words importing the masculine gender also include the feminine gender.

"Gender"

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

"In writing" and "written"

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company.

Member"

"Meeting" or "General Meeting" means a meeting of members.

"Meeting" or "General Meeting"

"Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.

"Annual General Meeting"

(The name of the Company changed pursuant to the order of the Hon'ble High Court of Judicature at Bombay dated 29.08.97).

"Extraordinary General Meeting"

"Extraordinary General Meeting" means an extraordinary general Meeting of the Members duly called and constituted and any adjourned holding thereof.

"Month"

"Month" means a calendar month.

"Office"

"Office" means the registered office for the time being of the Company.

"Paid-up"

"Paid-up" includes Credited as paid-up.

"Person" includes Corporations and firms as well as individuals.

"Register of

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"The Registrar"

"The Registrar" means the Registrar of Companies of the State in which the Office of the Company is for the time being situated.

"Secretary

"Secretary" means any individual possessing the prescribed qualifications appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties and includes an Assistant or Deputy Secretary possessing those qualifications.

"Seal" means the Common Seal for the time being of the Company.

"Share

"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

"NOVARTIS"

"NOVARTIS" means NOVARTIS AG, Switzerland, a Company incorporated in Switzerland and shall include its successors and assigns and any body corporate with which it may merge or amalgamate.

(Amended as per Special Resolution of Annual General Meeting dated 24th

December 1997)

singular number

Words importing the singular number include, where the context admits or requires, the plural number and vice versa

"Ordinary Resolution" and "Special Resolution

"Ordinary Resolution" and "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

"marginal notes and the catch lines The marginal notes and the catch lines used in these Articles shall not affect the construction thereof.

Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Change of name of

The Company has entered into an Agreement dated 11.3.1982 with CIBA-GEIGY LIMITED, BASLE, Switzerland, whereby it is inter alia agreed that upon the happening of all or any of the events specified in Clause 4 thereof (a copy of which Agreement is annexed to these Articles) CIBA-GEIGY LIMITED, BASLE, Switzerland, shall be entitled by giving notice to the Company to require the Company to discontinue the use of the name "CIBA-GEIGY" and/or names, words or letters "CIBA" and/or "GEIGY" and/or "CG" or any combination thereof in any language, script or alphabet in relation to or in connection with the activities of the Company or its business or trade for any purpose whatsoever as a part of its corporate or trade name or trading style and not to use or employ any names or words by the expressions closely similar in sound, appearance or meaning to the aforesaid names, words or letters as may be likely to cause confusion or detract from and/or adversely affect the right, title or interest of CIBA-GEIGY Limited, BASLE, Switzerland therein or thereto and the Company shall, within 120 days of the date of receipt of such notice, comply with the requirements thereof and to this end shall take all such steps as may be necessary under the Act for the purpose of changing its corporate name as aforesaid. All members of the Company shall be deemed to have expressly undertake to exercise their rights as shareholders and specifically their voting rights in such a manner as would enable the Company to comply fully with, effectuate and implement the provisions of the said agreement and this Article and shall be deemed to have become members of the Company on this basis.

SHARE CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

4. The Authorised Share Capital of the Company is Rs. 32,00,00,000/- (Rupees Thirty two crores) divided into 6,40,00,000 Equity Shares of Rs. 5/- each. The Company shall have the power to increase, consolidate, sub-divide, realize or otherwise alter its share capital subject to the provisions of the Act.

Capital

(Pursuant to the order of the Hon'ble High Court of Judicature Bombay dated 12.10.2000)

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

Increase of capital by the Company and how carried into effect

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

New Capital same as existing Capital

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

Redeemable Preference Shares

8. On the issue of Redeemable Preference Shares under the provisions of Articles hereof, the following provisions shall take effect:

Provisions to apply on issue of Redeemable Preference Shares

- a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- b) no such shares shall be redeemed unless they are fully paid;
- the premium, if any, payable on redemption must have been provided for out of the profits or the Company's Share Premium Account before the shares are redeemed;
- d) where any such shares are redeemed otherwise than out of the proceeds of a free issue, there shall, out of profits which otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
 - ct), Reduction of Capital unt , in se.
- 9. The Company may (subject to the provisions of Sections 78, 80 and 100 to 105 of the Act), from time to time by Special Resolution, reduce its Capital Redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law, and, in particular, capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
- Buy-Back of Securities
- 9A. The Company is permitted to buy back its securities, including shares, in accordance with the provisions of Sections 77A, 77AA and 77B and such other applicable provisions of the Companies Act, 1956 and as per the rules and procedures prescribed therein and in compliance with the prevailing regulatory provisions and any future amendments or reenactments.
- Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution

Sub-division and Consolidation of shares whereby any share is sub-divided or consolidated may determine that, as between the holders of the shares resulting from such sub-division or consolidation, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over as compared with the others or other. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of rights

11. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights, and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of holders of not less than three-fourths of the issued shares of that class.

SHARES AND CERTIFICATES

Register and Index of Members

12. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act.

Branch Register of Members

13. The Company shall be entitled to keep in any state or country outside India a branch, Register of Members resident in that state or country.

Shares to be numbered progressively and no share to be sub-divided 14. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Further issue of Capital

- 15. (a) Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the Equity Share of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on these shares at that date, such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than forty-five days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
 - (b) Notwithstanding anything contained in sub-clause (a), hereof, the Company may:
 - (i) By a Special Resolution; or
 - (ii) By an ordinary resolution and with the approval of the Central Government;

issue further shares to any persons (whether or not these persons include the persons referred to in clause (a) hereof) in any manner whatsoever.

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

Shares under control of Directors 16. Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion, on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as an allotment provided for in Section 75 of the Act.

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

Power also to Company in General Meeting to issue shares

18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a Member.

Acceptance

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

Deposit and call etc. to be a debt payable immediately

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

Liability of Members

Every Member or allottee of shares shall be entitled, without payment, to receive one 21 certificate specifying the name of the person in whose favor it is issued, the shares to which it relates and the amount paid-up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of letter of allotment or the fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issues of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors, or persons acting on behalf of the directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorneys and the Secretary or other person shall sign the share certificate PROVIDED THAT if the composition of the Board permits of it, at least one of the aforesaid two Director shall be a person other than a Managing or a Whole-time Director. Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member and the certificate of any shares, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. Particulars of every share certificate issued shall be entered In the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a change not exceeding Rupee one. The Company shall comply with the provisions of Section 113 of the Act.

Share Certificates

- (b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp; PROVIDED THAT the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- 21A "Notwithstanding anything contained in Article 21 the Board may refuse applications for sub-division or consolidation of share and debenture certificates into denominations of less than 5 shares/debentures except when such sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent court of law."

Refusal to subdivide/ consolidate

(Inserted pursuant to a Special Resolution passed at the adjourned 36th Annual General Meeting held on 31.07.84)

Renewal of Share Certificate

- 22 (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.
 - (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate no. sub-divided/replaced/on consolidation of shares."
 - (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.
 - (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate no." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
 - (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicated Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
 - (f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
 - (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub-Article (f).
 - (h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

Joint holders

- 23 (a) Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.
 - (b) The Company shall be entitled to decline to Register more than four persons as the holders of any share.
 - (c) The joint holders of any shares shall be liable, severally as well as jointly, for and in respect of all calls and other payments which ought to be made in respect of such shares.
 - (d) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share, but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of the deceased joint holder from any liability on shares held by him jointly with any other person.
 - (e) Any of such joint holders may give effectual receipts for any dividends or other monies payable in respect of such share.
 - (f) Only the person whose name stands in the Register of Members as the first of the joint holders of any shares shall be entitled to delivery of the certificate relating to such shares or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint holders.

(g) Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by proxy stands first on the Register of Members in respect of such shares.

24. Except as ordered by a court of competent jurisdiction or as law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to Register any share in the share in the joint names of any two or more persons or the survivor or survivors of them.

Company not bound to recognize any interest in Share other than that of registered holder.

25. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company except in conformity with the provisions of Section 77 of the Act.

Funds etc. of Company may not be applied in purchase of Shares of the Company

UNDERWRITING AND BROKERAGE

26. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Company; but so that the commission shall not excepted in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Commission may

27. The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.

Brokerage on issue of shares or debentures

INTEREST OUT OF CAPITAL

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

Interest may be paid out of capital

CALLS

29. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

Directors may make calls

 Not less than thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Notice of calls.

Call to date from resolution

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

Call may be revoked or postponed

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

Liability of joint holders 33. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time 34. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members for reasons which the Board may consider satisfactory, but no Member shall be entitled to such extension save as a matter of grace and favor.

Calls to carry interest

35. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Sums deemed to be calls 36. Any sum, which by the terms of issue of share becomes payable on allotment at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum has become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on shares 37. At the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to this Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the date at which the money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the members or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

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

Payment in anticipation of calls may carry interest

(a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective share beyond the sums actually called up; and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon, the Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing; PROVIDED THAT moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

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

LIEN

Company's lien on shares.

40. (a) The Company shall have a first and paramount lien on every share (other than fully paid-up shares) for all moneys (whether presently payable or not) payable at a fixed time

in respect of such share; PROVIDED THAT the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Articles.

- (b) The Company's lien, if any, on a share shall extend to all dividends payable thereon.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares, as against the transferor.
- 41. For the purpose of enforcing such lien as aforesaid, the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made:-

As to enforcing lien by sale

- (a) unless a sum in respect of which the lien exists is presently payable; and
- (b) until the expiration of seven days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists and as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by transmission, and default shall have been made by him in payment of the sum payable as aforesaid for seven days after such notice.
- 42. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like for sums not presently payable as existed upon the shares before in sale) be paid to the persons entitled to the shares at the date of the sale.

Application at proceeds of sale

FORFEITURE OF SHARES

43. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time hereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such nonpayment.

If money payable on shares not paid notice to be given to Members

44. The notice shall name a day (not being less than fourteen days from the date of notice) and a place, or places on and at which such call or installment and such interest thereon at such rate not exceeding 12 per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

Form of notice

45. If the requirement of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given may, at any time thereafter, but before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

In default of payment, share to be forfeited.

46. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Notice of forfeiture to a Member

47. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Forfeited Share to be property of the Company and may be sold etc.

48. Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, togther with interest thereon from the time of the forfeiture until payment thereof, if it thinks fit.

Members still liable to pay calls owing at the time of forfeiture and interest

49. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other

Effect of forfeiture

rights incidental to the share, except only such of those rights as by those Articles are expressly saved.

Evidence of forfeiture 50. A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have 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.

Validity of sale under Articles 40 and 46 51. Upon any sale offer, forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Board may appoint some person to execute an instrument to transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Cancellation of share certificate in respect of forfeited shares

52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally 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 duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Power to annul forfeiture 53. The Board may at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Transfers 54. The Company shall maintain a Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of transfer

55. The instrument of transfer shall be in writing and in such form as may be prescribed. All the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers and of the registration thereof. The Company shall not charge any fee for registration of a transfer of shares or debentures.

Transfer to be left at office and evidence of title given 56. Every instrument of transfer shall be in respect of only one class of shares, and shall be left at the office of the Company or such other place as the Company may notify for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer the shares: PROVIDED THAT where it is proved to the satisfaction of the Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing indemnity as the Directors may think fit.

No transfer to minors etc. 57. No transfer shall be made to a person of unsound mind or to a minor.

Closure of Register of members or Debenture holders 58. The Directors shall have power, on giving seven days notice by advertisement as required by Section 154 of the Act, to close the transfer books, Register of Members or Register of Debenture holders of the Company for such period of time not exceeding in the whole 45 days in each year (but not exceeding 30 days at a time) as they may determine.

Director's power to refuse to Register a transfer 59. Subject to the provisions of Section 111 of the Act the Directors may at their absolute and uncontrolled discretion and without assigning any reason decline to Register any transfer of shares to a person of whom they do not approve notwithstanding that the proposed transferee is already a member of the Company and may also decline to recognize any of shares on which the Company has a lien, the Directors may decline to recognize any instrument of transfer unless it is accompanied by the certificate of shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, if the Directors refuse to Register a transfer of any shares they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal, Registration of a transfer shall not be refused on the ground of the transferor being, either

singly or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has exercised its right of lien on the shares.

59A. "Without in any way derogating from the powers conferred on the Board under Article 59, the Board shall be entitled to refuse an application for transfer of less than 5 shares of the Company, subject however, to the following exceptions: Refusal to Register

- (i) Transfer of shares made in pursuance of a statutory order or an order of a competent court of law.
- (ii) Transfer of the entire holding of shares of a member, which is less than 5, to one or more transferees provided that the total holding of the transferee or each of the transferees, as the case may be, will not be less than 5 shares after the said transfer.
- (iii) Transfer of the entire holding of shares of a member, which is less than 5, comprised in share certificates issued on or before 21.6.1984.
- (iv) Transfer of shares held by a member which are less than 5 but which have been allotted to him by the Company as a result of any issue of Bonus and/or Right Shares.
- (v) Transfer of shares held by a member which are less than 5 in case of hardship, at the discretion of the Directors"

(Inserted pursuant to Special Resolution passed at the adjourned 36th Annual General Meeting held on 31.7.84).

60. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Notice of application when to be given

61. In the case of the death of any one of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Death of one or more joint- holders of shares

62. The executors or administrators of a deceased member or the holder of a Succession Certificate in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the share registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders unless such executors, administrators, or holders shall have first obtained probate or letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in India PROVIDED THAT the Directors may, at their absolute discretion, dispense with production of Probate, Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as they think fit and may enter the name of the person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member. The Company shall not charge any fee for registration of any Power of Attorney, Probate, Letters of Administration or similar document.

Title to shares of deceased holders.

62A. A holder or joint holders of shares in or debentures (including fixed deposit holder under Section 58A of the Companies Act, 1956), of the Company may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (including amendment thereto or any re-enactment thereof) and in the manner prescribed thereunder, any person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with and in manner prescribed under the provisions of Section 109B of the Companies Act, 1956 or any other statutory modification or re-enactment there of for the time being in force.

Nomination by Security-holders

62B. A nominee, upon production of such evidence as may be required by the Board and subject to hereinafter provided:-

Transmission of Securities by Nominees

(a) elect, either to be registered himself/herself as holder of the share or debenture (including fixed deposit holder under Section 58A of the Companies Act, 1956) or to make such transfer of the share or debenture as the deceased shareholder or debentureholder, as the case may be, could have made;

- (b) if the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be;
- (c) a nominee, upon becoming entitled to a share or debenture by reason of the death of the holder, shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the registered holder of the share or debenture except that he/she shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(Inserted pursuant to Special Resolution passed at the Annual General Meeting of the Shareholders held on July 14, 2000)

Compliance with the Estate Duty Act, 1953 63. If any member of the Company dies, and the Company through any of its principal officers within the meaning of the Estate Duty Act, 1953 has knowledge of the death, it shall not be lawful for the Company to Register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller, or Assistant Controller, or Deputy Controller of Estate Duty that either the Estate Duty in respect thereof has been paid or will be or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member, the Company shall, within three months of the receipt of such knowledge, furnish to the Assistant Controller or the Deputy Controller of Estate Duty who is exercising the functions of the Income-tax Officer under the Income-tax Act in relation to the Company, such particulars as may be prescribed by the Estate Duty Rules, 1953.

Transmission Clause.

64. Subject to the provisions of the Act, this Article and Articles 60 and 61, any person becoming entitled to any share in consequence of the death, lunacy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Directors (which they shall be under no obligation to give) and upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors may require, and upon giving such indemnity as the Directors may require, either be registered as a Member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a Member in respect of such shares PROVIDED THAT if such person shall elect to have his nominee registered, he shall testify his election by executing in favor of his nominee as instrument of transfer in accordance with these Articles, and until he does so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the "Transmission Clause".

Refusal to Register in case of transmission.

65. The Directors shall have the same right to refuse to Register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.

The Company is not liable for disregard of notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred to it in any book, or attended or given effect to any notice which may have been given to it or any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so do to though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

67. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company: PROVIDED THAT the Directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

Right of successors.

DEMATERIALISATION OF SECURITIES

67A. (1) For the purpose of this Article:

Definitions

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by the SEBI.

"Security" means such security as may be specified by the SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.

- (2) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, rematerialize its securities held in the Depositories and/ or offer its fresh securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

Dematerialization of Securities

(4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.

Option to receive Securities certificates or hold Securities with Depository

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

Securities in Depositories (5) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

Rights of Depositories and Beneficial Owner

- (6) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Beneficial Owner deemed as absolute owner (7) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to Register any share in the joint names of any two or more persons or the survivor or survivors of them.

Depository to furnish information

(8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Cancellation of certificates upon surrender by a person

(9) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

Option to opt out in respect of any security (10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Service of Documents

(11) Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Provisions of Articles to apply to shares held in Depository (12) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.

Allotment of Securities dealt with in a Depository (13) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive number of securities held in a Depository

(14) The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be

dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

(15) The Company shall cause to keep a Register and Index of Members and a Register and Index of Debentureholders in accordance with Sections 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be Register and Index of Members and Register and Index of Debentureholders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members resident in that state or country.

Register and Index of Beneficial Owners

(16) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

Register of

(Inserted pursuant to Special Resolution passed at the Annual General Meeting of the Shareholders held on August 16, 1999)

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

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

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

BORROWING POWERS

69. Subject to the provisions of Sections 292, 293 and 58A of the Act, the Board of Directors may, from time to time at its discretion, by resolution at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise, and generally raise or borrow or secure the payment or any sum or sums of money for the purpose of the Company.

Borrowing Powers

70. The payment and repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, by resolutions passed at a meeting of the Board (but not by circulation) and in particular by the issue of bonds, debentures or stock of the Company by a mortgage or charge upon all or any part of the property and debenture, debenture stock, bonds and other securities may be made assemble free from any equities between the Company and the person to whom the same may be issued.

Payments or repayment of borrowed moneys

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

Terms of issue of Debentures

72. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Board.

Register of mortgages etc. to be kept

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

Register and Index of Debenture holders

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Shares may be converted into stock 74. The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock; the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the regulations, as and subject to which shares from which the stock arose might have been transferred. If no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Rights of stock holders 75. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

Annual General Meeting and Annual Return 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 Meeting shall be called Extraordinary General Meeting. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; PROVIDED THAT not more than fifteen months shall elapse between the date of the one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office is situated as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix 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, Auditors Report (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors shareholding with later Register shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meetings. The Board shall cause to be prepared the Annual Return, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting 77. The Board may, whenever it think fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by a 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 78. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the Office PROVIDED THAT such requisition may consist of several documents in like form, each signed by one or more requisitionists.

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

79. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from 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 meetings, but either case, any meeting so called shall be held within three months from the date of the deposit of the requisition as aforesaid.

Meeting called by requisitionists

80. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board. 81. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company: PROVIDED THAT in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice.

Twenty-one days' notice of meeting to be given

- 82. In the case of an Annual General Meeting if any business other than:
 - (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 place of those retiring;

(iv) the appointment of and fixing of the remuneration of the Auditors is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director and the Company; the extent of shareholding interest in such other Company of every Director and the Manager (if any), of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other Company. Where any item of business consists of the according approval to any documents the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

83. 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.

- 84. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
- 85. The quorum for the meeting shall be as provided in Section 174 of the Act.
- 86. 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.
- 87. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present 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.
- 88. The Chairman (if any) or in his absence the Vice Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting whether Annual or Extraordinary, if at any meeting neither of them shall be present within fifteen minutes of the time appointed for holding such meeting, or if both shall be unable or unwilling to take the Chair as Chairman of the meeting, and if no such nomination is made, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their member to be the Chairman.
- 89. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.
- 90. The Chairman, with the consent of the members, may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Business to be transacted at the General Meeting and nature thereof.

Omission to give notice not to invalidate a resolution passed

Meeting not to transact business not mentioned in notice

Quorum for the General Meeting

Body Corporate deemed to be personally present

If quorum not present, meeting to be dissolved or adjourned

Chairman of General Meeting

Business confined to election of Chairman whilst chair vacant

Chairman with consent may adjourn

Question at General Meeting how decided

91. "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) ordered by the Chairman or demanded in accordance with Section 179 of the Act; and unless a poll is so ordered or 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 Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against that resolution."

(Amended pursuant to Special Resolution passed at the Extraordinary General Meeting of the Members held on 1.3.1989).

Chairman's casting

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

Poll to be taken, if demanded.

93. If a poll is demanded as aforesaid, the same shall, subject to Article 91, be taken at such time (not less then forty-eight hours from the time when the demand was made) and place, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons who made the demand.

Scrutineers at poll

94. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize 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 other or employee of the Company) present at the meeting, provided such a Member is available and willing to be to remove, a scrutineers from office and fill vacancies in the office of scrutineers arising from such removal or from any other cause.

In what case poll is taken without adjournment

95. Any poll duly demanded on the election of a Chairman or 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 96. The demand for a poll except on the questions 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.

Members in arrears not to vote

97. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting 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 other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

Number of votes to which member entitled

98. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member shall be entitled to be present, and to speak and vote, at such meeting. Every member present in person or by proxy shall on a show of hands have one vote and upon a poll, the voting right shall be in proportion to his share of the paid up equity share capital of the Company.

PROVIDED however, if any Preference Shareholders be present at any meeting of the Company, save as provided in clause (b) of sub-Section (2) of Section 87 he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his Preference Shares.

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

99. 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.

Vote of Member of unsound mind or who is a minor.

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

101. 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 the 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 name shares stand shall for the purposes of these Articles be deemed joint holders thereof.

Votes of Joint

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

Voting in person or by proxy

103. Any person entitled under the Transmission Clause (Article 64) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares. PROVIDED THAT forty-eight hours at least before the

Votes in respect of shares of deceased and insolvent Member

registered holder of such shares. PROVIDED THAT forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case maybe 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.

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

Proxy either for specified meeting or, for a period

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

Votes by members present or by proxy.

106. A Member present either in person or by proxy shall be entitled to vote both on show of hands and on a poll.107. The instrument appointing a proxy and the power of atterney or other authority (if any).

Deposit of instrument of appointment

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

Form of proxy.

as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

109. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly

Validity of votes given by proxy notwithstanding death of member

or of any power of attorney under which such proxy was signed, or the transfer of the shares 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.

110. No objection shall be made to the well-diffused envisors as expect at the meeting or poll at

Time for objection

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

Chairman of the meeting to be the judge of the validity of every vote

111. The Chairman of any meeting shall be the sole-judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tenured at such poll.

Postal Ballot

111A. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Companies Act, 1956 ("the Act") and such other applicable provisions

of the Act and any future amendments or re-enactments. Notwithstanding anything contained in the provisions of the Act, the Company, being a listed Company, shall in the case of resolution relating to such business, as the Central Government may, by notification, declare to be, conducted only by postal ballot, get such resolution passed by means of a postal ballot instead of transacting the business in a general meeting of the Company.

MINUTES OF GENERAL MEETINGS

Minutes of General Meetings and inspection thereof by members

- (a) The Company shall cause minutes of all proceedings of every general Meeting to be kept by making within thirty days of the conclusion to every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meetings 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 that Chairman within that period, by a Director duly authorised by the Board for the purpose.
 - (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (d) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.
 - (e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
 - (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonable 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 or non inclusion of any matter in the minutes on the aforesaid grounds.
 - (g) Any such minutes shall be evidence of the proceedings recorded therein.
 - (h) The book containing the minutes of the 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 charges.

DIRECTORS

Number of

113. Unless otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding alternate Directors) shall not be less than three nor more than twelve.

Appointment of Directors by CIBA-GEIGY 114. So long as NOVARTIS and/or its holding, subsidiary or associate companies either singly or in the aggregate hold 26% or more of the paid-up equity share capital of the Company NOVARTIS shall have the right by a notice in writing addressed to the Company, to appoint such number of persons as shall, together with the Directors appointed under Articles 115 and 116 not exceeding one third of the total number of Directors for the time being of the Company, as Directors of the Company and to remove such persons from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise, or any such persons so appointed, to appoint another to fill such vacancy.

(Amended as per Special Resolution of Annual General Meeting dated 24 December 1997)

Debenture Directors 115. If it Is provided by the Trust Deed sacred or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and

appoint a Director acceptable to the Company. Any Director so appointed is herein referred to as Debentures Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation. A Debenture Director shall not be bound to hold any qualification share.

116. Whenever Directors enter into a contract with any Government, Central, State, or Local and bank or financial institution or any person or persons (hereinafter referred to as "the appointed") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Director shall have, subject to the provision of Section 255 of the Act, the power to agree that such appointed shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointed entitled to appoint or nominate them and the appointed may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointed.

Provision to appoint ex- oficio Directors.

117. Board may appoint an alternate Director to Act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months, from the State in which meetings of the Board are ordinarily held: PROVIDED THAT in the case of a Director appointed by NOVARTIS under Article 114, the alternate Director to be appointed for such original Director shall be a person approved or recommended by NOVARTIS. An alternate Director so appointed shall not held office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term or office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director.

Appointment of Alternate Directors

(Amended as per Special Resolution of Annual General Meeting dated 24th December 1997)

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

Directors' power to add to the Board

119. Subject to the provisions of Sections 262 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated by him.

Directors' power to fill casual vacancies

120. A Director shall not be required to hold any qualification share.

Qualification of Directors

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

Remuneration of Directors

- (b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either;
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or

- (ii) by way of commission, if the Company by a special resolution authorizes such payment.
- (c) A Director (excluding a Managing or whole-time Director if any) shall be entitled to receive a fee of Rs. 1,000/- (or such other sum as may be prescribed by the Act or the Central Government from time as the maximum remuneration) for each meeting of the Board or Committee thereof attended by him.

Provided that the Company may in a General Meeting decide that a Director shall not be entitled to any sitting fee for attending Meetings of the Board or Committee thereof for a specified period or otherwise.

(Amended pursuant to Special Resolution passed at the Extraordinary General Meeting of the Members held on 1.3.89)

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

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

Special remuneration for extra services rendered by a Director 123. If any Director is called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertion or efforts either by a fixed special otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution for the remuneration otherwise provided.

Directors may Act notwithstanding any vacancy

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

When the office of Director may become vacant

- 125. Subject to Section 283(2) and 314 of the Act, the office of a Director shall become vacant if-
 - (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (b) he applies to be adjudicated an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
 - (e) he absents himself from three consecutive meetings of the Directors or from all Meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
 - (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
 - (g) he is removed in pursuance of Section 284; or
 - (h) he (whether by himself or by any person for his benefit or on his account), or any firm of which he is a partner, or any private Company of which he is a Director, accepts a loan, or any guarantee of security for a loan, from the Company in contravention of Section 295 of the Act; or
 - (i) he acts in contravention of Section 299 of the Act; or
 - he is convicted by a Court of an offense involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months or

- (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (I) he resigns his office by a notice in writing addressed to the Company.
- 126. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such Director or relative is a partner, any other partner in such a firm, or a private Company of which the Director is a member or Director, shall not enter into any contract with the Company:-

Directors may contract with Company

- (a) for the sale, purchase or supply of any goods, materials or services, or
- (b) for underwriting the subscription of any shares in or debentures of the Company.
- (2) Nothing contained in sub-clause (a) of Clause (1) shall affect:
 - (a) the purchase of goods and materials from the Company, or the sale of goods and Materials to the Company, by any Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or
 - (b) any contract or contracts between-the Company on the one side and such Director, relative, firm, partner, or private Company on the other for sale, purchase or supply of any as the goods, materials and services in which either the Company or the Director, as the case may be regularly trades or does PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which or services the cost of which, exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.
- (3) Notwithstanding anything contained in sub-clauses (1) and (2) of the Article, a Director, relative, firm, partner or private Company as aforesaid may, circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods or materials or services, even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise, and the consent of the Board required under sub-clause (1) of this Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.
- 127. (1) Every Director of the Company, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of in the manner set out in Section 299 of the Act.

Disclosure of interest by

- (2) Nothing in sub-clause (1) of this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company, where any of the Directors of the Company or two or more of the Directors together holds or hold more than two percent of the paid-up share capital in the other Company.
- 128. A General Notice given to the Board by the Director to the effect that he is a Director or member of a specified body corporate or is a member of specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. (Any such general notice shall expire at the end of the financial year in which it is given in the last month of the financial year in which it would have otherwise expired.) No such general notice, and no renewal thereof, shall be of effect unless it is given at

General Notice of Interest meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at-the first meeting of the Board after it is given.

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

- 129. No Director shall, as a Director, take any part in the discussion of, vote on any contract or arrangement entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence could for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; PROVIDED, however, that nothing herein contained shall apply to -
 - (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
 - (b) any contract or arrangement entered into or to be entered into with a public Company or a private Company which is a subsidiary of a public Company in which the interest of the Director consists solely
 - (i) in his being -
 - (a) a Director of such Company; and
 - (b) the holder of not more than shares of such number or value therein asset requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
 - (ii) in his being a Member holding not more than 2 per cent of its paid-up share capital.

Register of contracts in which Directors are interested 130. The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in Section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation 40 to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Section 299. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register or Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Director may be Director of the Companies promoted by the Company 131. A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act as may be applicable.

Retirement and rotation of Directors 132. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The non retiring Directors appointed under Articles 114 and / or 115 and / or 116 shall not be taken into account in determining the rotation or retirement for the number of Directors to retire.

Ascertainment of\ Directors retiring by rotation and filling of vacancies 133. Subject to Section 284(5) of the Act, the Directors to retire by rotation under Article 132 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those who are to retire shall in default of and subject to any agreement among themselves be determined by lot.

Company may increase or reduce the number of Directors

134. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors.

Notice of candidate for office of Director except in certain cases 135.

(1) No person not being a retiring Director, shall be eligible for appointment to the Office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting intending to propose him has, not less than fourteen day before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, along with

a deposit of Rs 500/- which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

(Amended pursuant to Special Resolution passed at the Extraordinary General Meeting of the Members held on 1.3.1989).

- (2) Every person (other than a Director retiring by rotation or otherwise or a person who was has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to Act as a Director if appointed.
- (3) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a causal vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not Act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to Act as such Director.
- 136. (a) The Company shall keep at its Office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

e notification of change to Registrar

Register of

Directors etc. and

- (b) The Company shall in respect of each of its Director also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.
- 137. Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-Section (1) of Section 303 of the Act, Managing Director, Manager or Secretary of the Company) shall, within twenty days of his appointment to or as the case may be relinquishment of any of the above offices in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub Section (1) of Section 303 of the Act.

Disclosure by a Director of appointment to any other body corporate

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

Disclosure by a Director of his holdings of shares and debentures of the Company

MANAGING / WHOLETIME DIRECTOR

139. (1) Subject to the provisions of the Company Act, 1956 and of these articles, the board shall have power to appoint from time to time, any of its member as Managing Director/Whole-time Director of the Company upon such terms and conditions as the Board thinks fit.

Managing Director/ Whole-time Director

(2) The remuneration to the Managing Director/Whole-time Director shall be such as may be determined by the Board of Directors subject to the approval of the shareholders and subject to the provisions of the Companies Act, 1956.

Remuneration

(Inserted pursuant to a Special Resolution passed at the Annual General Meeting held on 14.6.85)

140. The Board may subject to the provisions of Article 141, by resolution, vest in such Managing/Whole-time Director(s) such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

Power of Managing/ Whole-time Director

141. The Managing/Whole-time Directors shall not exercise the powers to:

Restriction on Management

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
- (b) issue debentures;

and except to the extent mentioned in the resolution passed at the Board Meeting under

Section 292 of the Act, shall also not exercise the powers to:

- (c) borrow moneys, otherwise than on debentures;
- (d) invest the funds of the Company; and
- (e) make loans.

Certain person not to be appointed Managing / Whole-Time Director

- 142. The Company shall not appoint or employ or continue the appointment or employment of a person as its Managing or Whole-time Director who:
 - (a) is an undischarged insolvent, or has at any time been adjudged an insolvent; or
 - (b) suspends, or has at any time suspended, payment to his creditors or makes or has at any time made, a composition with them; or
 - (c) is, or has at any time been, convicted by a court of an offense involving moral turpitude.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

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

Notice of Directors' Meeting

144. Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India. In the case of Directors residing outside India, notice shall be sent by cable or telex.

Quorum at Board

145. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two Directors, whichever is higher, provided that where at any time the number of interested Directors, exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time provided further that where the Board consists of a Director or Directors appointed in terms of Article 114, no quorum for a meeting of the Board shall be constituted unless any one of the Director so appointed or his alternate is present at such Meeting.

Adjournment of meeting for want of quorum

146. If a meeting of the Board could not be held for want of a quorum, then, the meeting shall automatically stand adjourned to the same day, place and time in the next week, unless otherwise decided by the Directors.

When meeting to be convened 147. A Director may at any time, and the Secretary shall, as and when directed by the Managing Director, if any, or by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director as provided in Article 145.

Chairman/ Vice -Chairman 148. So long as NOVARTIS and/or its holding, subsidiary or associate Companies either singly or in the aggregate hold 26% or more of the paid-up equity share capital of the Company, NOVARTIS shall be entitled to designate two of the Directors of the Company as the Chairman and the Vice-Chairman of the Board and to withdraw any such nomination and to designate any other Directors in the place of any Director who has been designated as the Chairman/Vice-Chairman and who resigns of otherwise vacates his office. Such designation and withdrawal shall be effected by writing addressed to the Board of the Company by NOVARTIS and the same shall take effect forthwith upon being delivered to the Company. NOVARTIS shall be entitled to designate any Director as the Chairman/Vice-Chairman, when for any reason, the Chairman/Vice-Chairman cannot Act or is unwilling to Act as the Chairman/Vice-Chairman as the case may be of the Board of Directors. Any meeting where neither the Chairman nor the Vice-Chairman are present the Directors present may elect one of themselves to be the Chairman of the meeting.

(Amended as per Special Resolution of Annual General Meeting dated 24 December 1997)

149. Question arising at meeting of the Board of Directors or a Committee thereof shall be decided by a majority of the votes and in the case of an equality of votes the Chairman of the meeting shall have a casting vote PROVIDED however, that where any Director or Directors are appointed in pursuance of Article 114, no resolution shall be passed or shall be deemed to have been passed, by the Board or its Committee unless any one of the Director so appointed or his alternate shall have voted in favor of such resolution.

Questions at Board meetings how to be decided

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

Powers of Board in Meetings

151. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate their powers to Committee of the Board consisting of such members or member of its body as it thinks fit; PROVIDED THAT where any Director or Directors are appointed in pursuance of Article 114, one of the members of such committees shall be a Director so appointed or his alternate and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes but every Committee of the Board so formed shall in the conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Directors may appoint Committees.

152. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and the meetings and proceedings of the Director so far as under the last proceeding Article.

Meeting of Committee how to be governed

153. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof, by circulation unless the resolution has been circulated in draft, together with the necessary papers, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee), as the case may be and to all other Directors or members of the Committee at their usual address in India and has been approved by such as to the Directors, members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution PROVIDED THAT where a Director or Directors are appointed in pursuance of Article 114, the resolution by circulation shall not be deemed to have been duly passed unless any one of the Directors appointed in pursuance of Article 114 or his alternate shall have voted in favor, of such resolution.

Resolution by circulation

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

Acts of Board or Committee valid notwithstanding informal defect in appointment

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

Minutes of proceedings of the Board

- a) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- b) In no case the minutes of proceeding of a meeting shall be attached by any such book as aforesaid by pasting or otherwise.
- c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- d) All appointment of officers made at any of the meetings aforesaid be included in the minutes of the meeting.

- e) The minutes shall also contain -
 - (i) the names of the Director present at the meeting; and
 - (ii) in the case of each resolution passed at the meeting the name of the Directors if any, dissenting from or not concurring with the resolution.
- f) Nothing contained in sub-clauses (a) to (e) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:
 - (i) is, or could reasonably be regarded as, defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.

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

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

Powers of the Board

- 156. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act, or by the Memorandum or Articles of the Company, required to be exercised or done by the Company in General Meeting subject nevertheless to these articles to the provisions of the Act, or any other Act and to such regulations or provisions as may be prescribed by the Company in General Meeting; but no regulations or provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in General Meeting shall invalidate any prior and Act of the Board which would have been valid If that regulation had not been made; PROVIDED THAT the Board shall not, except with the consent of the Company in General Meeting:
 - a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole, or substantially the Whole, of any such undertaking;
 - b) remit, or give time for the repayment of, any debt due by a Director;
 - c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a), or to any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
 - d) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;
 - e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will in any financial year exceed the limits specified in Section 293 of the Act.

Certain Powers of the Board

- 157. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:
 - (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act;
 - (2) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and

conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

- (3) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by, or services rendered to the Company, either wholly or partially, in cash or in shares bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages' or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged;
- (4) To secure the fulfillment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;
- (5) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (6) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as maybe required in relation to any such trust and to provide, for the remuneration of such trustee or trustees;
- (7) To institute, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;
- (8) To Act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (9) To make and give receipts, releases, and other discharge for moneys payable to the Company and for the claims and demands of the Company;
- (10) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realize such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (11) To execute, in the name and on behalf of the Company, in favor of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (12) To determine from time to time who shall be entitled to sign, on behalf of the Company's bills, notes, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- (13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company;
- (14) To provide for the welfare of Directors or ex-Directors or employees or exemployees of the Company and their wives, widows or families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of moneys, pensions, gratuities, allowances, bonus or other payments, or by creating, and from time to time

subscribing or contributing to provident and other funds, associations, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- (15) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Department Fund, to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with any such investments of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended: and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company, or in the purchase or repayment of debenture or debenture stock, and without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
- (16) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remunerations, and to acquire security in such instance and to such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- (17) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person/persons to be members of such local Boards, and to fix their remuneration:
- (18) Subject to the provisions of the Act, from time to time and at any time, to delegate to any such local Board, or any member or members thereof or any managers or agents if appointed, any of the powers, authorities, and discretions for the time being vested in the Board, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to Act notwithstanding vacancies, and any such appointment or delegation under the preceding and this sub-clause may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul, or vary any such delegation;
- (19) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorney's of the Company, for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make call and excluding also, except in their limits

authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favor of the members or any of the members of any local Board, established as aforesaid or in favor of any Company, or the shareholders, directors, nominees or managers of any Company or firm or otherwise in favor of any fluctuating body or person whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenient of persons dealing with such Attorney as the Board may think fit, and may contain powers, enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretions for the time being vested in them;

- (20) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contract, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (21) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

THE SECRETARY

158. The Directors may from time to time subject to the provisions of Sections 2(45) and 383A of the Act, if applicable, appoint, and at their discretion remove, any individual to perform any functions which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

Secretary

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

The Seal, its custody and use

- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
- 160. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be singed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose: PROVIDED THAT in respect of the Share Certificate, the Seal shall be affixed in accordance with Article 21(a).

Deeds how executed.

DIVIDENDS

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

Division of profits and dividends in proportion to amount paid-up.

- (b) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- 162. The Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

The Company in General Meeting may declare a Dividend. Dividends only to be paid out of profits.

- 163. (a) No dividend shall be declared or paid by the Company for any financial year except out of its profits arrived at in the manner, set out In Section 205 of the Act.
 - (b) Where owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred to reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made in that behalf of the Government, and where any such declaration is not in accordance with such rules, it shall not be made except with the previous approval of the Government.

Interim Dividend

164. The Board may, from time to time, pay to the Members such interim dividend as in their judgment the position of the Company justifies.

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

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

Retention of dividends until completion of transfer under Articles 62 and 64. 166. Subject to the provisions of the Act, the Board may retain in dividends payable upon shares in respect of which any person is, under Articles 62 and 64, entitled to become a Member, or which any person under those Articles is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

Dividend, etc. to Joint-holders 167. Any one of the several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

No Member to receive Dividend while indebted to the Company and Company's rights of reimbursement 168. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person; and the Board may deduct from the interest or dividend payable to any Member all sums of moneys so due from him to the Company.

Transfer of shares must be registered Article 169 deleted pursuant to Special Resolution passed at the Extraordinary General Meeting of the Members held on 1.3.1989.

Dividend how remitted.

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

No interest on dividends

171. Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

Dividend and call

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

Unclaimed Dividend

173. No unclaimed dividend shall be forfeited and all unclaimed dividends shall be dealt with in accordance with the provisions of Section 205A and Section 205B or other provisions, if any, of the Act.

CAPITALISATION

Capitalisation

174. (1) Any General Meeting of the Company may resolve that any Capitalisation amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits including profits or surplus arising from the realization and (where permitted by the law) from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve or any other Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and

available for dividend be capitalized:-

- (a) by the issue and distribution, as fully paid-up, of shares, and to the extent permitted by the Act, debentures, debenture-stock, bonds or other obligations of the Company; or
- (b) by crediting shares of the Company which may have been issued and are not fully paid-up with the whole or any part of the sum remaining unpaid thereon;
 - PROVIDED THAT any amounts standing to the credit of the Share Premium Account or the Capital Redemption Account shall be applied only in crediting the payment of capital on shares to be issued to Members as fully paid bonus shares.
- (2) Such issue and distribution under sub-clause (1)(a) of this Article and payment to the credit of unpaid share under sub-clause (1)(b) of this Article shall be made to, among and in favor of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution or payment shall be made, on the footing that such Members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and shall apply such Profit, General Reserve, other Reserve or any other Fund or account as aforesaid as may be required for the purpose of making payment in full of the shares, debentures, debenturestock bonds or other obligations of ne Company so distributed under sub clause (1)(a) of this Article or (as the case may be) for the purpose of paying, in whole or in Part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (1)(b) above PROVIDED THAT no such distribution or payment shall be made unless recommended by the Directors, and, if so recommended, such distribution and payment shall be accepted by such Members, as aforesaid in full satisfaction of their interest in the said capitalized Fund.
- (4) For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient, and in particular, they may issue fractional Certificates and may fix the value for distribution of any specific asset and may determine that any cash payments be made to any Members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors, and generally and make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds, or other obligations and fractional Certificates or otherwise as they may think fit.
- (5) When deemed requisite, a proper contract shall filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the Members entitled as aforesaid and such appointment shall be effective.
- (6) Subject to the provisions of the Act and these Articles, in cases when some of the shares of the Company are fully paid and others are partly paid. such Capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares, the sums so applied in the payment of such further shares and in the extinguishment or diminution on the partly paid shares shall be applied pro-rata in proportion to the amount already paid or credited as paid on the existing fully paid and partly paid shares respectively.

ACCOUNTS

175. (a) The Company shall keep at the Office or at such other place in India as the Board thinks fit, proper Books of Accounts in accordance with Section 209 of the Act with respect to:

Directors to keep true accounts

(i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company.
- (b) Where the Board decides to keep all or any of the Books of Accounts at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a Notice in writing giving the full address of that other place.
- (c) The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Accounts.
- (d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Accounts relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up-to-date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
- (e) The Books of Accounts shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Accounts and other books and papers shall be open to inspection by any Director during business hours.

Inspection of Accounts or Books by members 176. 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 the them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any Accounts or Books or documents of the Company except as conferred by law or authorised by the Board.

Statement of Accounts to be furnished to General Meeting

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

Copies of Accounts to be sent to the Members

Article 178 deleted pursuant to Special Resolution passed at the Extraordinary General Meeting of the Members held on 1.3.1989.

AUDIT

Accounts to be audited

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

DOCUMENTS AND NOTICES

Manner or service of documents or notice on Members by the Company

180. A document or notice may be served or given by the Company on or to any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

When notices or documents served on Members

- 181. (a) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice: PROVIDED THAT where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by a registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, services of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
 - (b) Not withstanding anything stated in sub-clause(a) hereof, all notices and

communications to be sent to foreign shareholders shall, in addition to posting as aforesaid, at the discretion of the Directors, be dispatched by telegram and/or telex.

182. A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears, on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

By Advertisement

183. A document or notice may be served or given by the Company on or to the Joint-holders of shares by serving or giving the documents or notice on or to the Joint-holder named first in the Register of Members in respect of the share.

On Joint-holders

184. A document or notice may be served or given by the Company on or to persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in prepaid letter address (if any) in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

On personal representatives, etc.

185. Document or notice of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors, for the time being of the Company.

To whom documents of notices must be served or given.

186. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

Members bound by documents or notices served on or given to previous holders

187. Any document or notice to be served or given to the Company may be signed by a Director or Secretary or some other person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

Documents or notices by Company and signature thereto.

188. All documents or notices to be served or given to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the office by post under a certificate of posting or by registered post.

Service of documents or notices by Members

WINDING UP

189. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

Liquidator may divide assets in specie

INDEMNITY AND RESPONSIBILITY

190. Every Officer or duly authorised Agent for the time being of the Company shall be indemnified out of the Company against all liability incurred by him in defending any proceedings arising out of his position as an Officer or as such Agent of the Company, whether civil or criminal, in which judgment is given in his favor or in which he is acquired or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Indemnity

SECRECY CLAUSE

191. (a) Every Director, Manager, Secretary, Auditor, Treasurer, Trustee, member of a Committee, Officer, servant, Agent Account or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals

Secrecy Clause

and in matters relating thereto, and shall by such declaration pledge himself to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matter relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

(b) No Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information relating to any details of the Company's trading or any matter which so or may be in the nature of a trade secret, mystery of trade secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.

ANNEXURE (Ref. Article 3)

NAME LICENCE AGREEMENT

THIS AGREEMENT made this 11th day of March One thousand nine hundred eighty-two, between CIBA-GEIGY Limited, a Company incorporated in Switzerland and having its office at Basle, Switzerland, (hereinafter referred to as "CIBA-GEIGY" which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns) of the One part and CIBA-GEIGY of INDIA LIMITED, a Company incorporated in India under the Indian Companies Act, 1913 and having its Registered Office at 14, Jamshedji Tata Road, Bombay 400 020 (hereinafter referred to as "The Indian Company" which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns) of the Other Part.

WHEREAS

- (a) CIBA-GEIGY have for many years past been engaged in the business of manufacture, sale and distribution of a wide range or chemicals, medical and pharmaceutical preparations and drugs, agrochemicals, photographic chemicals, dyes, textile chemicals, resins and laboratory chemicals throughout the world under the Corporate name, trade name or trading style of or incorporating the names or words "CIBA-GEIGY" or "CIBA" or "GEIGY".
- (b) The Indian Company is a subsidiary of CIBA-GEIGY and is carrying on the business of manufacture of chemicals, medical and pharmaceutical preparations, and drugs, agrochemicals, dyes and textile auxiliaries' resins etc. in India.
- (c) CIBA-GEIGY has granted to the Indian Company the license and right to use the names and/or words and/or letters "CIBA-GEIGY", as part of its corporate name and/or trade name and/or trading style.
- (d) CIBA-GEIGY has granted to permit the Indian Company to continue, to use the aforesaid names and/or words and/or letters as a part of its corporate name and/or trade names and/or trading style upon and subject to the terms, provisions and conditions hereinafter appearing.

NOW, THEREFORE, THIS AGREEMENT WITNESSTH AND IT IS HEREBY MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

- 1. For the purposes of this Agreement, CIBA-GEIGY shall include any Company, body corporate in with which CIBA-GEIGY amalgamates or merges and/or any subsidiary, parent, associate, affiliate or assigns of CIBA-GEIGY or of any Company, body corporate in or with which CIBA-GEIGY amalgamates or merges and/or such Company or body corporate in or with which any subsidiary, present, parent, associate, affiliate or assigns of CIBA-GEIGY as aforesaid amalgamates or merges.
- (a) CIBA-GEIGY hereby grants to the Indian Company the license and rights to continue to use the names and/or words and/or letters "CIBA-GEIGY" and "CIBA" and/or "GEIGY" as a part of its corporate name and/or trading style (hereinafter collectively referred to as "The said names, words and letters") subject to the terms and provisions of this Agreement.
 - (b) The license and right granted by CIBA-GEIGY to the Indian Company under sub-clause(a) hereof is restricted to the territories for the time being comprising the Union of India and shall not extend such territories except with prior consent in writing of CIBA-GEIGY.
- 3. The Indian Company hereby acknowledges and agrees that by continuing to use the said names, words and letters as a part or its Corporate name and/or trade name and/or trading style, it does not and shall not, not shall it be deemed to, acquire at any time hereafter (whether by lapse of time or on payment of any money or otherwise howsoever) any right, title or interest (other than the bare license and right to continue to use the said names, words and letters) in and to any of the said names, words and letters or any combination thereof in any language, script or alphabet, either as a corporate name, trade name and/or trading style or otherwise howsoever, and the Indian Company hereby agrees and undertakes that it shall not asset any right, title or interest in or to any or all of the said names, words, and letters or any combination thereof in any language, script or alphabet adverse to that of CIBA-GEIGY or taken any action which shall or may impair any right, title or interest in or to the said names, words and letters or any of them or create any right, title or interest thereto or therein adverse to that of CIBA-GEIGY.

- 4. Notwithstanding anything to the contrary herein contained:
 - (a) CIBA-GEIGY shall be entitled, at its sole discretion, to terminate this Agreement at any time by giving the Indian Company 90 days notice in writing in that behalf without assigning any reason;
 - (b) CIBA-GEIGY shall be entitled, at its- sole discretion to terminate this Agreement by writing notice addressed to the Indian Company forthwith upon the happening of all or any of the following events:
 - CIBA-GEIGY ceasing to hold at least fifty one percent of the paid-up equity share capital of the Indian Company;
 - (ii) The Indian Company making any arrangement or composition with the general body of its creditors or having a winding-up order passed against it or going into liquidation, voluntary or otherwise, other than for the purpose or amalgamation or reconstruction;
 - (iii) The Indian Company counting a breach of any of the terms or conditions of this Agreement;
 - (iv) The enactment of any legislation, regulation, ordinance, or other notification by the Government of India or any other Central, State, Municipal or local authority which was the effect, or results in, any or all of the shareholders of the Indian Company being deprived of their shares in the Indian Company;
 - (v) The Indian Company disposing of or being required to dispose of or being deprived of the whole or substantially the whole of its assets, business or undertaking;
 - (vi) The Indian Company being nationalized or being otherwise acquired or taken over by the Government, Central or State or by Government Company or statutory corporation.
- Upon the termination of this Agreement for any reason whatsoever, the Indian Company shall, as soon thereafter as possible but in any event not later than 120 days from the date of termination;
 - (a) discontinue altogether the use of the said names, words and letters or any combination thereof in any language, script or alphabet in relation to or in connection with the activities of the Indian Company or its business or trading for any purpose, whatsoever as a part of its corporate or trade name or trading style and shall not use or employ names or words or expressions or devices closely similar in sound, appearance or meaning to the said names, words and letters as may be likely to cause confusion or to detract from or adversely affect the right, title or interest of CIBA-GEIGY therein or thereto; and
 - (b) change or procure to be changed its corporate name and/or trade name and/or trading style in such a manner, as to delete or omit there from the said names, words and letters or any combination thereof and to this end the Indian Company shall take all steps requisite or necessary under the law applicable in that behalf.
- With a view of effectuating and implementing the terms and Conditions of this Agreement, the Indian Company shall incorporate substantially the provisions of Clause 5 thereof in its Memorandum and Articles of Association.
- 7. Upon the termination of this Agreement for any reason whatsoever, the Indian Company shall return to CIBA-GEIGY all material, documents or other articles and effects supplied or made available by CIBA-GEIGY to the Indian Company in pursuance of this Agreement. The Indian Company shall not retain any copies or reproductions of any of the foregoing or make any extracts from any such documents aforesaid and for this purposes CIBA-GEIGY shall be entitled to depute a representative to the officers and/or plants of the Indian Company for the purposes of ensuring full compliance by the Indian Company with the provisions of this Clause.

AS WITNESS WHEREOF the parties hereunto have executed these presents the day, month and year first hereinabove written.

Signed for and on behalf of the above named CIBA-GEIGY Limited by

Mr. Andreas Escher, Dr. Sd/-(Dr. A. Escher)

Jur.

Mr. R. Uebersax Sd/-(R. Uebersax)

In the presence of

Sd/- Dr. M. Wetenschlag

Sd/- F. Wager

THE COMMON SEAL OF CIBA-GEIGY
OF INDIA LIMITED was hereunto
affixed in pursuance of a
Resolution of the Board of
Directors passed on the
11th day of March 1982.
In the presence of Mr. K. M. Kaeumlen, Managing Director
and Mr. J. F. Boga, Director.

Sd/-(K. M. Kaeumlen) Sd/-(J. F. Boga) CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE MEMBERS OF HINDUSTAN CIBAGEIGY LIMITED AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY AND HELD ON $1^{\rm st}$ MARCH 1989 AT BOMBAY.

1. AMENDMENTS OF ARTICLES OF ASSOCIATION:

"RESOLVED that the Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956 in the following manner:

(A) Article 91 be substituted by the following:

"At any General Meeting, a Resolution put to 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) ordered by the Chairman or demanded in accordance with Section 179 of the Act and unless a poll is so ordered or 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 Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against that resolution".

(B) For the existing Clause(c) of Article 121, substitute the following:

"(c) A Director (excluding a Managing or Whole-time Director, if any) shall be entitled to receive a fee of Rs. 1,000/- (or such other sum as may be prescribed by the Act or the Central Government from time to time as the maximum remuneration) for each meeting of the Board or Committee thereof attended by him.

Provided that the Company may in a General Meeting decide that a Director shall not be entitled to any sitting fee for attending Meetings of the Board of Committee thereof or a specified period or otherwise."

(C) At the end of Clause(1) of Article 135, add the following words:

"along with a deposit of Rs. 500/- which shall be refunded to such person or, as the case may be to such member, if the person succeeds in getting elected as a Director."

- (D) Delete Article 169.
- (E) Delete Article 178.

HINDUSTAN CIBA-GEIGY LIMITED

Sd/-M. R. LAL SECRETARY

ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY PETITION NO. 92 OF 1997 CONNECTED WITH COMPANY APPLICATION NO. 800 OF 1996

In the matter of the Companies Act, 1956;

AND

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

AND

In the matter of Hindustan Ciba-Geigy Limited;

AND

In the matter of the Scheme of Arrangement between Hindustan Ciba-Geigy Limited and Ciba Specialty Chemicals (India) Limited.

Hindustan Ciba-Geigy Limited, a Company incorporated under the Companies Act VII of, 1913 and having its Registered Office at Royal Insurance Building 14, Jamshedji Tata Road Mumbai 400 020.

.... Petitioner

CORAM: SMT. K. K. BAAM, J. Date: 25th July, 1997.

UPON the petition of Hindustan Ciba-Geigy Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 23rd day of December, 1996 for sanction of the Arrangement embodied in the proposed Scheme of Arrangement between Hindustan Ciba-Geigy Limited, (hereinafter referred to as "The Transferor Company" or "the Petitioner Company" or "HCGL") and Ciba Specialty Chemicals (India) Limited, (hereinafter referred to as the "Transferee Company" or "Sc Co") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. M. P. Saranath, Company Secretary of the Petitioner dated the 23rd day of December, 1996 verifying the said Petition AND UPON READING the Affidavit of Mr. M. P. Saranath dated 6th day 01 March, 1997, proving publication of the notice of the date of hearing of the said Petition in the Issue of "The Times of India" dated 1st day of March, 1997 and "Loksatta" dated 1st day of March, 1997 pursuant to the Order dated 31st day of January, 1997 passed in the above Petition AND UPON READING the Affidavit of Mr. M. P. Saranath dated 10th day of April, 1997 proving publication of the notice of the date of hearing of the Petition in the "Maharashtra Government Gazette" on the 13th day of March, 1997 pursuant to the said Order dated 31st day of January, 1997 AND UPON READING the Order 19th day of February, 1997 modifying the earlier Order dated 31st day of January, 1997 whereby the individual notices of the hearing of the Petition to the creditors was dispensed with in view of the consent given by the creditors of the Petitioner Company summarized in the Affidavit of Mr. M. P. Saranath dated the 7th day of February, 1997 AND UPON READING the Order dated 1st day of November, 1996 made by this Hon'ble Court in Company Application No. 800 of 1996 whereby the Transferor Company was ordered to convene the meeting of its equity shareholders for the purpose of considering and if thought fit approving with or without modification the Schemes of Arrangement between the Transferor Company and the Transferee Company AND UPON READING the Affidavit of Dr. V. S. Sohoni, Chairman of the meeting of the equity shareholders of the Transferor Company dated 2nd day of December, 1996 proving publication of the notice convening meeting in the issue of "The Times of India" dated 15th day of November, 1996 and "Loksatta" dated 16th day of November, 1996 and dispatch of notice convening meeting to individual equity shareholders AND UPON READING the Report dated 16th day of December, 1996 of Dr. V. S. Sohoni, Chairman of the meeting of equity shareholders of the Transferor Company as to the result of the said meeting AND UPON READING the Affidavit of Dr. V. S. Sohoni, dated 16th day of December, 1996 verifying he said Report AND ITAPPEARS from the Said Report of the Chairman of the meeting of equity shareholders of the Transferor Company that the Scheme of Arrangement has been approved by majority in number representing 3/4th in value of equity shareholders of the Transferor Company present at the said meeting AND UPON READING the Affidavit of Mr. Dinesh Vrajlal Lakhani, the equity shareholders of the Petitioner Company dated 11th day of March, 1997, objecting the Scheme of Arrangement AND UPON READING the Affidavit of Mr. M. P. Saranath dated 26th day of March, 1997 in Reply to the objection of Mr. D. V. Lakhani AND UPON HEARING Mr. D.J. Khambatta, Counsel instructed by M/s. Crawford Bayley & Co., Advocates for the Petitioner Company and Mr. V. B. Sakhare, panel counsel for, the Regional Director, Department of Company Affairs, Mumbai, who appears in pursuance of the Notice dated the 18th day of February, 1997 under Section 394-A of the Companies Act, 1956 and submit to the Orders of the Court, AND Mr. Dinesh V. Lakhani, a shareholder of the Petitioner Company appearing in person and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either to appear of the said Petition or to show cause against the same, THIS COURT DOTH HEREBY SANCTION the Arrangement embodied in the Scheme of Arrangement between HINDUSTAN CIBA-Geigy Limited, the Transferor Company and Ciba Specialty Chemicals (India) Limited, the Transferee Company as set forth in Exhibit "A" to the said Petition and in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE the same to be binding with effect from the 1st day of April, 1996 on all the members and on all the creditors of the Petitioner Company and all the members and the creditors of SC Co AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 1996 (hereinafter called "the Appointed Day") the entire Specialty Chemicals business (hereinafter called, as "the Undertaking") of the Petitioner Company, as defined in the Scheme (being Exhibit "A" to the Petition) and in the Schedule "A" to the Scheme of Arrangement shall pursuant to the provisions contained in Section 394 of the Companies Act, 1956, without any further Act or deed, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the SC Co, free from all encumbrances, on the Appointed Day in favor of the financial agencies and/or the concerned secured creditors of the Transferor Company, if and only if such charges relate to or are appertaining to the liabilities and debts of the Undertaking of HCGL and the assets and Schedule "B" to the Scheme of Arrangement shall be transferred at book value, AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of HCGL relating to the Undertaking as defined In the Scheme (and set forth in Schedule "B" to the Scheme) be transferred without further Act or deed to SC Co, the Transferee Company and accordingly the same shall pursuant to the provisions of Section 394 of the Companies Act, 1956 be transferred to and becomes the debts, liabilities, duties and obligation of SC Co, the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all legal or other proceedings by or against HCGL, the Transferor Company, pending on the Effective Date as defined in the Scheme and relating to the Undertaking of HCGL (including property rights, powers, liabilities, obligations and duties of HCGL) shall be continued, and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that on and from the Effective Date as defined in the Scheme, the Transferee Company do engage all permanent employees of HCGL, who are directly engaged in or in relation to the Undertaking of HCGL and desirous of joining SC Co, on the same terms and conditions on which they are engaged as on the Effective Date by HCGL without any interruption of services as a result of the transfer,

in the manner as provided in the Scheme of Arrangement shall become employees of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of the running business of the Undertaking of HCGL in favor of the Transferee Company every member of HCGL holding equity share in HCGL on a date (Record Date) to be fixed by the Board of Directors of HCGL in consultation with the Board of Directors of SC Co, the Transferee Company shall in respect of every one (1) fully paid-up equity share of Rs. 100/- each held by him in HCGL be allotted five (5) equity shares of Rs. 10/- each of SC Co, the Transferee Company, AND THIS COURT DOTH FURTHER ORDER that the Object Clause in the Memorandum of Association of SC CO be altered and amended without following the procedure laid down under the Companies Act, 1956 by addition of a new Clause III A(1A) after the existing Clause III A(1) AND THIS COURT DOTH FURTHER ORDER that the authorised share capital of SC Co and consequently the Capital Clause in the Memorandum and Articles of Association be altered without following the procedure laid down under the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the issue and allotment of equity shares in SC Co to the members of the Petitioner Company be carried out without following the procedure laid down under Section 81 (1A) of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the Transferor Company do within thirty days after the date of the sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and on such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai, shall place all documents relating to the Undertaking of HCGL and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the Undertaking of HCGL and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Arrangement sanctioned herein, and any other person or persons interested therein, shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the Scheme of Arrangement sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Transferor Company do pay the sum of Rs. 500/- (Rupees five hundred only) to the Regional Director, Department of Company Affairs, Mumbai, towards the costs of the said Petition, WITNESS SHRI MANHARLAL BHIKHALAL SHAH, Chief Justice at Bombay aforesaid this 25th day of July, 1997.

By the Court.

Sd/-

For Prothonotary & Senior Master.

SEAL
Sd/SEALER
This 21st day of August 1997.

Order sanctioning the Scheme of Arrangement drawn on the application of Crawford Bayley (a Co., Advocates for the Petitioner having their office at State Bank of India Building (b N.G.N. Vaidya Marg, Mumbai 400023.

SCHEDULE

(SCHEME OF ARRANGEMENT)

SCHEDULE -

SCHEME OF ARRANGEMENT

SCHEME OF ARRANGEMENT BETWEEN HINDUSTAN CIBA-GEIGY LIMITED AND CIBA SPECIALTY CHEMICALS (INDIA) LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956 AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF THE SPECIALTY CHEMICAL UNDERTAKING OF HINDUSTAN CIBA-GEIGY LIMITED.

PART I

1. **DEFINITIONS**

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

- (a) "The Act" means The Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (b) "The Appointed Day" means the 1st day of April 1996.
- (c) "The Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in Clause 16 and Clause 17 of this Scheme are obtained.
- (d) "HINDUSTAN CIBA" means HINDUSTAN CIBA-Geigy Limited a Company incorporated under the Indian Companies Act VII of 1913 and having its Registered Office at Royal Insurance Building 14, Jamshedji Tata Road, Mumbai 400 020.
- (e) "SC Co" means Ciba Specialty Chemicals (India) Limited, Company incorporated under the Companies Act, 1956 and having its Registered Office at Royal Insurance Building, 14, Jamshedji Tata Road, Mumbai 400 020.
- (f) "Scheme" or "this Scheme" or "the Scheme" means this Scheme of Arrangement in its present form submitted to the High Court of Judicature at Bombay for sanction with any modification(s) approved or imposed or directed by the said Bombay High Court.
- (g) "Undertaking" shall mean Specialty Chemical business of HINDUSTAN CIBA consisting of Additives, Pigments, Polymers, Dyes and Chemicals (hereinafter referred to as 'Undertaking' or 'the Undertaking') and shall mean:
 - all assets of or relating to the Undertaking, particulars of which are specified in Schedule 'A' hereto;
 - (ii) all liabilities and debts pertaining to the Undertaking, particulars of which are specified in Schedule 'B' hereto;
 - (iii) lease rights, permits, quota rights, industrial and other licenses, trademarks, intellectual property rights, other intangibles and all the privileges and benefits of all contracts, agreements and arrangements and all other rights, licenses, powers and facilities of every kind, nature and description whatsoever pertaining to the Undertaking; and

Provided that the immovable properties held under lease and/ or tenancy arrangements by HINDUSTAN CIBA pertaining to the Undertaking shall be transferred only after obtaining all such approvals and consents, as may be necessary.

Provided Further that pending any such approvals/ consents, as contemplated herein HINDUSTAN CIBA shall continue to use the immovable properties and only upon HINDUSTAN CIBA obtaining the approvals/consents, HINDUSTAN CIBA shall transfer the same to SC Co subject to such terms as may be mutually agreed upon.

- (iv) all permanent employees of HINDUSTAN CIBA directly engaged in or in relation to the Undertaking at various locations who are willing to become employees of the SC Co.
- (v) all earnest monies and/or security deposits paid by HINDUSTAN CIBA in connection with or relating to the Undertaking.

2. SHARE CAPITAL

a. The Authorised, Issued, Subscribed and paid - up Share Capital of HINDUSTAN CIBA as on the Appointed Day and as on the date of the Board Meeting of HINDUSTAN CIBA, i.e. October 28, 1996 is as under:

Authorised:	
27,00,000 equity shares of Rs. 100 each	Rs. 27,00,00,000
Issued, Subscribed and Paid-up:	
26,56,162 equity shares of Rs. 100 each	Rs. 26,56,16,200
fully paid up	

b. The Authorised Issued, Subscribed and Paid - up Share Capital of SC Co. as on the Appointed Day and as on October 28, 1996 is as under:

	As on Appointed Date	As on October 28,1996
Authorised : 5,00,000 equity shares of Rs. 10 each	Rs. 50,00,000	Rs. 50,00,000
Issued, Subscribed and Paid-up. 5 equity shares of Rs. 10 each fully paid up 9 equity shares of Rs. 10 each fully paid up	Rs.50	Rs. 90

PART II

- 3. (a) With effect from the Appointed Day, the Undertaking shall, pursuant to the provisions contained in Section 394 of the Act, without any further Act, deed, matter or thing, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in SC Co so as to become the property of SC Co with effect from the Appointed Day, free from all encumbrances, but subject to the charges existing thereon on the Appointed Day in favor of the financial agencies and / or the concerned secured creditors of HINDUSTAN CIBA if and only if such charges relate to or are, appertaining to the liabilities and debts of the Undertaking. The assets and liabilities pertaining to the Undertaking shall be transferred at Book value.
- 3. (b) It is hereby clarified that the rest of the assets and liabilities (other than those specified in Schedule 'A' and 'B'), if any, of HINDUSTAN CIBA shall continue to vest in HINDUSTAN CIBA.
- 4. With effect from the Appointed Day a sum of Rs.61,63,15,000 (Rupees Sixty-One Crores Sixty-three Lakhs and Fifteen Thousand only) of the total amount of General Reserves and Profit & Loss Account standing in the Books of accounts of HINDUSTAN CIBA being the amounts of such reserves pertaining to the Undertaking, shall stand transferred to SC Co and form part of the General Reserves and Profit and Loss Account of SC Co.
- 5. The legal or other proceedings by or against HINDUSTAN CIBA pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of HINDUSTAN CIBA shall be continued and enforced by or against SC Co in the same manner and to the same extent as it would or might have been continued and enforced by or against HINDUSTAN CIBA.
- 6. (a) With effect from the Appointed Day, the Memorandum of Association of SC Co stands altered and amended without any further Act or deed or following the procedure laid down under the Act, as under:

After the existing Clause III (A) (1) of the Memorandum of Association of SC Co, the following clause shall be added as sub-clause 1A:

"1A TO carry on the business of Manufacturers, processors, refiners, importers, exporters, traders and / or dealers of any or all types of dyes, dyestuffs, chemicals, textile auxiliary products, polymers, resins, pigments, additives, antioxidants, colours, paints, glues, gums and preparations, substances, apparatus and things capable of being used in connection with such products."

- 6. (b) Before issue and allotment of the equity shares in terms of the Scheme, without following the procedure laid down under applicable provisions of the Act:
 - (I) the Authorised Share Capital of SC Co stands increased to Rs. 13,50,00,000 (Rupees Thirteen Crores Fifty Lakhs) by creation of 1,30,00,000 (One Crore Thirty Lakhs) equity shares of Rs. 10/- each so as to satisfy its obligations under the provisions of the Schemes, and
 - (II) Clause V relating to Authorised Share Capital in the Memorandum of Association of SC Co stands altered and amended in the manner following:
 - "V. The Authorised Share Capital of the Company is Rs. 13,50,00,000 (Rupees Thirteen crores fifty Lakhs) only divided into 1,35,00,000 (One Crore Thirty-five Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each with right's, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special 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 any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or provided by the Articles of Association of the Company for the time being."
 - (III) Article 4 of the Articles of association of SC Co stands altered by the following new Article for the present Article 4 thereof:
 - "4. The Authorised Share Capital of the Company is Rs.13,50,00,000 (Rupees Thirteen crores fifty Lakhs) divided into 1,35,00,000 (One Crore thirty-five Lakhs) equity shares of Rs. 10 (Rupees Ten Only) each."
- 6. (c) The issue and allotment of 1,32,80,810 equity shares in the SC Co to the members of HINDUSTAN CIBA as provided in the Scheme shall be deemed to have been carried without following the procedure laid down under Section 81(A) and any other applicable provisions of the Act.
- 7. With effect from the Appointed Day and upto and including, the Effective Date, HINDUSTAN CIBA-
 - (a) shall be deemed to have been carrying on and shall carry on all business and activities relating to the Undertaking and stand possessed of the properties so to be transferred, for the and on account of and in trust for SC Co, including but without limitation, manufacturing and marketing activities, and payment of advance Income tax on September 15, 1996 and subsequent installments of income tax, sales tax, excise and other statutory levies, etc.
 - (b) all profits accruing to HINDUSTAN CIBA or losses arising or incurred by it relating to the Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be of SC Co.
- 8. (1) HINDUSTAN CIBA hereby undertakes, from the Appointed Day upto and including the Effective Date -
 - (a) to carry on the business of the Undertaking with proper prudence and not to alienate, charge or otherwise deal with or dispose of the Undertaking or any part thereof, nor to undertake any new business or a substantial expansion of its existing business except with the prior written consent of SC Co.
 - (b) not to utilize the profits, if any, relating to the Undertaking for the purposes of declaring, or paying any dividend in respect of the period falling on and after the Appointed Day.
 - (2) SC Co shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law, for such consents, approvals and sanctions which SC Co may require to own and operate the Undertaking
- 9. (a) SC Co undertakes to engages, on and from the Effective Date, all permanent employees of HINDUSTAN CIBA, who are directly engaged in or in relation to the Undertaking and desirous of joining SC Co on the terms and conditions which are not less favorable or on the same terms and

conditions on which they are engaged as on the Effective Date by HINDUSTAN CIBA without any interruption of service as a result of the transfer and in the terms and conditions not less favorable than those subsisting with reference to HINDUSTAN CIBA as on the said date, as if they were in a continuous service. SC Co agrees that the services of all such employees with HINDUSTAN CIBA as on the said date, as if they were in a continuous service. SC Co agrees that the services of all such employees with HINDUSTAN CIBA upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in HINDUSTAN CIBA on the Effective Date.

- 9. (b) The accounts of the employees, who are employed by HINDUSTAN CIBA under the sub-clause (a) above, in HINDUSTAN CIBA relating to the Superannuation Fund, Provident Fund, Gratuity Fund and other Funds including any surplus in such funds shall be identified, determined and transferred to the Trustees of the respective Funds of SC Co as and when these are created.
- 10. Except as provided in the clauses above, SC Co shall accept all acts, deeds and things relating to the Undertaking of HINDUSTAN CIBA done and executed by and/or on behalf of HINDUSTAN CIBA on or after the Appointed Day as acts, deeds and things done and executed by and/or on behalf of SC Co.
- 11. Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which HINDUSTAN CIBA is a party subsisting or having effect on or before the Effective date shall be in full force and effect against or in favor of SC Co and may be enforced as fully and effectually, as it, instead of HINDUSTAN CIBA, SC Co had at all material times been a party thereto. All contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature other than those relating to the Undertaking to which HINDUSTAN CIBA is a party subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favor of HINDUSTAN CIBA.
- 12. (a) HINDUSTAN CIBA shall before issue and allotment of equity shares in terms of Clause 12(b) of the Scheme by the SC Co without following the procedure laid down under the applicable provisions of the Act subdivide its present authorised capital of Rs. 27,00,00,000 consisting of 27,00,000 equity shares of Rs. 100/- each into 2,70,00,000 equity shares of Rs. 10/- each and the issued, subscribed and paid up capital Rs. 26,56,16,200 consisting of 26,56,162 equity shares of Rs. 100 each into 2,65,61,620 equity shares of Rs. 10 each.
- 12. (b) For the transfer of the existing business of the Undertaking in favor of SC Co each member of HINDUSTAN CIBA holding equity shares on the Effective Date or such other date (Record Date) to be fixed by the Board HINDUSTAN CIBA in consultation with the Board of Directors of SC Co shall in respect of every two fully paid-up Equity Share of face value of Rs. 10 each (after sub division) held by him/ her in HINDUSTAN CIBA be entitled as of right to claim and receive from SC Co an allotment of one fully paid up equity shares of Rs. 10 each of SC Co credited as fully paid-up.
- 12. (c) No fractional coupons shall be issued by SC Co in respect of the fractional shares entitlements, if any, to which the members of HINDUSTAN CIBA may be entitled on issue and allotment of the equity shares of SC Co as aforesaid. The Directors of SC Co shall instead consolidate all such fractional entitlements to which the members of HINDUSTAN CIBA may be entitled and thereupon issue and allot equity shares in lieu thereof to a Director or an officer of SC Co on the express undertaking that such Director or officer to whom such equity shares be allotted shall sell the same in the market at the available price and distribute such net sale proceeds to the members of HINDUSTAN CIBA in proportion to their fractional shares entitlements.
- 12. (d) The shareholders of Sandoz (India) Limited, who shall be allotted shares by HINDUSTAN CIBA pursuant to the Scheme of Amalgamation between Sandoz (India) Limited and HINDUSTAN CIBA, shall not be entitled to shares of SC Co.
- 13. The New equity shares of SC Co shall rank for dividend, voting rights and in all other respects pari passu with the existing equity shares of SC Co.

PART III

- 14. On the Scheme being agreed to by the requisite majorities of the members of HINDUSTAN CIBA and the members of SC Co, HINDUSTAN CIBA and SC Co shall respectively with reasonable dispatch, apply to the High Court of Judicature at Bombay for sanctioning this Scheme of Arrangement under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect
- 15. HINDUSTAN CIBA (by its Directors) and SC Co (by its Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty

arising in under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connected with any deceased or insolvent shareholder of the respective Companies). In the event that any conditions are imposed by the said High Court which HINDUSTAN CIBA or SC Co find unacceptable for any reason whatsoever then HINDUSTAN CIBA and/or SC Co shall be entitled to withdraw from the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred interse to or by the parties or any of them.

- 16. The Scheme is conditional upon and subject to:
 - (a) The Scheme being agreed to by the respective requisite majorities of members of HINDUSTAN CIBA and SC Co as referred to in clause 14 hereof and the requisite order or orders referred to in clause 14 hereof being obtained;
 - (b) The approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973, if required, to the issue and allotment of equity shares in SC Co to any equity shareholders of HINDUSTAN CIBA under the terms of this Scheme; and
 - (c) Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.
- 17. This Scheme although to come into operation from the Appointed Day shall not become effective until the last of the following dates, namely:
 - (a) the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in clause 16 shall be obtained or passed; or
 - (b) the date on which all necessary certified copies of orders under Sections 391 to 394 of the Act shall be duly filed with the Registrars of Companies, Maharashtra.

The last of such dates shall be the "Effective Date" for the purpose of this scheme.

- 18. All costs, charges and expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by HINDUSTAN CIBA.
- 19. In the event of this Scheme failing to take effect finally before the 30th day of June, 1997, or within such further period or periods as may be decided by HINDUSTAN CIBA (by its Directors), this scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se to or by the Parties or any one of them.

SCHEDULE 'A'

LIST OF ASSETS OF HINDUSTAN CIBATO BE TRANSFERRED TO SC Co:

- 1) Immovable properties :
 - Immovable properties situated at Goregaon, Mumbai State of Maharashtra and at Santa Monica, State of Goa pertaining to the Undertaking.
 - b) Branch Office:

The following branch offices owned by HINDUSTAN CIBA along with the assets situated therein will be transferred to SC Co to the end and intent that the said branch offices are owned by SC Co.

- Madras office located at Swathi Court, Type 4, Ground floor, South Block, 22, Vijayaraghava, Madras 600 017
- 1,500 sq ft. of the Bangalore office located at Raheja Chambers, 12, Museum Road, Bangalore
- c) Residential premises:

The following residential premises owned by HINDUSTAN CIBA along with the assets situated therein will be transferred to SC Co to the end and intent that the said residential premises are owned by SC Co.

- 1) Pushpa Milan, Flat No 12, Near Sophia College, off Peddar Road, Mumbai 400 006.
- 2) Alpana Flat No 14, GD Marg, Peddar Road, Mumbai 400 026.

- 3) Sliver Oaks Estate, Ground floor (R), Plot No 4, B Desai Road, Mumbai 400 026.
- 4) Navroze Apartments, Flat No 10E, B Desai Road, Mumbai 400 026.
- 5) Sliver Oaks Estate, Ground Floor, Plot No 4, B Desai Road, Mumbai 400 026.
- 6) Sliver Oaks Estate, Ground Floor (L), Plot No 4, B Desai Road, Mumbai 400 026.
- 7) Navroze Apartments, Flat No 7E, B Desai Road, Mumbai 400 026.
- 8) Navroze Apartments, Flat No 12E&W, B Desai Road, Mumbai 400 026.
- 9) Daisylea Apartments, Flat No B 2, 2nd Floor, 17AMt. Pleasant Road, Mumbai 400 026.
- 10) Silver Oaks Estate, 1st Floor, Plot No 4,B Desai Road, Mumbai 400 026.

d) Other residential premises:

The following residential premises owned by HINDUSTAN CIBA along with the assets situated therein will be given on lease to SC Co. -

- > 19 residential premises located in the residential colony, Research Centre, Goregaon, Mumbai.
- > 4 residential premises located in the residential colony, Santa Monica plant, Goa.

II) Movable properties

All the moveable properties of the Undertaking whether owned, lease or licensed including but without limitation.

- Plant and Machinery, Furniture and Fixtures etc., and those separately identified, whether fixed or attached to all properties above.
- b) EDP equipment, Information technology equipment, photocopying machines and other office equipment currently used exclusively by the Undertaking.
- c) All vehicles identified as belonging to the Undertaking.
- d) Inventory or raw and packing materials, work in progress, finished goods, and including other operating assets pertaining to the Undertaking, wherever situated.
- e) Sundry debtors, Loans and Advances and other Current Assets pertaining to the Undertaking.

f) Investments

The following investments owned by Hindustan CIBA.

Nature of Investment	Rs. in Thousands
660,000 fully paid equity shares of Rs. 10 each in Cibatul Limited	5,950
27,379 fully paid equity shares of Rs. 100 each in Swathi Organics & Specialties Private Limited	2,737

SCHEDULE 'B'

LIST OF LIABILITIES AND DEBTS OF THE UNDERTAKING

Particulars	Rs. in Thousands
Secured Loans	1 84,331
Current Liabilities	172,739
General Reserve	. 594,180
Profit & Loss Account Balance	22,135

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY PETITION NO. 95 OF 1997 CONNECTED WITH COMPANY APPLICATION NO. 803 OF 1996

TAINT ALL LICATION NO. 003 OF 1990

In the matter of the Companies Act, 1956;

AND

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

AND

In the matter of Hindustan Ciba-Geigy Limited;

AND

In the matter of the Scheme of Amalgamation of Sandoz (India) Limited with Hindustan Ciba-Geigy Limited.

Hindustan Ciba-Geigy Limited, a Company incorporated under the Companies Act VII of, 1913 and having its Registered Office at Royal Insurance Building 14, Jamshedji Tata Road Mumbai 400 020.

....Petitioner

CORAM: A. P. SHAH, J. Date: 29th August, 1997.

UPON the petition of Hindustan Ciba-Geigy Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 23rd day of December, 1996 for sanction of the arrangement embodied in the scheme of Amalgamation of Sandoz (India) Limited, (hereinafter referred to as "the Transferor Company" or "SIL") with Hindustan Ciba-Geigy Limited, (hereinafter referred to as the "Petitioner Company" or "HCGL") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. M. P. Saranath, Company Secretary of the Petitioner Company dated the 23rd day of December, 1996 verifying the said Petition AND UPON READING the affidavit of Mr. M. P. Saranath dated 6th day of March, 1997 proving publication of the Notice of the date of hearing of the Petition in the issues of the Times of India, Mumbai, dated 1st day of March, 1997 and Loksatta, Mumbai dated 1st day of March, 1997 AND UPON READING the Affidavit or Mr. M. P. Saranath dated 10th day of April, 1997 proving publication of the notice of the date of hearing of the Petition in Maharashtra Govt. Gazette at Serial No. 1276 in its edition dated 13th day of March of 1997 at page no. 530 AND UPON READING the order dated 19th day of February, 1997 modifying the earlier Minutes of Order dated 31st day of January 1997 whereby service of individual notice of hearing of the Petition to all the creditor of Petitioner Company was dispensed with in view of the consent of the creditors of the Petitioner Company representing 57% of the number of creditor and aggregating to 85% in value having been obtained and summarized in the Affidavit of Mr. M.P. Saranath dated 7th day of February, 1997 AND UPON READING the said Order dated 1st day of November, 1996, made by this Hon'ble Court in Company application No. 803 of 1996 whereby the Transferee Company was directed to convene and hold the meeting of its equity shareholders for the purpose of considering and if thought fit, approving, with or without modification, the scheme of Amalgamation of the Transferor Company with the Transferee Company AND UPON READING the Affidavit of Dr. V. S. Sohoni dated 2nd day of December, 1996 proving publication of the notice convening meeting of the Equity Shareholders of the Transferee Company in the Newspapers viz; "The Times of India" dated 15th day of November, 1996 and "Loksatta" dated 16th day of November, 1996 and also proving dispatch of notice convening meeting to individual Equity Shareholders on 16th day of November, 1996 under certificate of posting AND UPON READING the Report dated 16th day of December, 1996 of Dr. V. S. Sohoni, the Chairman of the meeting of Equity Shareholders as to the result of the said meeting AND UPON READING the Affidavit of Dr. V. S. Sohoni dated 16th day of December, 1996 verifying the said Report AND IT APPEARS from the said Report of the Chairman of the meeting of Equity Shareholders that the proposed Scheme of amalgamation of the Transferor Company with the Transferee Company has been approved by majority in number representing more than three fourth in value of the Equity shareholders present at the said meeting and voting either in person or by proxy AND UPON READING FURTHER Affidavit in support of the Company Application No. 803 of 1996 of Mr. M. P. Saranath dated 24th day of June, 1997 AND UPON READING the order dated 31st day of July, 1997 passed by this Hon'ble Court in Company Application No. 153 of 1997 wherein Shri Arun Gandhi of N. M. Raiji & Co. was appointed as a valuer to determine whether the exchange ratio under the Scheme viz. 17 shares of Sandoz (India) Ltd., to 10 shares of Hindustan Ciba Geigy Ltd. is unfair and only if he so concludes, then determine what the fair exchange ratio should be according to him and the Petitioner abovenamed and the applicant in Company Application No. 153 of 1997 have agreed to accept the above course of action and agreed to abide by the conclusion reached by the aforesaid valuer and also agreed that Order in the Petition will be in terms of the Report of N. M. Raiji & Co. AND UPON READING the Report of Mr. N. M. Raiji & Co., the Chartered Accountants dated 28th day of August, 1997 wherein the said valuer has declared that a ratio of exchange of shares of 10 shares of Hindustan Ciba-Geigy Ltd. (face value of Rs. 10/- each) in exchange of 15 shares of Sandoz (India) Ltd. (face value of Rs. 10/- each) is fair to the Shareholders of both the Companies AND AT THIS STAGE the Petitioner Company through their Counsel applies for amendment. In terms of draft amendment which were marked as "X" and "X-1" AND THIS COURT DOTH HEREBY granted leave to amend prayer (d) and (i) of the Petition. In terms of the said draft amendment AND UPON HEARING Mr. R. A. Dada with Mr. Darivs J. Khambatta, Counsel instructed by M/s. Crawford Bayley & Co. Advocates for the Petitioner Company and Mr. V. B. Sakhare, Panel counsel for the Regional Director, Department of Company Affairs, Mumbai who submits to the order of the Court And no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the same, THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Sandoz (India) Limited, the Transferor Company with Hindustan Ciba Geigy Limited, the Petitioner Company as set forth in Exhibit "A" to the Petition and also in the Schedule here to subject to the variation that the ratio of exchange of shares shall be 10 shares of Hindustan Ciba Geigy Ltd. for every 15 shares of Sandoz (India) Limited and all consequential changes due to variation in the ratio of exchange of shares shall follow AND THIS COURT DOTH HEREBY DECLARE the same to be binding on all members and creditors of the Transferor Company AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 1996 (hereinafter called "the Appointed Date") the entire Undertaking and business of Sandoz (India) Limited, including all the properties, assets, investments, claims, powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangements, rights, title, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company including but without being limited to all patents, trade marks, trade names, and other industrial rights of any nature whatsoever and licenses in respect thereof, privileges, liberties, easements, advantages, benefit lease, tenancy rights, ownership flats, quota rights, permits, approvals, authorizations, right to use and avail of

telephone, telexes facsimiles connections and installations, utilities, electricity and other services reserves, provisions, funds, benefits of all agreements and all other interests arising to the Transferor Company (hereinafter referred to as "the said assets") shall be transferred and vested in the Transferee Company pursuant to the provisions of Section 394 (2) of the Companies Act, 1956 for all the estate, rights, title and interest of the Transferor Company therein but subject to existing charges / hypothecations / mortgages (if any as may be subsisting) over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to be secured creditors of the Transferor Company shall be construed as reference only to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the assets pertaining to the undertaking of the Transferor Company as are vested in the Transferor Company as mentioned hereinabove to the end and intent that such securities, mortgages, changes shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company provided always that the Scheme shall not operate to enlarge the security for any loan deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise and it is expressly provided that in respect of such of the said assets as are moveable in nature or are otherwise capable of transfer by manual delivery, or by endorsement and deliver, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 (2) of the said Act as an integral part of the undertaking AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all debts, liabilities, duties and obligations of Sandoz (India) Limited, the Transferor Company as defined in the same being Schedule hereto shall pursuant to the provisions of Section 394 of the Companies Act, 1956 without any further Act or deed stand transferred to and vested in or by deemed to be transferred to and vested in the Petitioner Company so as to become the debts, liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that the Reserves of the Transferor Company shall merge with the Reserves of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that all suits, claims, actions and proceedings by or against Sandoz (India) Limited, the Transferor Company pending and/or arising on or before the date on which the said Scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectual as if the same had been pending and/or arising against the Transferee Company AND THIS COURT FURTHER ORDER that in consideration of the transfer, of the Undertaking of Sandoz (India) Limited the Transferor Company in favor of the Petitioner Company every member of Sandoz (India) Limited holding equity shares in Sandoz (India) Limited shall without any further application, on the Effective Date or such other date (Record Date) to be fixed by the Board of Directors of Hindustan Ciba-Geigy Limited, the Petitioner Company in consultation with the Board of Director of the Transferor Company, shall in respect of every 15 (fifteen) fully paid up Equity Shares of Rs.10/- each held by him in Sandoz (India) Limited be entitled to receive from Hindustan Ciba-Geigy Limited, the Petitioner Company 10(Ten) fully paid-up Equity shares of Rs. 10/- each in Hindustan Ciba-Geigy Limited, the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that in view of the variation that the ratio of exchange of shares be 10 shares of Hindustan Ciba-Geigy Ltd. for every 15 shares of Sandoz (India) Ltd. instead of the exchange ratio of 10 shares of Hindustan Ciba-Geigy Ltd. in exchange of 17 shares of Sandoz (India) Ltd. the scheme shall stand changed accordingly and all the relevant clauses of the Petition and the scheme more specifically clauses 8.1 to 8.6 of the Scheme and the Schedule hereto shall consequently stand altered and changed and the exchange ratio in prayer (d) of the Company Petition No. 95 of 1997 and elsewhere in Petition and Scheme annexed as Exhibit "A" to Petitioner shall stand changed accordingly AND THIS COURT DOTH FURTHER ORDER that all the Permanent employees of the Transferor Company on the Effective Date as provided in the Scheme shall become the employees of the Transferee Company without any break of interruption of the service and on the terms and conditions not less favorable than those subsisting with reference to the Transferor Company as on the said date AND THIS COURT DOTH FURTHER ORDER that the authorised, issued, subscribed and paid up capital of the Petitioner Company be sub-divided into equity shares of Rs. 10/- (Rupees ten only) each under the Scheme of amalgamation without following the procedure prescribed under the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the authorised share capital of the Petitioner Company be increased by creation of 50,00,000/- (fifty lakhs) equity shares of Rs 10/- (Rupees Ten only) each without following the procedure laid down under the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the capital clause of the Memorandum and Articles of Association of the Petitioner Company as a result of increase in the authorised share capital be amended without following the procedure laid down under the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the issue and allotment of 53,00,005 equity shares of Rs. 10/- each in the Petitioner Company to the members of the Transferor Company be carried out without following the procedure laid down under Section 81 (1A) of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the name of the Petitioner Company shall stand changed to Novartis India Limited without following the procedure laid down under the Companies Act, 1956 and the Registrar of Companies, Maharashtra shall issue to the Petitioner Company under Section 23 of the Companies Act, 1956, a

fresh certificate of Incorporation with the necessary alteration embodied therein AND THIS COURT DOTH FURTHER ORDER that the Statutory Auditors of the Petitioner Company namely, Arthur Andersen and Associates shall cease to hold office and the Statutory Auditors of the Transferor Company namely A. F. Ferguson & Co. shall be statutory Auditors of the Petitioner Company after Amalgamation AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within thirty days after the date of the sealing of this Order cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and on such certified copy of order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies Maharashtra, Mumbai, shall place all the files, documents and records, relating to the undertaking of the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files and documents and records of both the companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the said Scheme of Amalgamation sanctioned herein, and any other person or persons interested therein, shall be at liberty to apply to this Hon'ble Court for any directions that may be necessary in regard to the working of the Scheme of Amalgamation sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay the sum of Rs. 500/- (Rupees five hundred only) to the Regional Director, Department of Company Affairs, Mumbai, towards the costs of the said Petition, WITNESS SHRI MANHARLAL BHIKHALAL SHAH, Chief Justice at Bombay aforesaid this 29th day of August, 1997.

By the Court,

Sd/-

For Prothonotary & Senior Master.

SEAL
Sd/SEALER
This 26th day of September 1997.

Order sa	anctioning	the Sche	me of Ar	nalgan	nation	
drawn o	n the app	lication of	M/s. Cra	wford l	3ayley	& Co.,
Advoca	tes for the	Petitione	r having	their		
office at	State Bar	nk of India	Building			
N.G.N.	Vaidya Ma	arg, Mumb	ai 40002	23.		

SCHEDULE

(SCHEME OF AMALGAMATION)

SCHEDULE .

SCHEME OF ARRANGEMENT
BETWEEN
SANDOZ (INDIA) LIMITED AND ITS MEMBERS
AND
HINDUSTAN CIBA-GEIGY LIMITED AND ITS MEMBERS
FOR AMALGAMATION OF
SANDOZ (INDIA) LIMITED

WITH HINDUSTAN CIBA-GEIGY LIMITED

1. **DEFINITIONS**

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

- 1.1 "The Transferor Company" means, SANDOZ (INDIA) LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at Sandoz House, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
- 1.2 "The Transferee Company" means, HINDUSTAN CIBA-GEIGY LIMITED, a Company incorporated under the Indian Companies Act, VII of 1913, having its Registered Office at Royal Insurance Building, 14, Jamshedji Tata Road, Mumbai 400 020, excluding its Speciality Chemical Undertaking.
 - "Speciality Chemical Undertaking" means Speciality Chemicals business consisting of Additives, Polymers, Pigments, Dyes and Chemicals business.
- 1.3 "The Act" means, the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof.
- 1.4 "The Appointed Date" means the 1st day of April 1996.
- 1.5 "The Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in clauses 15 and 16 of this Scheme are obtained.
- 1.6 "Undertaking" shall mean and include:
 - (a) All the assets and property of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Assets").
 - (b) All the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Liabilities").
 - (c) Without prejudice to the generality of sub-clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's reserves, movable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotes, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or control of the Transferor Company.
- 1.7 "The Scheme" means this Scheme of Amalgamation in its present form submitted to the High Court of Judicature at Bombay for sanction or with any modification(s) approved or imposed or directed by the said High Court.

2. SHARE CAPITAL

- 2.1 The Authorized Share Capital of the Transferor Company is Rs. 10,00,00,000/- comprising of 1,00,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up Share Capital is Rs. 7,95,00,070 comprising of 79,50,007 Equity Shares of Rs. 10/- each.
- 2.2 The Authorized Share Capital of the Transferor Company is Rs. 27,00,00,000/- comprising of 27,00,000 Equity Shares of Rs.100/- each. The issued, subscribed and paid-up Share Capital is Rs. 26,56,16,200 comprising of 26,56,162 Equity Shares of Rs. 100/- each.

3. TRANSFER OF UNDERTAKING

- 3.1 (a) With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further Act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.
 - (b) The transfer / vesting as aforesaid shall be subject to existing charges / hypothecation / mortgages (if any as may be subsisting) over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance of obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the assets pertaining to the Undertaking of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause to the end and intent that such securities, mortgages and charges shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

PROVIDED ALWAYS THAT the scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

- (c) It is expressly provided that in respect of such of the assets of the Undertaking as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so Transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Act as an integral part of the Undertaking.
- (d) In respect of such of the said assets other than those referred to in sub para (c) above, without any further Act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act as an integral part of the Undertaking.
- 3.2 As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.

The difference between the amount recorded as fresh Share Capital issued by the Transferee Company on amalgamation and the amount of Share Capital of the Transferor Company will be reflected in the Revenue Reserve(s) of the Transferee Company.

Further, in case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

3.3 With effect from the Appointed Date, and subject to the provisions of this Scheme, the said liabilities shall also be and stand transferred or deemed to have been transferred, without any further act, instrument or deed to the Transferee Company pursuant to the provisions of Section 394 of the Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third

party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

4. OPERATIVE DATE OF THE SCHEME

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

5. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to the Effective Date:

- 5.1 The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company;
- 5.2 All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
- 5.3 The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;
 - Provided that as far as the obligations in sub-clause 5.3 above are concerned the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Companies even if the same be prior to the Appointed Date.
- 5.4 The Transferor Company shall not vary the terms and conditions of employment of its permanent employees except in the ordinary course of business.
- 5.5 The Transferor Company shall not undertake any new business.

6. **LEGAL PROCEEDINGS**

6.1 All suits, claims, actions and proceedings, by or against Transferor Company pending and/or arising on or before the date on which this Scheme shall finally take effect shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising against the Transferee Company.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 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 the benefit of which the 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 Transferor Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any Tripartite Arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause, it so required or become necessary.

8. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

- 8.1 The Transferee Company shall, before allotment of the Equity Shares in terms of the Scheme without following the procedure laid down under applicable provisions of the Act:
 - (i) sub-divide its present Authorised Share Capital of Rs. 27,00,00,000/- consisting of 27,00,000 Equity Shares of Rs. 100/ each into 2,70,00,000 Equity Shares of Rs. 10/- each;
 - (ii) sub-divide its present issued, subscribed and paid-up share capital of Rs. 26,56,16,200/consisting of 26,56,162 Equity Shares of Rs.100/- each into 2,65,61,620 Equity shares of Rs.10 each:
 - (iii) increase its Authorised Share Capital by creation of 50,00,000 Equity Shares of Rs.10/- each so as to satisfy its obligations under the provisions of the Scheme.

- (iv) After Clause V relating to the Authorised Share Capital, in the Memorandum of Association of the Company, by substituting the existing sentence:
 - "V The Authorised Share Capital of the Company is Rs. 27,00,00,000/- (Rupees Twenty Seven Crores) divided into 27,00,000 Equity Shares of Rs. 100/- each."

with the following sentence:

- "V The Authorised Shares Capital of the Company is Rs. 32,00,00,000/- Equity Shares of Rs. 10/- each."
- (v) Alter Article 4 relating to the Authorised Share Capital in the Articles of Association of the Company, by substituting the existing Article:
 - "4. The Authorised Share Capital of the Company is Rs. 27,00,00,000/- (Rupees Twenty Seven Crores) divided into 27,00,000 Equity shares of Rs 100/- each. The Company shall have the power to increase, consolidate, subdivide, realize or otherwise alter its share capital subject to the provisions of the Act."

with the following Article:

- "4. The Authorised Share Capital of the Company is 32,00,00,000/- (Rupees Thirty-two Crores) divided into 3,20,00,000 Equity shares of Rs. 10/- each. The Company shall have the power to increase, consolidate, subdivide, realize or otherwise alter its share capital subject to the provisions of the Act"
- 8.2 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company, in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue at par Ten Equity Shares of Rs. 10/- each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Members of the Transferor Company, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every seventeen Equity shares of the face value of Rs. 10/- each fully paid-up held by the said members in the Transferor Company, the said new Equity Shares will rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares of the Transferee Company.
- 8.3 No fractional coupons shall be issued by the Transferee Company in respect of the fractional share entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and thereupon issue and allot Equity Shares in lieu thereof to a Director or an officer of the Transferee Company on the express understanding that such Director or Officer to whom such Equity Shares be allotted shall sell the same in the market at the available price and pay to the Transferee Company, the net sale proceeds thereof whereupon the Transferee Company shall distribute such net sale proceeds by the members of the Transferor Company in proportion to their fractional share entitlements.
- 8.4 For the purpose as aforesaid, the Transferee Company shall, if and to the extent required apply for and obtain the requisite consent or approval of the Reserve Bank of India and other appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, of the Equity Shares in the said reorganized Share Capital of the Transferee Company in the ratio aforesaid.
- 8.5 The issue and allotment of 46,76,475 Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(1A) and any other applicable provisions of the Act.
- 8.6 Upon issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall stand automatically cancelled / extinguished.

9. <u>DIVIDEND, PROFITS, BONUS / RIGHTS SHARES</u>

- 9.1 At any time after the Appointed Date and upto the Effective Date:
 - a) The Transferor Company and the Transferee Company shall not declare and/or pay dividends

whether interim and/or final to their respective members for or relating to any period after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

b) The Transferor Company and the Transferee Company shall not issue or allot any Rights Shares or Bonus Shares or any other securities convertible into Equity or other Share Capital or obtain any other financial assistance convertible into Equity or other Share Capital.

10. CONTRACT OF MANAGING DIRECTOR

10.1 In the event of the Scheme finally coming into effect on or before June 30, 1997, the services of the Managing Director of the Transferor Company shall stand transferred to the Transferee Company without any break or interruption in service.

11. TRANSFEROR COMPANY'S EMPLOYEES

- 11.1 All permanent employee of the Transferor Company in service on the date immediately preceding the date on which this Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to Transferor Company as on the said date.
- 11.2 It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the employees of the Transferor Company are concerned, upon the Scheme becoming finally effective the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes / Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes / Funds as per the terms provided in the respective Trust Deeds. It is the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such 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 without any break or interruption for the purpose of the aforesaid Schemes/Funds.

12. APPLICATION TO THE HIGH COURT

- 12.1 The Transferor Company shall with all reasonable dispatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.
- 12.2 The Transferor Company shall also with all reasonable despatch make applications /petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme under the provisions of Act.

13. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 13.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the High Court of Judicature at Bombay and/or any Authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all Acts, deeds, matters and things necessary for putting the Scheme into effect.
- 13.2 For the purpose of giving effect to this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor and Transferee Company may give and are authorised to give all such Directors as are necessary or desirable including directions for settling any question of doubt or difficulty that may arise.

14. CHANGE OF NAME AND AUDITORS

On this Scheme of Amalgamation being sanctioned by the High Court of Judicature at Bombay, without any further Act or deed and without following the procedure laid down under the Companies Act, 1956 for the purpose:

14.1 The name of the Transferee Company shall stand changed to "NOVARTIS INDIA LIMITED" and same shall be substituted for the existing name wherever it appears in the Memorandum and Articles

of Association of the Transferee Company.

14.2 The Statutory Auditors of the Transferee Company, namely, Arthur Anderson & Associates shall cease to hold office and the Statutory Auditors of the Transferor Company namely AF Ferguson & Co., shall be the Statutory Auditors of the Transferee Company.

15. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS

This Scheme is conditional upon and subject to:

- 15.1 the approval of and agreement to the Scheme by the requisite majorities of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Bombay on the applications made for directions under Section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- 15.2 the sanctions of the High Court of Judicature at Bombay being obtained, under Sections 391 and 394 and other applicable provisions of the Act.
- the consummation of the merger of Sandoz AG, Switzerland, and Ciba-Geigy AG, Switzerland, with "NOVARTIS AG" under the laws of Switzerland.
- 15.4 the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Regulations Act, 1973, for the issue of shares In the Transferee Company to the non-resident shareholders of the Transferor Company.
- 15.5 requisite approval of the Transferee Company to the Scheme of Arrangement relating to Speciality Chemicals Undertaking of the Transferee Company and sanction of the High Court of Judicature at Bombay being obtained to the said Scheme of Arrangement under Sections 391 and 394 and any other applicable provisions of the Act.

16. EFFECTIVE DATE OF THE SCHEME

- 16.1 This Scheme although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely;
 - a) the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, as per Clause 15 hereinabove, shall be obtained or passed; or
 - b) the date on which all necessary Certified copies of Orders under Sections 391 and 394 of the Act shall be duly filed with the Register of Companies, Maharashtra.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

17. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clauses 15 and 16 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid before 30th June 1997 or within such further period or periods as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) (and which the Board of Directors of both the Companies are hereby empowered and authorised to agree to and extend from time to time without any limitations) this Scheme shall stand revoked, cancelled, and be of no effect, save and except in respect of any Act or dead done prior thereto as is contemplated hereunder or as to any rights, and/or liabilities which might have arisen or accrued, pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme shall be respectively borne by the Transferor Company and the Transferee Company.

Certified to be a True Copy This 29th day of September, 1997 Sd/-For Prothonotary & Senior Master

IN THE HIGH COURT OF JUDICATURE AT BOMBAY ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY PETITION NO. 720 OF 2000 CONNECTED WITH COMPANY APPLICATION NO. 307 OF 2000

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

AND

In the matter of Novartis India Limited;

AND

In the matter of the Scheme of Arrangement between Novartis India Limited and Syngenta India Private Limited known as Novartis Agribusiness India Private Limited.

Novartis India Limited, a
Company incorporated under the
Indian Companies Act VII of 1913 and
Having its Registered Office at
14, Jamshedji Tata Road,
Mumbai 400 020.

....Petitioner

CORAM: Smt. K.K. Baam, J. Date: 13th September 2000 and 12th October 2000

UPON the Petition of Novartis India Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 24th day of July 2000 for sanction of the Arrangement embodied in the proposed Scheme of Arrangement between Novartis India Limited (hereinafter referred to as the "Transferor Company" or the "Petitioner Company" or "NIL") and Syngenta India Private Limited previously known as Novartis Agribusiness India Private Limited, (hereinafter referred to as the "Transferee Company" or "Syngenta.") and for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Dr. Erwin Schillinger, Managing Director of the Petitioner, dated the 25th day of July 2000 verifying the said Petition AND UPON READING the Affidavit of Dr. Erwin Schillinger, dated the 18th day of August 2000 proving publication of the notice of the date of hearing of the said Petition in the issue of "Free Press Journal" dated 8th day August 2000 and "Navakal" dated 8th day of August 2000 AND UPON READING the Order dated 2nd day of August 2000 whereby the individual notice of the hearing of the Petition to the creditors was dispensed with in view of the Consent given by 86% of secured and unsecured creditors of the Petitioner Company AND UPON READING Affidavit of Mr. Bhagwan Sawant, Clerk in the Office of the Advocate for the Petitioner Company dated 18th day of August 2000 proving service of notice of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Order dated 7th day of June 2000 made by this Hon'ble Court in Company Application No. 307 of 2000 whereby the Transferor Company was ordered to convene the meeting of its equity shareholders for the purpose of considering and if thought fit approving with or without modification the Scheme of Arrangement between the Transferor Company and the Transferoe Company AND UPON READING the Affidavit of Mr. Hemang Maniar, Company Secretary of the Petitioner Company dated 7th day of July, 2000 proving publication of the notice convening meeting in the issue of "Free Press Journal" dated 15th day of June 2000 and "Navakal" dated 15th day of June 2000 and also proving dispatch of notice convening meeting to individual equity shareholders AND UPON READING the Report dated 15th day of July, 2000 of Dr. Erwin Schillinger, Chairman of the meeting of equity shareholders of the Transferor Company as to the result of the said meeting AND UPON READING the Affidavit of Dr. Erwin Schillinger dated 15th day of July 2000 verifying the said Report AND IT APPEARS from the said Report of the Chairman of the meeting of equity shareholders of the Transferor Company that the Scheme of Arrangement with modification has been approved by the Majority in number representing more than 3/4th in value of equity shareholders of the Transferor Company present at the said meeting AND WHEREAS UPON the application of Transferor Company, this Hon'ble Court by its Order dated 12th day of October, 2000 granted leave to amend the name of Transferee Company from "Novartis Agribusiness" India Private Limited" to "Syngenta India Private Limited" AND THIS COURT DOTH HEREBY SANCTION the Arrangement embodied in the amended Scheme of Arrangement between Novartis India Limited, the Transferor Company and Syngenta India Private Limited formerly known as Novartis Agribusiness India Private Limited, the Transferee Company as set forth in Exhibit "C-1" to the said Petition and in the Schedule - I hereto AND THIS COURT DOTH HEREBY DECLARE the same to be binding on all the members and the creditors of the Petitioner Company AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 2000 (hereinafter called the "Appointed Day") the entire Agribusiness Undertaking of the Petitioner Company, as defined in the Scheme (being Exhibit C-1 to the Petition and in the Schedule "A" to the Scheme of Arrangement shall, pursuant to the provisions contained in Section 394 of the Companies Act, 1956, without any further Act or deed, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the Syngenta, free from all encumbrances, on the Appointed Day in favor of the financial agencies and/or the concerned secured creditors of the Transferor Company, if and only if such charges relate to or are appertaining to the liabilities and debts of the Agribusiness Undertaking of NIL and the assets mentioned in Schedule "A" to the Scheme of Arrangement) shall be transferred at book value, AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of NIL relating to the Agribusiness Undertaking as defined in the Scheme (and set forth in Schedule "B" to the Scheme) and in the Schedule I hereto be transferred without further Act or deed to Syngenta, the Transferee Company and accordingly the same shall pursuant to the provisions of Section 394 of the Companies Act, 1956 be transferred to the Transferee Company so as to become the debts, liabilities, duties and obligation of Syngenta, the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all legal or other proceedings by or against NIL, the Transferor Company, relating to the Agribusiness Undertaking of NIL (including property rights, powers, liabilities, obligations and duties of NIL) pending on the Effective Date as defined in the Scheme relating to the Agribusiness Undertaking of NIL (including property rights, powers, liabilities, obligations and duties of NIL) shall be continued, and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that on and from the Effective Date, as defined in the Scheme the Transferee Company do engage all the employees of NIL, in relation to the Agribusiness Undertaking of NIL and desirous of joining Syngenta, on the same terms and conditions on which they are engaged as on the Effective Date by NIL without any interruption of services as a result of the transfer AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of assets and liabilities of the Agribusiness Undertaking of Petitioner in favor of the Transferee Company, every member of NIL holding equity share in NIL on a date (Record Date) to be fixed by the Board of Directors of NIL in consultation with Board of Directors of Syngenta, the Transferee Company shall issue and allot to the equity shareholders of NIL one (1) fully paid-up equity share of Rs. 5/- each of Syngenta, the Transferee Company FOR One (1) fully paid up equity shares of Rupees 5/- each of NIL AND THIS COURT DOTH FURTHER ORDER that the issued subscribed and

paid up equity share capital of the Petitioner stands reduced from Rs. 318,616,240 divided into 31,861,624 fully paid equity shares of Rs. 10/- each to Rs. 159,308,120 divided into 31,861,624 equity shares fully paid of Rs. 5/-AND THIS COURT DOTH FURTHER ORDER that the authorized share capital of the Petitioner shall be Rs. 320,000,000 divided into 64,000,000 equity shares of Rs. 5/- each fully paid up AND THIS COURT DOTH FURTHER ORDER that the Transferor Company do within thirty days after the date of sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and on such certified copy of the Order being so delivered to the Registrar of Companies, Maharashtra, Mumbai shall place all documents relating to the Agribusiness Undertaking of NIL and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the Agribusiness Undertaking of NIL and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Arrangement sanctioned herein, and any other person or persons interested therein, shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Arrangement sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Transferor Company do pay the sum of Rs.1,000/- (Rupees one thousand only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI BISHESHWAR PRASAD SINGH Chief Justice at Bombay aforesaid this 13th day of September 2000 and 12th day of October, 2000.

By the Court

For Prothonotary & Senior Master

SEAL

Sd/-

SEALER

This 12th day of October 2000

Order sanctioning the Scheme of Arrangement

Drawn on the application of Crawford Bayley

& Co. Advocates for the Petitioner having

their office at State Bank of India Building NGN Vaidya Marg, Mumbai 400 023.

SCHEDULE (SCHEME OF ARRANGEMENT)

SCHEDULE I

SCHEME OF ARRANGEMENT BETWEEN NOVARTIS INDIA LIMITED AND

SYNGENTA INDIA PRIVATE LTD.
PREVIOUSLY KNOWN AS NOVARTIS AGRIBUSINESS INDIA
PRIVATE LIMITED UNDER SECTION 391 READ WITH
SECTION 394 OF THE COMPANIES ACT, 1956
AND

THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF THE UNDERTAKING RELATING TO AGRO CHEMICALS AND SEEDS BUSINESSES OF NOVARTIS INDIA LIMITED

1. **DEFINITIONS**

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

- (a) The "Act" means the Companies Act, 1956.
- (b) The "Appointed Day" means 1st day of April 2000.
- (c) The "Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in Clause 17 of this Scheme are obtained.
- (d) "Novartis" means Novartis India Limited, a Company incorporated under The Indian Companies Act, VII of 1913 and having its registered office at 14, Jamshedji Tata Road, Mumbai 400 020.
- (e) "Syngenta" means Novartis Agribusiness India Private Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Sandoz House, Dr. Annie Besant Road, Worli, Mumbai 400 018.
- (f) The "Agribusiness Undertaking" means the agro-chemicals and seeds businesses of Novartis and shall include:
 - (i) all assets (movable or immovable) relating to Agribusiness Undertaking as described in Schedule A to the Scheme;
 - (ii) the specified Liabilities relating to Agribusiness Undertaking;
 - (iii) lease rights, tenancy rights, permits, quota rights, industrial and other licenses, patents, trade marks, all the privileges and benefits of all contracts, agreements and arrangements, and all other rights, licenses, powers and facilities of every kind, nature and description whatsoever pertaining to Agribusiness Undertaking;
 - (iv) all employees engaged in or in relation to Agribusiness Undertaking;
 - (v) all earnest moneys and/or security deposits paid by Novartis in connection with or relating to Agribusiness Undertaking;
 - (vi) all other rights, privileges, benefits attributable to Agribusiness Undertaking.

Except those pertaining to Agribusiness, the term "Agribusiness Undertaking" shall not include any intellectual property rights including software licenses, patents, trademarks, copyrights, designs and the like whether registered in the name of Novartis or otherwise and which are in possession of or otherwise under control of Novartis.

- (g) "Specified Liabilities" includes
 - liabilities as on the Appointed Date which arise out of the activities or operations of Agribusiness Undertaking more particularly described in Schedule B;
 - the secured bank loans and borrowings as on the Appointed Date computed as a proportion of Agribusiness stocks & debtors to total stocks & debtors more particularly described in Schedule B;
 - (iii) all the liabilities which are directly or indirectly attributable to the past and the present operations of the Agribusiness Undertaking including relating to manufacturing, packing and/or storage of raw materials, semi finished and/or finished goods or the products at all sites including Panoli and/or Goa sites;
 - (iv) all liabilities including those arising out of contingent liabilities and/or those arising from bank guarantees / bonds or the like issued by Novartis in respect of Agribusiness
- (h) "Record Date" means a day following the Effective Date as fixed by the Board of Directors of Novartis in consultation with the Mumbai Stock Exchange;
- (I) The "Scheme" means this Scheme.

2. SHARE CAPITAL

A. authorized, issued, subscribed and paid-up share capital of Novartis as on the Appointed Day is as under:

authorised:

32,000,000 equity shares of Rupees 10/- each Rs. 320,000,000/-

issued, subscribed and paid-up:

31,861,624 equity shares of Rupees 10/- each fully paid-up Rs. 318,616,240/-.

B. authorised, issued, subscribed and paid-up share capital of Syngenta as on the Appointed Day is as under:

Authorised:

5 00,000 equity shares of Rupees 5/- each Rs.2,500,000/-.

issued, subscribed and paid-up:

40 equity shares of Rupees 5/- each fully paid-up Rs.200/-

PART-A

- 3. (a) With effect from the Appointed Day, the Agribusiness Undertaking of Novartis shall, pursuant to the provisions contained in Section 394 of the Act, without any further Act, deed, matter or thing, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in Syngenta including the charges existing thereon on the Appointed Day in favor of the financial agencies and/or the concerned secured creditors of Novartis, if and only if such charges relate to or are appertaining to the liabilities and debts of the Agribusiness Undertaking of Novartis. The assets of the Agribusiness Undertaking of Novartis including those specified in Schedule 'A' hereto shall be transferred at book value. All movable properties of Agribusiness Undertaking of Novartis shall be physically handed over by delivery to Syngenta to the end and intent that the property therein passes to Syngenta. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of Novartis and Syngenta within thirty days from the date of the order of the Bombay High Court sanctioning this Scheme.
 - (b) In respect of movable properties other than those specified in sub-clause (a) above, including sundry debtors, outstanding loans, and advances recoverable in cash or in kind or for value to be received and deposits with government, semi-government, local and other authorities and bodies and customers, etc., pertaining only to Agribusiness Undertaking. Novartis shall give notice in such form as it may deem fit and proper, to each party, debtor or depositee as the case may be, that pursuant to the Bombay High Court having sanctioned the arrangement between Novartis, Syngenta and their members and creditors under Sections 391 and 394 of the Act, the said debt,

loan, advance etc. to paid or made good or held on account of Syngenta as the person entitled thereto to the end and intent that the right of Novartis to recover or realize the same stands extinguished and stands transferred to and vested in Syngenta and that appropriate entry should be passed in their respective books to record the aforesaid changes.

- (c) It is clarified that the rest of the businesses and, assets of Novartis other than those specified in Clause 3 (a), hereto shall continue to vest in Novartis.
- 4. It is further clarified that all Specified Liabilities pertaining to Agribusiness Undertaking as on the Appointed Date as also all other debts, liabilities, including contingent liabilities duties, and obligations of Novartis relating to Agribusiness Undertaking as on the close of business on 31st day of March 2000, whether disclosed, or not in the Books of Accounts of Novartis and all other liabilities relating to Agribusiness Undertaking which may accrue or arise after 31st day of March 2000, but which relate to the period up to 31st day of March 2000, shall be the debts, liabilities including contingent liabilities, duties and obligations of Syngenta. The debts and liabilities specified in Schedule B hereto shall be transferred at book value.
- It is clarified that for this purpose the value of the asset and liabilities of Agribusiness Undertaking being so transferred shall be the value, after eliminating the effect of revaluation if any appearing in the books of account of Novartis as on the close of business on the day just prior to the Appointed Date.
- 6. With effect from the Appointed Date:
 - (a) a sum of Rupees ('000) 1,968,406 forming part of the general reserve of Novartis as on 31st March, 2000 shall stand transferred to and form part of the general reserve of Syngenta.
 - (b) the general reserve of Novartis shall also stand reduced by Rupees ('000) 1,968,406 being the difference between the values of the assets and the liabilities of Agribusiness Undertaking being transferred to Syngenta under this Scheme.
- 7. Upon coming into effect of the Scheme all legal or other proceedings by or against Novartis pending on the Appointed Date and relating to Agribusiness Undertaking (including property rights, liabilities, obligations and duties of Novartis) shall be continued and enforced by or against Syngenta. The legal or other proceedings by or against Novartis other than those relating to Agribusiness Undertaking pending on the Appointed Date and relating to Novartis shall be continued and enforced by or against Novartis.
- 8. With effect from the Appointed Day and up to and including the Effective Date:
 - (a) Novartis shall be deemed to have been carrying on and to be carrying on all business and activities relating to Agribusiness Undertaking and stand possessed of the properties so to be transferred for and on account of and in trust for Syngenta;
 - (b) all profits accruing to Novartis or losses arising or incurred by it relating to Agribusiness Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of Syngenta.
- 9. Novartis hereby undertakes from the Appointed Date up to and including the Effective Date to carry on the business of Agribusiness Undertaking with proper prudence and not (without the prior written consent of Syngenta) to alienate, charge or otherwise deal with or dispose of Agribusiness Undertaking or any part thereof (except in the ordinary course of business) nor to undertake any new business or a substantial expansion of its existing business.
- 10. (a) Syngenta undertakes to engage, on and from the Effective Date, all employees of Novartis engaged in Agribusiness Undertaking on the same terms and conditions on which they are engaged as on the Effective Date by Novartis without any interruption of services as a result of the transfer. Syngenta agrees that the services of all such employees with Novartis up to the Effective Date shall be taken into account for purposes of any retirement benefits to which they may be eligible in Novartis on the Effective Date. Syngenta further agrees that for the purpose of payment of any retrenchment compensation, such past services with Novartis shall also be taken into account.
 - (b) The accounts of the employees, who are employed by Novartis under sub-clause (a) above, in Novartis relating to superannuation, provident fund and gratuity fund and any other funds including any surplus in all such funds shall be identified and determined and transferred to the trustees of the respective Funds of Syngenta. Investments owned by provident fund, gratuity fund and superannuation fund and any other fund, shall be segregated in proportion to the basis of actuarial valuations of the liabilities.
- 11. Subject to other provisions of this Scheme all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature relating to Agribusiness Undertaking to which Novartis is a party subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favor of

Syngenta, and may be enforced as fully and effectually as if, instead of Novartis, Syngenta had at all material times been a party thereto. All contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature other than relating to Agribusiness Undertaking to which Novartis is a party subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favor of Novartis.

- 12. In consideration of the transfer of the existing business of Agribusiness Undertaking in favor of Syngenta:
 - (a) each member of Novartis holding one equity share in Novartis on the Record Date shall in respect of every one fully paid-up equity share of Rupees 5/- held, by him/her, in Novartis be entitled as of right to claim and receive from Syngenta an allotment of one equity share of Rupees 5/- each credited as fully paid-up from the general reserves that are transferred from Novartis to Syngenta. The total number of equity shares of Syngenta to be allotted to members of Novartis shall be 31,861,624 of Rupees 5/- each.
 - (b) The authorised, issued, subscribed and paid up share capital of Syngenta will stand increased to the extent it is required to issue its equity shares to the shareholders of Novartis on the Record Date in terms of Clause 12(a) of the Scheme.
 - (c) Simultaneously, the issued, subscribed and paid-up equity share capital of Novartis will stand reduced from Rupees 318,616,240/- divided into 31,861,624 fully paid up equity shares of Rupees 10/- each to Rupees 159,308,120/- divided into 31,861,624 equity shares fully paid up of Rupees 5/- each. Such reduction is to be effected by cancellation of paid up share capital of the face value of Rupees 5/- per share and the balance of Rupees 159,308,120 shall be transferred to revenue reserve account which will be utilized for absorbing the book value of assets and liabilities of the Agribusiness Undertaking transferred hereunder to Syngenta. The Authorised Share Capital of Novartis will be Rs. 320,000,000 divided into 64,000,000 fully paid-up equity shares of Rs. 5/- each.
 - (d) The existing share certificates of Novartis shall stand automatically cancelled with effect from the Record Date and fresh share certificates shall be issued to the shareholders of Novartis without calling for the existing original share certificates.
- 13. The new equity shares of Syngenta to be issued under this Scheme shall rank for dividend, voting rights and in all other respects pari passu with the existing equity shares of Syngenta.

PART - B:

- 14. On the Scheme being agreed to by the requisite majorities of the members of Novartis and the members of Syngenta, Novartis and Syngenta shall with reasonable dispatch, apply to the High Court of Judicature at Bombay for sanctioning this Scheme under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.
- 15. Novartis (by its Directors) and Syngenta (by its Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court and/or any other competent authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty arising under the Scheme or in regard to it's implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective companies).
- 16. The Scheme is conditional upon and subject to:
 - (a) the Scheme being agreed to by the respective requisite majorities of members of Novartis and Syngenta as referred to in Clause 14 hereof and the requisite order or orders referred to in Clause 14 hereof being obtained;
 - (b) sanction of the High Court at Bombay being obtained under Sections 391 and 394 and other applicable provisions of the Act;
 - (c) approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 to the issue and allotment of Equity Shares of Syngenta to the non-resident equity shareholders of Novartis in terms of this Scheme;
 - (d) such other sanctions and approvals as the Directors of Novartis and Syngenta deem necessary in respect of the Scheme being obtained.

- 17. This Scheme although to come into operation from the Appointed Day shall not become effective until the last of the following dates, namely:
 - (a) the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders shall be obtained or passed; or
 - (b) the date on which all necessary certified copies of orders under Sections 391 and 394 of the Act shall be duly filed with the appropriate Registrar of Companies.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

- 18. Unless otherwise agreed to by the respective Boards of Directors, Syngenta shall issue and allot Equity Shares of Syngenta to the shareholders of Novartis in accordance with Clause 12 of the Scheme.
- Justified demerger related costs, charges and expenses towards legal fees, stamp duty and registration fee of any deed, document, instrument or court's order of Novartis and of Syngenta shall be borne and paid by Novartis.

SCHEDULE 'A'

List of assets of Agribusiness Undertaking to be transferred to Syngenta:

			Book Value Rs.' 000
ı	DETA	ILS OF IMMOVABLE PROPERTIES :	
	1.	Land:	
	a)	Freehold land situated at Santa Monica, Village Corlim, Taluka and sub-district Ilhas, district North Goa, State of Goa.	4,280
	b)	Leasehold land situated at Plot, Panoli Industrial Estate of Gujarat Industrial Development Corporation, Panoli 394 115 District Bharuch, State of Gujarat, belonging to Novartis.	4,688
	2.	Buildings:	
	a)	All building and Structures standing on the aforesaid land, Net/Polyhouses at Pune, Coimbatore and Ooty and office/shed in Andhra Pradesh	137,927
II	DETA	ILS OF MOVABLE PROPERTIES :	
	1.	Plant and Machineries on aforesaid land at I above and at all offices, warehouses, processing plants, laboratories of Agribusiness located all over India.	468,305
	2.	Furniture, fixtures, office equipment (including computers) in the aforesaid land and buildings at I above and at all offices, warehouses, processing plants, laboratories of Agribusiness located all over India.	32,928
	3.	Motor Vehicles pertaining to Agribusiness.	35,663
	4.	Capital Work in Progress	37,503

5.	Inventories of raw and packing materials, work in process and finished goods relating to Agribusiness wherever situated.	991,024
6.	Sundry Debtors, Loans & advances and other current assets pertaining to Agribusiness.	1,090,359
7.	1050 Shares in Bharuch Environment Infrastructure Ltd. of Rs 10 each	11
8.	Deferred Tax Asset	39,960
	SCHEDULE 'B'	

List of liabilities of Agribusiness Undertaking to be transferred to Syngenta:

Book Value 'Rs.' 000 Current Liabilities & Provisions 792,221 Secured Loans 82,021

> Certified to be a True Copy This 12th day of October 2000 Sd/-For Prothonotary & Senior Master

Seal

2.

ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY PETITION NO. 564 OF 2001 CONNECTED WITH COMPANY APPLICATION NO. 198 OF 2001

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

And

In the matter of Novartis India Limited;

And

In the matter of the Scheme of Amalgamation between Ciba CKD Biochem Limited and Novartis India Limited.

Novartis India Limited,)
a Company incorporated under the Indian)
Companies Act, VII of 1913 and having)
its Registered Office at Sandoz House,)
Shivsagar Estate, Dr. Annie Besant Road,)
Worli, Mumbai 400 018)

.... Petitioner

CORAM: R.J. Kochhar, J. Date: 8th August, 2001

UPON the Petition of Novartis India Limited, the Petitioner Company abovenamed, presented to this Hon'ble Court on the 30th day of May, 2001 for sanction of the Arrangement embodied in the proposed Scheme of Amalgamation of Ciba CKD Biochem Limited (hereinafter referred to as the "Transferor Company" or "CCBL") with Novartis India Limited (hereinafter referred to as the "Petitioner Company" or "Transferee Company") and for other consequential reliefs as mentioned in the Petition AND the said Petition being, this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Dr. Robert L. Thompson, Managing Director of the Petitioner dated the 29th day of May, 2001 verifying the said Petition AND UPON READING the Affidavit of Mr. Hemang Maniar, Company Secretary of the Petitioner Company dated the 25th day of June, 2001 proving publication of the notice of the date of hearing of the said Petition in the issue "Free Press Journal" dated 20th day of June, 2001 and "Navakal" dated 20th day of June, 2001 pursuant to the Order dated 13th day of June, 2001 AND UPON READING the Affidavit dated 25th day of June 2001 of Mr. Bhagwan Sawant, Clerk in the Office of Advocate for Petitioner Company proving service of notice of hearing upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Affidavit of Ms Asha Mirchandani, Country Chief Financial Officer of the Petitioner Company dated 4th day of August, 2001 annexing thereto the consent in writing from 75% of the creditors of the Petitioner Company conveying their no objection to the Scheme of Amalgamation AND UPON READING the Order dated 21st day of March, 2001 made by this Hon'ble Court in Company Application No. 198 of 2001 whereby the Transferee Company was ordered to convene the meeting of its equity shareholders for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation between the Transferor Company and the Transferee Company and meeting of the secured and unsecured creditors of the Petitioner Company was also dispensed with in view of the averment made in para 15 of the Affidavit in support of the Company Application No. 198 of 2001 and the undertaking given by the Petitioner Company to serve individual notice of hearing of the Petition upon the secured and unsecured creditors of the Petitioner Company AND UPON READING the Affidavit of Mr. Hemang Maniar dated 30th day of May, 2001 proving publication of the notice convening meeting of he equity shareholders of the Petitioner Company in the issue of Free Press Journal dated 30th day of March, 2001 and Navakal dated 30th day of March, 2001 and also proving despatch of notice convening meeting to the individual Equity shareholders of the Petitioner Company AND UPON READING the Report dated 27th day of April, 2001 of Mr. Erwin Schillinger, Chairman appointed for the meeting of the Equity Shareholders of the Petitioner Company as to the results of the said meeting AND UPON READING the Affidavit of Mr. Erwin Schillinger dated 10th day of May, 2001 verifying the said Chairman's Report AND IT APPEARS from the chairman's report that the Scheme of Amalgamation of the Transferor Company with the Transferee Company has been approved by all the equity shareholders of he Transferee Company present at the said meeting and UPON HEARING Mr. Virag Tulzapurkar, Counsel, instructed by Crawford Bayley & Co., Advocates for the Petitioner Company and Mr. R.K. Sharma with Mr. M.M. Goswami, Panel Counsel instructed by Mr. R.P. Singh, Company Prosecutor for the Regional & Director, Department of Company Affairs, Maharashtra, Mumbai who submits to the order of the court and no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the said petition or to show cause against the same AND THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Amalgamation of Ciba CKD Biochem Limited, the Transferor Company with Novartis India Limited, the Transferee Company as set forth in Exhibit "C" to the said Petition and in the schedule hereto AND This COURT DOTH HEREBY DECLARE the same to be binding on all the members and the creditors of the Petitioner Company and the Transferor Company AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 2000 (hereinafter called the "Appointed Date") the entire Undertaking of the Transferor Company, as defined in the Scheme (being Exhibit "C" to the Petition) and set forth in the Schedule hereto shall pursuant to the provisions of Section 394 of the Companies Act, 1956, without any further Act or deed, be and the same shall stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company subject to the charges if any now affecting the same AND THIS COURT DOTH FUTHER ORDER that with effect from the Appointed Date all debts, liabilities, duties and obligations of the Transferor Company shall without any further Act or deed be transferred to or deemed to be transferred to the Transferee Company and accordingly the same shall pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to the Transferee Company so as to become the debts, liabilities, duties and obligation of Transferee Company AND THIS COURT DOTH FURTHER ORDER that all legal or other proceedings pending by or against, the Transferor Company shall be continued, and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that on and from the Effective Date, as defined in the Scheme, the Transferee Company do engage all the permanent employees of the Transferor Company, on the same terms and conditions on which they are engaged as on the Effective Date by the Transferor Company without any break or interruption of services as a result of the transfer AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer and vesting of the Undertaking of the Transferor Company the Petitioner Company shall issue and allot to the equity shareholders of the Transferor Company, one (1) fully paid-up equity share of Rs.5/- each of the Petitioner Company in respect of fifty (50) fully paid up equity shares of Rupees 10/- each of the Transferor Company on the record date to be fixed by the Board of Directors of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that the Transferee Company do within thirty days after the date of the sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and on such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai shall place all

documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the Transferor Company and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the Scheme of Amalgamation sanctioned herein, and any other person or persons interested therein, shall be at liberty to apply to this Hon'ble Court for any direction that may be necessary in regard to the working of the Scheme of Amalgamation sanctioned herein AND THIS COURT DOTH LASTLY ORDER that the Transferee Company do pay the sum of Rs 1,500/- (Rupees one thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition. WITNESS SHRI BISHESHWAR PRASAD SINGH Chief Justice at Bombay aforesaid this 8th day of August, 2001.

By the Court,

Sd/-

For Prothonotary & Senior Master

Seal

Sd/-

Sealer

Dated this 27th Day of August 2001

SCHEDULE

SCHEME OF AMALGAMATION BETWEEN CIBA CKD BIOCHEM LIMITED AND ITS MEMBERS AND NOVARTIS INDIA LIMITED AND ITS MEMBERS

FOR AMALGAMATION OF CIBA CKD BIOCHEM LIMITED WITH NOVARTIS INDIA LIMITED

1. **DEFINITIONS**

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

- 1.1 "The Transferor Company" means CIBA CKD BIOCHEM LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at Flimcenter, 5th floor, 68, Tardeo Road, Mumbai - 400 034.
- 1.2 "The Transferee Company" means NOVARTIS INDIA LIMITED, a Company incorporated under the Indian Companies Act, VII 1913 having its Registered Office at Sandoz House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018.
- 1.3 "The Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof.
- 1.4 "The Appointed Date" means 1st day of April 2000.
- 1.5 "The Effective Date" means the last of the dates on which the sanctions, approvals or order specified in Clauses 13 and 14 of this Scheme are obtained.
- 1.6 "Undertaking" shall mean and include:
 - (a) all the assets and property of the Transferor Company as on the Appointed Date (hereinafter referred to as "the Assets");
 - (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as "the Liabilities");
 - (c) Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company's reserves, movable and immovable properties, assets including investments, claims, powers, authorities, allotments, approvals, consents, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold, rights, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or control of the Transferor Company.

1.7 "The Scheme" means this Scheme Amalgamation in its present form submitted to the High Court of Judicature at Bombay for sanction or with any modification(s) approved or imposed or directed by the said High Court.

2. SHARE CAPITAL

- 2.1 The authorised share capital of the Transferor Company is Rs.310,000,000/- comprising of 31,000,000/- equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital is Rs. 232,493,000/- comprising of 23,249,300 equity shares of Rs. 10/- each.
- 2.2 The authorised share capital of the Transferee Company is Rs. 320,000,000/- comprising of 64,000,000/- equity shares of Rs. 5/- each The issued, subscribed and paid-up share capital is Rs. 159,308,120/- comprising of 31,861,624/- equity shares of Rs. 5/- each.

3. TRANSFER OF UNDERTAKING

- 3.1 (a) With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further Act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.
 - (b) The transfer / vesting as aforesaid shall be at the book value as on the Appointed Date and shall be subject to existing charges / hypothecation/mortgages (if any as may be subsisting) over or in respect of the Assets or any part thereof, Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party, to the Assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, to the secured creditors of the Transferor Company shall be construed as reference only to the Assets pertaining to the Undertaking of the Transferor Company as and vested in the Transferee Company by virtue of the aforesaid clause to the end and intent that such securities, mortgages and charges shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

PROVIDED ALWAYS THAT the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the amalgamation has become effective or otherwise.

- (c) It is expressly provided that in respect of such of the assets of the Undertaking as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Act as an integral part of the Undertaking.
- (d) In respect of such of the said assets other than those referred to in sub-para (c) above, without any further Act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested In the Transferee Company pursuant to the provisions of Section 394 of the Act as an integral part of the Undertaking.
- 3.2 As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.

The difference between the amount recorded as fresh Share Capital issued by the Transferee Company on amalgamation and the amount of Share Capital of the Transferor Company after adjustment as detailed in clause 8.2 below will be reflected in the Revenue Reserve(s) of the Transferee Company.

3.3 With effect from the Appointed Date, and subject to the provisions of this Scheme, the Liabilities shall also be and stand transferred or deemed to have been transferred, without further Act, instrument or deed to the Transferee Company, pursuant to the provisions of Section 394 of the Act so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party

or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

4. OPERATIVE DATE OF THE SCHEME

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

5. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to the Effective Date:

- 5.1 The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stand possessed of and shall hold and stand possessed of all the Assets for and on account of and in trust for the Transferee Company;
- 5.2 All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be;
- 5.3 The Transferor Company shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the Assets or any part thereof, except in the ordinary course of business; or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date;
 - Provided that as far as the obligations referred above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company.
- 5.4 The Transferor Company shall not vary the terms and conditions of employment of its permanent employees except in the ordinary course of business.
- 5.5 The Transferor Company shall not undertake any new Business.

6. LEGAL PROCEEDINGS

6.1 All suits, claims, actions and proceedings, by or against the Transferor Company pending and/or arising on of before the date on which the Scheme shall finally take effect 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.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

7.1 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 the benefit of which the 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 the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement confirmations or novation to which the Transferor Company will, it necessary also be a party in order to give formal effect to the provisions of this Clause, if so required or become necessary.

8. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

8.1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company, in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue at par one Equity share of Rs. 5/- each credited as fully paid-up the capital of the Transferee Company to the members et the Transferor Company whose names appear In the Register of Members of the Transferor Company, on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company for every fifty equity shares of the face value of Rs. 10/- each fully paid-up held by the said members in the Transferor Company. The said new equity shares shall rank for dividend, voting rights and in all other respects pari passu with the existing equity shares of the Transferee Company.

- 8.2 The Transferee Company legally and beneficially holds 18,290,620 equity shares of the Transferor Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in respect of the holding of the Transferee Company in the Transferor Company and the share capital of the Transferor Company to the extent held by the Transferee Company shall stand cancelled.
- 8.3 No fractional coupons shall be issued by the Transferee Company in respect of the fractional share entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the Members of the Transferor Company may be entitled on issue and allotment of the equity Shares of the Transferee Company as aforesaid and thereupon issue and allot equity shares in lieu thereof to a Director, or an officer of the Transferee Company on the express understanding that such Director or Officer to whom such equity shares be allotted shall sell the same in the Market at the available, price and pay to the Transferee Company, the net sale proceeds thereof whereupon the Transferee Company shall distribute such net sale proceeds to the members of the Transferor Company in proportion to their fractional entitlements.
- 8.4 For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Reserve Bank of India and other appropriate authorities concerned for the issue and allotment by the Transferee Company to the respective members of the Transferor Company, of the Equity Shares in the said reorganized share capital of the Transferee Company in the ratio aforesaid.
- 8.5 The issue and allotment of such number of Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall be deemed to have been approved by the members of the Transferee Company as required by Section 81 (1A) and any other applicable provisions of the Act.
- 8.6 Upon issue and allotment of aforesaid Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing equity shares held by the members of the Transferor Company shall stand automatically cancelled / extinguished.

9. <u>DIVIDEND, PROFITS, BONUS / RIGHTS SHARES</u>

- 9.1 At any time after approval of the Scheme by the Board of Directors of Transferor Company and the Transferee Company and upto the Effective Date:
 - a) The Transferor Company and the Transferee Company shall not declare and/or pay dividends whether interim and / or final to their respective members for or relating to any period after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
 - b) The Transferor Company and the Transferee Company shall not issue or allot any Rights Shares or Bonus Shares or any other securities convertible into Equity or other Share Capital or obtain any other financial assistance convertible into Equity or other Share Capital unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.

10. TRANSFEROR COMPANY'S EMPLOYEES

- 10.1 All permanent employees of the Transferor Company in service on the date immediately preceding the date on which this Scheme finally takes effect, i.e. the Effective Date, shall become the employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions not less favorable than those subsisting with reference to Transferor Company as on the said date. Designation of the Managing Director of the Transferor Company will be modified and his existing contract as the Managing Director of the Transferor Company shall come to an end on and from the Effective Date of the Scheme.
- 10.2 It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes/Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds. It is the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such 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 without any break or interruption for the purpose of the aforesaid Schemes / Funds.

11. APPLICATION TO THE HIGH COURT

- 11.1 The Transferor Company shall with all reasonable dispatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.
- 11.2 The Transferee Company shall also with all reasonable dispatch make applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme under the provisions of Act.

12. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 12.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments of this Scheme or of any conditions or limitations which the Company or the High Court of Judicature at Bombay and/or any Authorities under law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.
- 12.2 For the purpose of giving effect to this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor and Transferee Company may give and are authorised to take decisions and give all such directions as are necessary or desirable including those directions for settling any question of doubt or difficulty that may arise.

13. SCHEME CONDITIONAL UPON APPROVALS/SANCTION

This Scheme is conditional upon and subject to:

- the approval of and agreement to the Scheme by the requisite majorities of the members of the Transferor Company and the Transferee Company as may be directed by the High Court of judicature at Bombay on the applications made for directions under Section 391 of the Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- the sanctions of the High Court of Judicature at Bombay being obtained under Sections 391 and 394 and other applicable provisions of the Act.
- the requisite approval of the Reserve Bank of India being obtained under the provisions of Foreign Exchange Management Act, 1999, for the issue of shares in the Transferee Company to the non-resident shareholders of the Transferor Company.

14. EFFECTIVE DATE OF THE SCHEME

- 14.1 This Scheme although to come into operation from the Appointed Date, shall not become effective until the last of the following dates namely:
 - a) the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders, as per Clause 13 hereinabove, shall be obtained or passed; or
 - the date on which all necessary Certified copies of Orders under Sections 391 and 394 of the Act shall be duly filed with the Registrar of Companies, Maharashtra.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

15. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

The Board of Directors of the Transferor Company and The Transferee Company are hereby authorised without limitations to withdraw the Scheme at any time and in the event of any of the said sanctions and approvals referred to in the preceding Clauses 13 and 14 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid within such period or periods as may be agreed upon from time to time between the Transferor Company (by its Directors) and the Transferee Company (by its Directors) (and which the Board of Directors of both the Companies are hereby empowered and authorised to agree to and extend from time to time without any limitations) and in case the Board of Directors of the Transferor Company and/or the Transferee Company decide to withdraw the Scheme, this Scheme shall stand withdrawn, revoked, cancelled, and be of no effect.

16. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme shall be borne by the Transferee Company.