



Mphasis

The Next Applied

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

OF

Mphasis Limited

Mphasis Limited

CIN:L30007KA1992PLC025294

Registered Office: Bagmane World Technology Centre, Marathahalli Outer Ring Road,
Doddenakhundi Village, Mahadevapura, Bengaluru - 560048

E-mail: investor.relations@mphasis.com; Website: www.mphasis.com

Telephone: +91 80 6750 1000; Fax: +91 80 6695 9943

GOVERNMENT OF INDIA

MINISTRY OF COMPANY AFFAIRS

Karnataka

**'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bangalore – 560 034,
Karnataka, INDIA**

Corporate Identity Number: L30007KA1992PLC025294

**Fresh Certificate of Incorporation Consequent upon
Change of Name**

IN THE MATTER OF M/s. MPHASIS BFL LIMITED.

I hereby certify that Mphasis BFL Limited which was originally incorporated on TENTH day of AUGUST NINETEEN NINTY TWO under the Companies Act, 1956 (No.1 of 1956) as BFL SOFTWARE LIMITED TR. FROM W.B. having duly passed the necessary resolution in term of Section 21 of the Companies Act, 1956 and approval of Central Government signified in writing having been accorded thereto under section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No.G.S.R.507 (E) dated 24.6.1985 vide SRN A06115679 DATED 24/11/2006 the name of the said company is this day changed to Mphasis Limited and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Bangalore this TWENTY FOURTH day of NOVEMBER TWO THOUSAND SIX.

**(SANTOSH KUMAR)
Asst.Registrar of Companies
Karnataka::Bangalore**



Co.No. 25294.



नाम में त.दीली के परिणामस्वरूप निगमन के लिए नया प्रमाण-पत्र
**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME**

कम्पनियों के रजिस्ट्रार के कार्यालय में
[कम्पनी अधिनियम 1956 (1956 का 1) के अधीन]

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

.....के विषय में

IN THE MATTER OF **BFL SOFTWARE LIMITED.**

मैं एतद्वारा प्रमाणित करता हूँ कि परिसीमित जिसका निगमन मूलतः 19 के
.....दिन इस अधिनियम के अधीन और परिसीमित नाम
द्वारा किया गया कम्पनी अधिनियम 1956 की धारा 21/22 (1) (क) / 22 (1) (ख) के निर्बन्धनों के अनुसार आवश्यक संकल्प पारित
कर चुकी है और इसकी बाबत केन्द्रीय सरकार की लिखित अनुमति कम्पनी कार्य विभाग द्वारा प्रदान कर दी गई है।

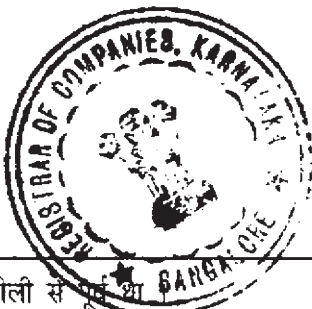
I hereby certify that **BFL Software Limited** / **Limited**, which was originally
incorporated on **10th** day of **Aug.** 19 **92** under the **Companies** Act, and under the name **BFL**
Software Limited **Limited** having duly Passed the necessary
resolution in terms of section 21/22 (1) (a) / 22 (1) (b) of Companies Act, 1956, and the approval of the Central Government
signified in writing having been accorded thereto in the **Department of Company Affairs.**

क्षेत्रीय निदेशक के तारीख 19 के पत्र सं. द्वारा प्राप्त ही
जाने पर उक्त कम्पनी का नाम इस दिन परिसीमित में तब्दील कर दिया गया है और यह प्रमाण-
पत्र उक्त अधिनियम की धारा 23 (1) के अनुसार में जारी किया जाता है।

Registrar of Companies, **Karnataka, B'lore** letter No. **STA/NKR/25294/CN/21/2000**
dated **25.07.2000** **10** the name of the said company is this day changed to **Mphasis BFL**
Limited **Limited** and this certificate is issued pursuant to section 23 (1) of the said Act.

मेरे हस्ताक्षर से यह तारीख
को दिया गया।

Given under my hand at Bangalore this **Twenty Fifth** day of **JULY** **19** 2000. (**One thousand**
nine hundred ninety **Two Thousand**)



(**B.M. ANAND**).

कम्पनियों का रजिस्ट्रार
Registrar of Companies
Karnataka, Bangalore.

यहाँ पर कम्पनी का वह नाम लिखिए जो कि तब्दीली से पूर्व था
Here give the name of the Company as existing prior to the change.

यहाँ पर अधिनियम (अधिनियमों) का नाम लिखिए जिनके अधीन कम्पनी का मूलतः रजिस्ट्रीकरण और निगमन किया गया था।

Here give the name of the Act (s) under which the Company was originally registered and incorporated.



[Section 18(3) of Companies Act, 1956]

**CERTIFICATE OF REGISTRATION OF THE ORDER OF
COURT CONFIRMING TRANSFER OF THE REGISTERED
OFFICE FROM ONE STATE TO ANOTHER**

The **BFL SOFTWARE LIMITED** having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the state of **West Bengal** to state of **Karnataka** and such alteration having been confirmed by an order of **Company Law Board, Eastern** bearing date the **31.05.1999. Region Bench, Calcutta.**

I Hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at **Bangalore** this **Thirld** day of **June** One Thousand Nine Hundred Ninety Nine.



J.S.C.-6

Sd/-
(B. M. ANAND)
Registrar of Companies
Karnataka, Bangalore.



Form I. R.

CERTIFICATE OF COMMENCEMENT OF BUSINESS

PURSUANT OF SECTION 149(3) OF THE COMPANIES ACT, 1956

No. 21 - 56215 of 1992

I hereby certify that the **BFL SOFTWARE LIMITED** which was incorporated under the Companies Act, 1956 (No. 1 of 1956) on the tenth day of August one thousand nine hundred and Ninety two and which has this day filed a duly verified declaration in this prescribed form that the condition of the section 149(1)(a) to (d) / 149 (2)(a) to (c) of the said Act, have been complied with is entitled to commence business

Given under my hand at Calcutta this twelfth day of August One Thousand Nine Hundred Ninety Two



Sd/-
(D. K. BISWAS)
Registrar of Companies
West Bengal



Form I. R.

CERTIFICATE OF INCORPORATION

No. 21 - 56215 of 1992

I hereby certify that **BFL SOFTWARE LIMITED** is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

Given under my hand at Calcutta this tenth day of August one thousand nine hundred and Ninety two.



Sd/-
(D. K. BISWAS)
Registrar of Companies
West Bengal

(The Companies Act, 1956)
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

MphasiS Limited

- I. The name of the Company is **MphasiS Limited**.
- II. The Registered Office of the Company will be situated in the State of Karnataka.
- III. The objects for which the Company is established are:

(A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :

1. To manufacture either for its own use or for sale in India or for export outside India computer systems, computer peripherals and accessories, computer consumables like floppy disks/diskettes, hard disks, ribbons, continuous and non-continuous stationery etc. and such other products or things which may be considered either as an integral part of a computer system or as an optional attachment or supplement thereto,
2. To undertake the designing and development of systems and application software either for its own use or for sale in India or for export outside India and to design and develop such systems and application software for or on behalf of manufacturers, owners and users of computer systems and digital/electronic equipment in India or elsewhere in the world, be
3. To set up and run electronic data processing centers and to carry on the business of data processing, word processing, software consultancy, system studies, management consultancy, techno-economic feasibility studies of project, design and development of management information system, share/debenture issue management and/or registration and share/debenture transfer agency,
4. To undertake and execute feasibility studies for computerisation, setting up of all kinds of computer systems and digital/electronic equipments and the selection, acquisition and Installation thereof whether for the Company or its customers or other users,
5. To conduct, sponsor or otherwise participate in training programmes, courses, seminars and conferences in respect of any of the objects of the Company and for spreading or imparting the knowledge and use of computers and computer programming languages including the publication of books, journals, bulletins, study/course materials, circulars and newsletters, and

6. To undertake business as agents, stockists, distributors, processors, collaborators, importers, franchise holders or otherwise for trading or dealing in computer systems, peripherals, accessories, parts and computer consumables like floppy disks, hard disks, continuous and non-continuous stationery, ribbons and other allied products and things and standard software packages.

(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OR THE MAIN OBJECTS :

1. To guarantee the payment of money secured by or payable under or in respect of promissory notes, bonds, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any Company or of any authority, supreme, municipal, local or otherwise or of any person what so ever whether incorporated or not and generally to guarantee or become surety for the performance of any contract or obligation, for the purpose of the business of the Company.
2. To open accounts with any individual, firm(s), Company or Bank(s) and to pay money into and withdraw from such account or accounts.
3. To incur expenditure on rural development programme which includes any programme for promoting the social and economical welfare or the uplift of the public in any rural area of the country in order to implement any of the above mentioned objects or purposes and as are approved by the Central Government or State Government or other appropriate authorities.
4. To undertake and execute any trusts either gratuitously or otherwise, for the purpose of the business of the Company.
5. To establish and maintain agencies, branches, places and local registers, to procure registration or recognition of the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnership or as may be thought desirable.
6. To enter into arrangement for rendering and obtaining technical services collaboration and/or financial collaboration whether by way of loans or capital participation with individuals, firms or body corporates, whether in or outside India.
7. To invest and deal with money of this Company not immediately required upon such assets, properties, securities or otherwise and in such manner as may from time to time be determined by the Directors for main objects.
8. To borrow or raise or secure the payment of money for the purpose of or in connection with the Company's business.
9. To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future of uncalled capital of the Company and to issue at par or premium or discount and for such consideration and with such rights, powers, privileges as may be thought fit, debentures, mortgages debenture stock payable to bearer or otherwise, and either permanent or redeemable or further to secure and securities of the Company by a trust deed or other assurance.
10. Subject to the provisions of the Banking Regulations Act, 1949, to receive money on deposit loan from persons having dealings with the Company upon such terms as the Company may approve for the business of the Company.

11. To make advances to any persons, firm or Company having dealings with the Company with or without security and upon such terms as the Company may approve.
12. Subject to the provision of the Gift Tax Act, 1958 and statutory amendments thereof the Company has power to make and receive gifts either in cash or other movable or immovable properties.
13. To amalgamate with any other Company whose objects or any of them are similar to the objects of this Company or whose business is similar to the business or any part of the business of this Company, whether by sale or purchase (of shares or otherwise) of the undertaking and liabilities of this or such other Company as aforesaid.
14. To acquire and undertake on any terms all or any part of the business, property, rights and liabilities of any person, firm or Company carrying on any business, which is for the benefit of the Company to carry on or suitable for the purpose of the Company.
15. To enter into partnership or any arrangement for sharing profits, union interest, joint venture, reciprocal concession or co-operation with any person or persons, Company or companies carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company.
16. To act contractors to the State and other Government authorities or to any other body corporate, individual or otherwise necessary to attain the objects specified above.
17. To lend money on mortgage of immovable property or on hypothecation or pledge of moveable property with or without security to such persons on such terms as may be expedient and in particular to customers or any persons on such terms as may be expedient and in particular to customers or any persons, firms, concerns, companies and factories having dealings with the Company for implementing the main objects of the Company provided that the Company shall not carry on Banking business.
18. To apply for purchase or otherwise acquire, protect, prolong or renew any patents, patent right, licences, trade marks, design concessions and the like conferring any exclusive or non exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used, for any of the purpose of the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, right or information so acquired.
19. To be interested in promoting and undertaking the formation and establishment of such institutions, business or companies, industrial, agricultural, trading, manufacturing or other as may be considered to be conducive to the interests of the Company directly or indirectly and also to promote, aid, foster, subsidize or acquire interests in any such Industry or undertaking.
20. To take or otherwise acquire or hold shares in any other Company having objects altogether or in part similar to those of this Company.
21. To use trade marks, names or brands for the products and goods of the Company and to adopt such means of making known the business and/or products of the Company in which this Company is interested as may seem expedient and in particular by advertising in newspapers, magazines, periodicals, circulars, by opening stalls, exhibitions and by publication of books, periodicals and by distributing samples and granting prizes, rewards and donations.

22. To pay for the property, right, interest or benefit, acquired by the Company or services rendered to the Company either in cash or in fully or partly paid up shares, with or without or otherwise or by any securities which the Company has power to issue or partly in one mode and partly in another and on such terms as the Company may determine.
23. To sell, improve, manage develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
24. To make donations to any national memorial fund or any other fund constituted for a charitable or national purpose, subject to the provision of the Companies Act, 1956.
25. To purchase, acquire, lease, or sub-lease or by way of licence or usufructuary, English or other possessory mortgage or in exchange or as a donee or in any other lawful manner, lands, buildings, structure, open place, surface, rights or other premises for the purposes of the Company, employees or Directors.
26. To do all or any of the above things either as principals, agents, consignors, consignees, trustees, contractors or otherwise and either alone or in conjunction with others, either by or through agents, subcontractors, trustees or otherwise and to do all such things as are incidental or conducive to the attainment of the main objects.

(C) THE OTHER OBJECTS :

1. To carry on and undertake the business of a Company established with the object of financing industrial enterprises within the meaning of Section 370 of the Companies Act, 1956 and to undertake the business of arranging, managing and/or providing capital, seed capital, risk capital or promoters capital, loans, advances, guarantees and participate in equity/preference share capital and other means of financial intermediation with or without security to existing or proposed industrial, commercial or trading enterprises whether a corporate or noncorporate body, individual or a group whether promoted by this Company or within the same management or not and to act as investor by way of acquiring, holding, selling, buying, transferring, subscribing any shares, bonds, stocks, debentures and other obligation and securities issued, guaranteed by any Government, Public Body or Authority whether in India or elsewhere and to promote, directly or indirectly, industry, trade and commerce nationally and internationally either individually or in association, co-operation, collaboration or participation with other local or offshore entities and to provide financial counselling and services in connection with evaluation and/or identification of projects, products, technologies, markets, collaborations and promoters or co-promoters and development or revival or constitution or re-constitution of business.
2. To carry on and undertake the business of finance and trading, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipment that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment and to subsidise, finance or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities and to purchase or otherwise deal in immovable and movable properties and real estate.

3. To carry on business as advisers, consultants, collaborators on matter and problems relating to the industries, administration, management, organisation, accountancy, costing, financial, marketing, import, export, commercial or economic activities, labour, quality control and data processing, technical know how operation, manufacture, production, storage, distribution, sale and purchase of goods, property and other activities of and in relation to any business, trade, commerce, industry, mine, agriculture, housing or real estate and upon the means, methods and procedures, for the establishment, construction, development and expansion of business, trade, commerce, industry, agriculture, building, real estates, plant or machineries and all systems, methods, techniques, processes, principles, in relation to the foregoing, in India and outside India and to act as financial consultants, management consultants, brokers, dealers, agents and carry on the business of share broking, money broking, exchange broking, bill broking and general brokers for shares, debentures, stocks, bonds, units, obligations, securities, commodities, bullion, currencies and to manage the funds of any person or Company by investment in various avenues like growth fund, income fund, risk fund, tax exemption funds, pension/superannuation funds, and to pass on the benefits of portfolio investment to the investors as dividends, bonus, interest.
4. To grow, cultivate, manufacture, treat, cure, blend, process, win, buy, sell and deal in tea or coffee, whether in bulk, packets or concentrated forms, cinchona, cocoa, rubber, jute, cotton, tea seed and all kinds of seeds hybrid/high yielding variety seeds of all kinds of crops, and clones, citronella, palmarosa, timber and other produce, whether of spontaneous growth or not, and to carry on the business of planters in all its branches; to manufacture, buy, sell and deal in machinery of all kinds for processing of tea, coffee, cinchona, cocoa, rubber, jute or cotton chest, boxes, packets and other articles used in or with cultivation, manufacture, packing or sale of tea, coffee, cinchona, cocoa, rubber, jute or cotton; to carry on business as warehouseman, shippers, exporters of the products as aforesaid, as insurance agents; and to carry on and work the business of cultivators, winners and buyers of every kind of vegetable, mineral or other allied produce of the soil; to prepare, manufacture and render marketable any such produce and to sell, export, dispose of and deal in any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail; and in connection with all or any of the business aforesaid to acquire by amalgamation, purchase, take-over or otherwise the whole or part of the assets, liabilities and undertaking in India or elsewhere of any other Company, body corporate, firm association or person.
5. To carry on the business and trade of timber and wood merchants, growers of all types of timber in India, importers and exporters of all types of timber for any use of purpose and for that purpose to install, set-up purchase, hire or otherwise acquire saw-mills, veneer and plywood mills, planting, moulding, turning mills, act as cabinet makers and makers of all kinds of furniture, doors, plants, rafters, boats, platforms, all type of plywood, blackboard, flush doors, panel doors, suppliers of all such articles, importers, and exporters thereof and to acquire any timber estates in India and elsewhere to carry on the aforesaid trade or business and to act as contractors, commission, indenting agents for all such business including acting as carpenters and office and shop and other outfitters and owner of barges, rolls, boats, dock vessels for haulage of timber by land, sea, river and other waters and suppliers of all shutters, scaffolding for building purposes and acting as contractors for such work anywhere.
6. To carry on business as manufacturers, exporters, importers, buyers and sellers and dealers in all pharmaceuticals, medicals and chemicals basic intermediate or otherwise including without prejudice to said generality and in particular titanium dioxide, soda ash, caustic soda calcium carbonate, magnesium carbonate, nickel catalyst quick lime, calcium hydroxide, phosphate ammonium chloride, dicalcium phosphate, alcohol, caproloctum chlorine products both organic and inorganic such as polyvinyl chloride,

carbonate tetra chloride, trichloroethylene, perchlorethylene, ethylene dichloride, carbon disulphide, barium chloride, aluminium trichloride, titanium tetrachloride alkalis, acids, cordials, drugs, dyes, paints fungicides and pesticides, plastics, soap and toilet goods, fertilizers, petrochemicals, graphite, cosmetics, tanins, all sorts of hydrocarbons, essences and pharmaceutical, all kinds of inorganic salts photographic sizing, medical chemical, industrial and preparations and articles of any nature and kinds whatsoever.

7. To carry on business as manufacturers, producers, dealers importers, exporters/ stockists, agents, brokers, traders, retailers of all kinds of paper and packages, flexible packages, board sheets, stationery goods wrappers, tapes, films sheets laminates and other packing materials made of paper, card board, corrugated sheets, cloth, hessian, timber, teak plywood, metal, plastic, p.v.c. or other synthetic chemicals, fibrous or natural products for domestic, household, educational, commercial, industrial, government or public use and for that purpose to acquire, construct, erect, establish take on hire, rent or lease factories for manufacturing and processing of packing articles and materials by mechanical, electrical or manual operation.
8. To carry on the business of manufacturers, buyers, sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemble, packers, stockists, distributors, hire purchasers and dealers of and in all kinds of ferrous, non-ferrous metals, industrial and other wastes and bye-products, consumers goods household goods, cosmetic goods, hardware, stores, plant machinery, spare parts and accessories, vehicles, and other earth moving equipments, commercial and man made fibres, cellulose viscose rayon yarns and fibres synthetic fibres and yarn and such other fibres of fibrous materials, including polyester filament yarn, textiles of all kinds, readymade garments, wool, silk, hemp, flax and other fibress substances, blankets and any products of cotton, yarn and woollen textiles, raw jute and jute products, cement, chemicals, plastics, building materials, jewelleries, ornaments button, wires, cable, conductors coir and coir products, inorganic salts, dyes and dye intermediates, paints and varnishes, plastic and liolium products, petrochemicals and pharmaceuticals, products, pesticides, fungicides, insecticides, engineering goods, electrical goods, data computers, electronic goods, toys and their components, plywood products, ceramic and allied products, pocessed minerals including granite, explosive and graphites, glass and glass wares refractories, rubber products, leather goods, sports goods, papers, computer stationery, processed goods sea foods, spices, vegetables, wines, liquors and other alcoholic and nonalcoholic or synthetic drinks, oil seeds, essential oils and fats and their derivatives, tobacco products, handicrafts, books and periodicals, arms and accessories and arms wares and decors.
9. To cultivate, grow, produce or deal in any dairy products and to carry on the business of farmers, dairy men, contracts, diary farmers, millers, purveyors and vendors of milk cream, cheese, butter, poultry and provision of all kinds, growers of and dealers in corn, hay and straw, seedmen, any nurserymen, and to buy sell and trade in any goods usually trade in any of the above business or any other business associated with farming interest which may be advantageously carried on by the Company.
10.
 - a. To purchase, sell, import, export, produce or otherwise deal in preserved vegetables, tinned-fruits, and all types of food producers foodgrains, develop and exploit farms horticulture agriculture, animal husbandry, dairy, poultry and allied farming lines which can be conveniently carried on the farming business or to assist any one in the business and to carry on the business of farming and aerial spraying.
 - b. To treat, cure submit to any process of manufacture and prepare for the market (whether on account of the Company or others) agricultural products of all kinds of things whatsoever and to deal in diary, piggery farm and garden products of all kinds.

- c. To acquire collect and gather by fishing or purchase of all varieties of sea food (including prawns, shrimps, lobsters, pomfrets, etc.) and to process, pack and prepare the same for sale and export.
 - d. To plant, cultivate, produce and raise sugarcane and to acquire, construct and operate sugar mills, distillery and laboratory mills and other works.
 - e. To acquire, construct, operate, buy, sell or work flour mills, sugar mills, dal and besan mills, rice mills, paper mills, oil refineries, spinning and weaving mills, soap and stone mills and candle manufacturing factories.
 - f. To carry on business as bakers and manufacturers of and dealers in bread, flour, raw, maids, biscuit and farinacious compounds and materials of every description.
- 11.
- a. To carry on business as brewers, distillers and manufacturers of, and merchants and dealers in vinegar, acetic acid, glucose, wines, spirits, beers, porters, malts, hops, grain meal yeast, aerated water, carbonic acid gas, mustard, pickels, sauces, condiments of all kinds, cocoa, coffee, preserves and all or any other commodities and things which may be conveniently used or manufactured in conjunction with any of the above business.
 - b. To carry on the business of Tobacconists and in all its branches to sell, make up and manufacture tobacco, cigars, cigarette, snuff and other articles usually sold by tobacconists.
 - c. To purchase, sell, import, export, all types of oils and/or to carry on business of extraction of oil, from all oil-bearing commodities, and seeds, and manufacture crude oil, refined oil, perfumed and other types of oils.
 - d. To carry on the business of manufacturers of petrochemicals and its by-products and corresponding products.
 - e. To carry on the business of purchase and sell of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repairs and servicing automobiles and to manufacture or deal in fuel oils, cutting oils, greases etc.,
 - f. To manufacture, generate, produce or sell, dispose of and deal in industrial gases, domestic gases for heating and lighting, gas, steam, heat, light, electricity or any other motive power obtained by incinerating, burning forest refuse, wood, plant, and other refuse and all other residual products resulting therefrom.
- 12.
- a. To carry on the business as manufacturers of and dealers in electrical engineers, electricians, contractors, manufacturers, suppliers of and dealers in electric and other appliances, electric motors, fans, lamps, furnaces, household appliances, batteries, cables, wire lines, dry cells, accumulators, lamps and works and to generate, distribute and supply electricity for the purposes of light, heat motive power and for all other purpose for which electrical energy can be employed and to manufacture and deal in all apparatuses and things required for a capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, including in the term electricity all power that may be directly or indirectly derived therefrom or may be incidentally hereafter discovered in dealing with electricity.

- b. To manufacture, produce, buy, sell, import, export or otherwise deal in all types of heavy and light chemicals, chemical elements and compounds.
 - c. To carry on business as manufacturer of and dealers in dyes, dyestuffs, dyewares, gases, plaster of paris, gypsum, plaster, salts, acids, alkaline, tanning, essences cordials, oil, paints, colours, glues, gums, pigments varnishes organic or mineral intermediates, compositions and laboratory.
- 13.
- a. To carry on all or all or any of the business of manufacturers, importers, exporters, buyers sellers and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicines and medicated preparations, patent medicines, drugs, herbs and in pharmaceutical, medicines proprietary and Industrial preparations, compounds and articles of all kinds, chemists, druggists and chemical manufacturers and to manufacture, make up, prepare, buy, sell and deal in all articles, substances, and things commonly or conveniently used in or for making up preparing or packing any of the products in which the Company is authorised to deal in or which may be required by customers or persons having dealings with the Company.
 - b. To manufacture, purchase, sell, import, export or otherwise deal in ail types of agricultural inputs and appliances such as fertilizers, diesel, engines, pumping sets, seeds, insecticides, tools and appliances.
 - c. To carry on the business of manufacturers, producers, refiners of and dealers in all kinds of plastic resins and goods and articles made from the same and compounds and derivatives and by products and to carry on research and development work in relation to the application of any chemical or other process to any material or substance aforesaid.
 - d. To carry on the business of manufacturers of and dealers in plastic, PVC, nylon, rayon, man-made and synthetic products and other mouldable and formative productions and raw materials and ingredients thereof and all goods, appliances, apparatus, effects and things capable of being manufactured for the same.
 - e. To manufacture, purchase, sell, import, export or otherwise carry on the business of adhesives, gums, guwar, rubber compounds, synthetics etc.
 - f. To manufacture, purchase, sell, import, export, or otherwise deal in all types of raw materials used in the rubber and plastic industries and products such as reclaimed rubber substitutes, rubber compounds, rubber chemicals, solvents, colours, all types of rubber goods, synthetic rubber and all other allied products.
 - g. To carry on the business or spring, weaving, manufacturing or dealing in jute, hemp, cotton, wool, silk, flex or any other substances and the cultivation thereof and the business of buyers and sellers of any such fibrous substance or manufacturing, preparing, dyeing or colouring process and mercantile business that may be necessary or expedient thereto and to purchase and vend raw materials and manufactured articles.
 - h. To manufacture, purchase, sell, import, export or otherwise deal, deal in paper, newsprint, paper board, strawboard, cardboard, fibreboard, chipboard, corrugated paper, transparent paper, craftpaper, carbons, inks, parchments and corks.

- i. To manufacture, import, export buy, sell, distribute or otherwise deal in all types of ferrous and non-ferrous ores, metals, metal alloys, amalgams in any form or shape.
14. To set up steel furnaces and to carry on the business of iron founders, metals, founders, metal processing, metal rollers, metal works, rolling mills, metal converters, manufacturers of metal fittings and other utensils, mechanical engineers and manufactures of workshop equipments, ball and roller bearings, compressors, medium and light machines and tools, industrial and agricultural implements and machinery, power drive or otherwise, brass founders, boiler makers, mill wrights, machinists, galvanisers, electroplaters, iron and steel converters, smiths, wood workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas makers, carriers, contractors and merchants and to buy, sell manufacture, repair, convert, alter, let on hire and deal in machinery, implements, rolling stock, metal and hardwares of all kinds.
15. a. To manufacture assemble, fabricate, import, export, buy, sell, distribute, lease out or otherwise deal in all kinds and types of hand tools such as spanners, wrenches, pliers, water pump pliers, allenkeys, screw drivers, wrench pipes, chisels, sledge hammers, pick axes, nuts, bolts, bolt clippers, wire cutters, hacksaw blades, socket sets, vices, screws, automatic machinable material, dies, tools, jigs, fixtures, electronic and mechanical instruments, goods and equipment and allied products used in any industry or for defence, communication, aviation, transport, medical research, recreational, educational or domestic purposes and install, service or repair, overhaul and maintain all such equipments.
- b. To manufacture electrical and mechanical machinery, electric cables, wires and conductors and manufacture of appliances and materials required in the manufacture of the same.
- c. To manufacture, import, export, in wholesale or retail any radiographs, phonographs, dictaphones, televisions, videos etc. and all sorts of electrical and wireless sets, instruments and articles.
16. a. To manufacture and/or produce and/or otherwise engage generally in the manufacture or production of or dealing in electrical kilowatt/hour meters, magnets, electromagnets, power cables, industrial cables, voltmeters, and other types of measuring instruments, electrical or non-electric, die, castings, screws, nuts and bolts, transformers of all types circuit breakers, punched card machine, computers and calculators, hoists, elevators, trolleys, and coaches, winches, power generators, magnetic separators, winders, air compressors, welders, fans of all types switches and motors of all types, drill, electric grinders, air conditioners, refrigerators, domestic washing machines, television and wireless apparatus including radio receivers and transmitters, electronic instruments, videos, transistors and allied items, watches and clocks, cameras and any other household appliances and any equipment used in the generation, transmission and receiving of sound, light and electrical impulses and components/parts thereof and other materials and products in India and elsewhere.
- b. To carry on the business of manufacturers of and dealers in all kinds of electrical goods and appliances.
- c. To design, develop, assemble, manufacture, build, repair, sell, service, distribute, automobiles, aircrafts, buses, rail coaches, ships, boats and all types of bodies frames, compartments, cabinets and other containers of all types of automobile chassis, trucks, buses and coaches, vans, ambulances, or other carriers of all sorts, railway wagons, railway coaches, aircrafts and all other mobile or stationery equipments.

- d. To carry on the business of dealers, importers, exporters, stockists, distributors, wholesalers and retailers of all types of component parts used for or in connection with all types and descriptions of automobiles, cycles, vehicles and conveyances and their engines, chassis, bodies and all other things in connection therewith.
 - e. To carry on business of hirers, repairers, cleaners and stores of motor cars, motor cycles, scooters, motor boats, motor launches, motorbuses, motorlorries, cabs, aeroplanes, sea planes, gliders and other conveyances of all descriptions and dealers of petrol, spirit, diesel or other fuels.
 - f. To manufacture, produce, purchase, sell, import, export, or otherwise deal in all types of magnet products, magnetic tools and implements and magnetic remote control devices, motors and generators.
- 17.
- a. To develop, design, assemble, manufacture, fabricate, produce, import, export, buy, sell, operate, run, let on hire, or otherwise deal in plants, machineries, tools, equipments, appliances, spares implements, accessories, petrol and diesel engines for land reclamation, forest cleaning, spraying, thrashing, harvesting, sowing, ploughing, digging and all other types of machinery used in agricultural operation, tractors, earthmovers and all other like and allied equipments.
 - b. To manufacture, produce, prepare, process, vulcanize, repair, retread, export, import, purchase, sell and generally to carry on business in tyres and semi-tyres of different types of vehicles, industrial tyres, inner tubes and other repair materials.
 - c. To carry on the manufacture of spare parts of automobiles, locomotives, tractors and any other machinery.
 - d. To manufacture or deal in bricks, tiles, sanitaryware, bathroom fittings and fixtures, flushing cisterns, commodes, wash basins, pipes and tubes of plastic, clay or any other material, earthenware, pottery articles, china and terracotta and ceramic ware of all kinds and to carry on business as quarry masters and stone merchants.
- 18.
- a. To carry on the business of manufacturer, repairer, importer, exporter or otherwise dealers in furniture and fixture made from wood, brass, steel, fibre glass, plastics or other alloys and to carry on the business by wholesale or retail and whether manufacturing or otherwise of house furnishers, upholsters and dealers in and hirers, repairers, cleaners and warehouses of furniture, carpets, linoleums, furnishing fabrics and other floor covering, household utensils, china and glass goods, fittings, colourful curtains, handmade home furnishings and carpets, household requisites of all kinds and all the things capable of being used therewith or in maintenance and repair thereof.
 - b. To carry on the business of interior and exterior decorator, construction contractors, furnishers, designers, consultants, and planners of buildings and landscapes.
- 19.
- a. To carry on the business of drapers, customers, robe, dress and mantle makers, tailors, silk mercers, makers and suppliers of wears, clothing, lingerie, and trimmings of every kind, corset makers, furriers, general drapers, haberdashers, milliners, hosieries, glovers, lace makers and dealers, feather dressers and merchants, hatters, dealers in fabrics and materials, all kinds of synthetic fibres hand spun, hand-woven, khadi, cotton, silk and woollen fabrics, and to deal in all other kinds of materials as may be conveniently carried on with the above business.

- b. To carry on the business of manufacturers of and dealers in boot, shoes, clogs, all kinds of footwear and leather and plastic goods, boots, laces, buckles leggings, boot polish and accessories and fittings.
 - c. To purchase, manufacture, treat, import, sell, export, let on hire, alter or otherwise deal with either as principals or agents, either solely or in partnership with others, sewing, button holes, button holing and stitching, cutting machineries of all kinds, snap buttons, nut buttons, needles, safety pins, buck as and other tailoring and allied materials, tools and machineries.
 - d. To undertake and carry on the business as manufacturers, assemblers, fabricators of dry cells, inter cells and batteries, accumulators, and storage batteries, cadmium, rechargeable batteries, flash lights, carbon electrodes, zinc callouts and all appliances and replacement parts and things, used in the manufacture of or in connection with such coils, batteries, and flash lights.
 - e. To carry on the business of manufacturers of and/or dealers in radios, transistors, television sets, videos, wireless instruments and devices, tape recorders, record players loud-speakers, amplifiers, gramophones and recorders.
- 20.
- a. To carry on the business of goldsmiths, silversmiths, jewellers, gem merchants, watch and clock repairers, electro platers, dressing bag makers, importers and exporters of bullion, and buy, sell and deal (wholesale and retail) in bullion, precious stones, jewellery, watches, clocks, gold or silver cups, shields, electroplating of cutlery, bronzes, articles of virtue, objects of art and such other articles and goods as the Company may consider capable of being conveniently dealt in relation of its business and to manufacture and establish factories for manufacturing goods for the above business.
 - b. To manufacture all kinds of watches and clocks or any or all of their accessories and parts and to act as wholesale or retail dealers thereof and to import and export them.
 - c. To manufacture, purchase, sell, import, export, or otherwise deal in all types of metallic toys, mechanical and electrical toys, dolls, plastic and wooden toys, musical toys and educational toys and games.
 - d. To manufacture and deal in all kinds of earthenware, pottery or articles of clay, cement, gypsum, sand or other earthy matter or a combination of two or more of them and to carry on the business in all kinds of these products or allied thereto.
 - e. To carry on the business of manufacturers of or dealers in glass products including sheet and plate glass, optical glass glasswool and laboratory ware.
 - f. To carry on business as manufacturers of and dealers in or as stockists, importers, and exporters or brokers and commission agents of packing materials, cartons, containers, boxes and cases made of jute, hessians, paper, boards, wood, glass, plastic, pulp, cellulose films, polythelene, rubber, tube, metals, metal foils, tin, gelatine, flexible, treated, laminated or other materials.
 - g. To carry on the business of manufacturing, purchasing selling, preparing and dealing in washing and toilet soap, oils and fats, detergents, caustic soda, soda ash, sodium silicate, glycerine, perfumes and its bye-products and allied products and to produce extract, extrude, raise, make marketable, import, sell, buy, and act as agents, stockists, distributors or otherwise deal in all kinds of cosmetics, oil seeds, fats, oil cakes, and all types of products of oil.

- h. To carry on business as manufacturers of or dealers in or as stockists, importers and exporters, repairers of operating tables, operating lights, head mirrors, beds, wheel chairs, trolleys, cup- boards, incubation tubes, anaesthetic equipments including oxygen cylinders, and all kinds of body scanners, X-ray, operators, X-ray units, X-ray equipments, and all other surgical instruments.
 - i. To run a publishing house and publish of periodicals, magazines newspapers catering to various interests pertaining to medical, social, moral, commercial, industrial and traded matters.
21. To carry on the business of stationers, lithographers, stenotypers, electrotypers, photographic printers, photo lithographers, engravers, manufacturers, type founders, photographers, manufacturers and dealers in paper, parchment, ink, pencils, fountain pencils, fountain pens, stamps, complimentary and fancy cards and valentines, designers, draftsmen, advertising agents, book-sellers and manufacturers of any other articles of things of character similar or analogous to the foregoing or any of them or connected therewith.
22. a. To purchase, sell, import, export, repair, hire, let out on hire, alter, exchange, manufacture or otherwise deal in all sorts of refrigerators, air conditioners, room coolers, desert coolers, washing machines, iron presses, steam presses, geysers, mixers, toasters, transformers, televisions, radios, electrical appliances of all kinds and descriptions.
- b. To carry on the business of manufacturing, producing, processing, clearing, soaking and bleaching, dyeing, disinfecting, renovating, and laying of carpets, articles of floor and covering, furnishing fabrics and materials of all kind.
- c. To acquire land and plots of colonization or otherwise, sell plots, construct buildings for sale and rent or both on instalments otherwise.
23. a. To undertake, enter into contracts to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies or persons, and work of all descriptions including factories, mills, laboratories, furnaces, reactors, wharves, docks, kilns, piers, railway, waterways, roads, bridges, warehouses, engines, machinery, railway carriages, wagons, ships, and vessels of every description, gas works, electric works, drainage and sewage works, and building of every description.
- b. To establish, run and bum brick kiln, limestones, cement kilns, and manufacture all or any of the building materials inclusive of prefabricating, paving, lining and roofing materials and to purchase, sell, import, export or otherwise deal in lime, burners, ceramics, sanitary fittings, iron and steel and all other building materials
- c. To transact and carry on agency and distribution business and act as selling agents of joint stock limited companies, private or public, and of firms or individuals and to enter into working arrangements of all kinds of companies, corporations, firms or individuals.
- d. To carry out marketing services, survey generally and also on behalf of such parties as may be approved by the Company from time to time and to publish reports of the market survey carried out by the Company.

- e. To carry on the business of exporters, importers, commission agents and distributors.
 - f. To lend advance money either with or without security and to arrange or negotiate loan and to carry on the business of financiers, brokers, money-lenders and bill brokers.
24. To purchase, sell or hire out or sell on hire purchase system all kinds of motor vehicles, motor cycles, aeroplanes, launches, boats, mechanical or otherwise , sewing machines, radio sets, gramophones, pianos and musical instruments, cameras, electric fans, cinema to grap machines and apparatuses heaters, refrigerators and other electrical domestic appliances, furniture, wooden and metallic household equipment and all classes of machinery and or other articles that the Company may deem fit.
 25. To invest in or subscribe or purchase or otherwise acquire in India or abroad shares, stocks, debentures, securities (Government or otherwise) or other interests in any Company, movable or immovable property of any kind, to make payments thereon in advance of calls and to hold, exchange, underwrite or otherwise dispose of or deal with the same from time to time as may seem expedient or to otherwise invest the money of the Company.
 26. To buy, sell, exchange, underwrite, take up and hold and deal in shares, stocks, debentures, bonds and securities of all kinds and description and to carry on the business of underwriters and brokers.
 27. To carry on the business of agents for insurance in all companies, in all or any of the branches including life, marine, motor, accident, public liabilities, livestock, sickness, fidelity guarantees, workmen's compensation, burglary and or other branches.
 28. To carry on the trade or business or deal in or act as agents for lands, buildings, factories, houses, flats and other residential, commercial agricultural, and mining properties and construct, maintain and alter residential, commercial and industrial plots and properties and give them on lease rent and to purchase sell, sub- divide, consolidate, any land and to do the business of colonisers, town planners.
 29. To act as trustees, executors, attorneys, receivers, administrators, nominees and agents, to undertake guarantee and indemnity business, to execute trusts of all kinds and to exercise all powers of custodians and trustees.
 30. To carry on business of hotel, restaurant, cafe, tavern, beerhouse, refreshment room and boarding house-keeper, licensed victualisers, wine, beer and spirit merchants, importers and manufacturers of mineral and artificial waters and other drinks, purveyors and caterers, carriage, taxi, motor car, motor lorry proprietors, ice merchants, importers and brokers of food, livestock and foreign products of all descriptions, hairdressers, perfumers, proprietor of club, bath, dressing rooms, libraries, grounds and places of amusement, recreation spots, entertainment and instruction of all kinds, tobacco, cigar and cigarette merchants, travelling agents for railway and shipping companies and carriers.
 31. To provide personnel requirement services and to carry on business of industrial consultants and providing management services by providing personnel services, accountants, typists, salesman, supervisors, workers and labourers.
 32. To carry on the business of advertising agents, advertisement contractors and designers of advertisements in all their branches.

33. To carry on the business of film manufacturers, film apparatus manufacturers, film producers, both sound and silent, hippodrome and circus properties, managers of cinema houses, theatres concert halls, picture places, studios or other machinery apparatus, building or structure of the Company for purpose of use, exhibition and display of films, dramatic or theatrical performances, concerts or other entertainments or amusements or objects allied to or of similar kind as of the Company and to provide for the production, direction, exhibition, representation, display, whether by mechanical means or otherwise of plays, open-air or other theatrical performances, operas, vaudevilles, ballets, pantomimes, juggling, mesmeric yogic, hypnotic, spectacular, etc.
34. To carry on the business of running hospitals, nursing homes, clinics, dispensaries, maternity home, child welfare and family planning centres, pathological laboratories, x-ray clinics and also to carry on the business of running creches.
35. To acquire or set up and run schools colleges, training and professional institutions and music, dance and art centres.
36.
 - a. To carry on the profession of consultants on managements, employment engineering, industrial and technical matters to industry and business and to act as employment agents, To carry on the business of printing and publishing books, magazines, journals and newspapers and to act as agent in connection therewith.
 - b. To provide personnel recruitment services and to carry on business of industrial consultants and providing management services by providing personal services, accountants, typists, salesmen, supervisors, workers and labourers, incur expenses for transportation, postage, stationery and other auxiliary and incidental expenses for the business or service contract entered in by any person.
 - c. To carry on consultancy in engineering, architectural and commercial spheres.
 - d. To work as consulting engineers and contractors in all branches or work whatsoever known to engineering iron masters, metallurgists, builders, hardware merchants, metal workers and the like.
37. To carry on the business of steam and general laundry and to wash, clean, purify, scour, bleach, wiring, dry, iron, colour, dye disinfect, renovate and prepare for use all articles of wearing apparel, household domestic and other cotton, silk and woollen fabrics, repair, let on hire, alter or improve, treat and deal in all apparatuses, machines, materials and articles of all which are capable of being used for any such purposes.
38. To carry on the business of common carriers in all its branches, carry goods, animals and passengers on land, water or air, on such lines and between such places as the Company may from time to time determine by means of vehicles and conveyances of all kinds and descriptions whatsoever, whether propelled or moved by petrol, diesel oil, kerosene oil, power or any other oils, electricity atomic energy, steam vapour, gas or other motor, mechanical power or otherwise.
39. To carry on the business of travelling agents, forwarding and clearing agents, lightermen, wharfingers and to lease, charter or hire for any period of number of journeys, cars, lorries, buses, trucks, tractors, boats, ships, aircrafts, carriages, vehicles and conveyances of all descriptions and kinds whatsoever, and any other business which can be earned on in connection with the above.

IV. THE LIABILITY OF THE MEMBERS OF THE COMPANY IS LIMITED.

- *V. The authorized share capital of the Company is Rs. 245,00,00,000 (Rupees Two Hundred and Forty Five Crores Only) divided into 24,50,00,000 (Twenty Four Crores Fifty Lakhs) equity Shares of Rs. 10/- (Rupees Ten Only) each, with the power to sub-divide, consolidate and increase or decrease and, from time to time, to issue any shares of the original capital or of any new capital with any preferential, deferred, qualified or special rights, privileges or conditions in such manner as may be permitted by the Act or by the Articles of Association of the Company for the time being and, upon sub-division of a share, to apportion the right to participate in profit in any manner as between the shares resulting from each sub-division.

*1) Substituted by an Ordinary Resolution of the Company dated 29 September 2005 in accordance with section 94(1)(a) of the Companies Act, 1956 to increase the Authorised Capital of the company to Rs.200,00,00,000(Rupees Two Hundred Crores)

2) Subsequently amended vide order of the Honourable High Court of Karnataka dated 23 July 2007 in the matter of company petition no. 121 of 2006 filed under section 394 of the Companies Act, 1956, to sanction the scheme of amalgamation between MphasiS BFL Limited and EDS Electronic Data Systems India

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

Sl. No.	Names, Addresses, Descriptions and Occupations of Subscribers with their Signatures	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1.	Sd/- SHREE KANT BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	Witness to all Signatories Sd/- NIRANJAN KUMAR AGARWAL S/o Sri B. L. Choudhury 36A, Bentick Street Calcutta - 700 069 CHARTERED ACCOUNTANTS
2.	Sd/- SURAJ RATAN RATHI S/o Shree G. K. Rathi Ramendu University Road Ujjain (M. P.) Service	100 (One Hundred)	
3.	Sd/- PARTHA SARATHI DATTA ROY S/o Late Anil Bhusan Datta Roy 29, Jodhpur Park Calcutta - 700 068 Profession	100 (One Hundred)	
4.	Sd/- SHREE NIWAS BANGUR S/o Sri N. D. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	

Calcutta, dated 5th day of August, 1992

Continued on Page No. 17

Sl. No.	Names, Addresses, Descriptions and Occupations of Subscribers with their Signatures	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
5.	Sd/- NAND KISHORE BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business/Industrialist	100 (One Hundred)	Witness to all Signatories Sd/- NIRANJAN KUMAR AGARWAL S/o Sri B. L. Choudhury 36A, Bentick Street Calcutta - 700 069 CHARTERED ACCOUNTANTS
6.	Sd/- KESHAV BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	
7.	Sd/- ADITYA KR . BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	
		700 (Seven Hundred)	

Calcutta, dated 5th day of August, 1992.

(The Companies Act, 1956)
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MphasiS Limited

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

The marginal notes hereto are inserted for convenience and shall not effect the construction hereof and in these Articles, unless there be something in the subject or context inconsistent therewith :

"The Act" means the Companies Act, 1956, and includes where the context so admits, any re-enactment or statutory modification thereof for the time being in force.

"These Articles" means these Articles of Association or as, from time to time, altered by Special Resolution.

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

"The Company" means **MphasiS Limited**.

"Debenture" and "Debenture holders" include Debenture Stock and Debenture stock holders respectively.

"The Directors" means the Directors for the time being of the Company.

"Dividend" includes bonus, but excludes bonus shares.

"Managing Director" means a Managing Director appointed as such for the time being of the Company.

"Month" means calendar month.

"The office" means the Registered office for the time being of the Company.

"Proxy" includes Attorney duly constituted under a Power of Attorney.

"Register" means the Register of Members to be kept pursuant to Section 150 of the Act.

"The Registrar" means the Registrar of Companies, Karnataka.

"Seal" means the Common Seal of the Company.

"The Secretary" means the Secretary appointed as such for the time being of the Company.

"Wholetime Director" means a Director in the wholetime employment of the Company or a Director who has been appointed as wholetime Director for the time being of the Company.

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

Words importing the singular number only include the plural numbers and vice versa.

Words importing persons include corporations.

Words importing masculine gender only include the feminine gender

2. Save as reproduced herein, in regulations contained in Table "A" in Schedule I to the Act shall not apply to the Company. *Table "A" not to apply*
3. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provisions of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any Company of which it may, for the time being, be a subsidiary. *Company not to purchase its own Shares*

These Articles shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 31.

SHARE CAPITAL AND SHARES

4. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under clause No. V of the Memorandum of Association of the Company. *Authorised Share Capital*
5. Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot Shares or otherwise dispose of the same to such persons, on such terms and conditions, at such times, either at par or at a premium, and for such consideration as the Board thinks fit. Provided that where it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section 81 (1A) of the Act, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting. *Allotment of Shares*

6. Subject, to and in accordance with the provisions of Section 80 of the Act the Company shall have power to issue Redeemable Preference Shares on such terms and conditions as the Board may from time to time think fit. *Redeemable Preference Shares*
7. If the Company shall offer any of its shares to the public for subscription, *Restriction on Allotment*
 - (1) no allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid and received by the Company; but this provision shall no longer apply after the first allotment of shares offered to the public for subscription, and
 - (2) the Company shall comply with the provisions of Section 69 of the Act.
8. The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate percent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful. *Commission and brokerage*
9. With the previous authority of the Company in general meeting and upon otherwise complying with Section 79 of the Act, the Board may issue, at a discount, shares of a class already issued. *Shares at a discount*
10. If, by the terms of issue or allotment of any share, any amount whether in respect of the share or any premium thereon is made payable on allotment or at any fixed time or by instalments, such amount shall, when due, be paid to the Company by the person who, for the time being, shall be registered holder of the share or by his executor or administrator or other legal representative. *Amount payable in accordance with terms of issue of allotment*
11. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares. *Liability of members registered jointly*
12. Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person. *Trusts not recognised*
13. Shares may be registered in the name of any person, Company or other body corporate. Not more than three persons shall be registered as joint-holders of any share. *Who may be registered*

CERTIFICATE

14. Subject to the provisions of the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof share certificates shall be issued as follows :

- (1) The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two person acting as attorneys for two Directors as aforesaid and (ii) the secretary or such other person appointed by the Board for the purpose, all of whom shall sign such share certificates; provided that, if the composition of the Board permits of it at least one of the aforesaid two Directors shall be a person other than a Managing or Wholetime Director. *Certificates*
- (2) Every member shall be entitled free of charge to one or more certificates in the marketable lot for all the shares of each class registered in his name, or, if any member so wishes, to several certificates each for one or more of such shares but, in respect of each additional certificate which does not comprise shares in lots, of market units of trading, the Board may charge a fee of Rs. 2/- or much lesser sum as it may determine. The share certificates shall be issued in market lots and where Shares Certificates are issued in either more or less than market lots, sub-division or consolidation of share certificates into market lots shall be done free of charge, subject to the provisions of section 113 of the Act, the Company shall within two months after the date of allotment of any of its shares and in surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letter of acceptance or, of renunciation or in case of issue of bonus shares and within one month after application for the registration of the transfer of any such share, as the case may be deliver in accordance with the procedure laid down in Section 53 of the Act, the certificates of such shares allotted or transferred. The Company shall within one month on receipt of an application for sub-division, consolidation, renewal or exchange of any of its shares, as the case may be, complete and have ready for delivery the certificates for such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the register maintained in the form set out in the above Rules or in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue. The Company shall not be bound to issue more than one certificate to members registered jointly in respect of any share and delivery of a certificate to one of such members shall be sufficient delivery to all such members. *Members' right to certificates*

- (3) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the cages on the reverse for recording transfers have been duly utilised, then, upon, surrender thereof to the Company, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof, without any fee and if any certificate be lost or destroyed, then, upon, proof thereof to the satisfaction of the Board, and on such terms as to indemnity as the Board thinks fit being given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a new certificate has been issued as aforesaid it should state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issue for the one so replaced and, in the case of a certificate issued in place of one which has been lost or destroyed, the word "Duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this clause (except when issued on a sub-division or consolidation of share certificates into lots of the market unit or in replacement of those which are old, decrepit, worn - out or where the cages on the reverse for recording transfers have been fully utilised) the Board may charge such fee not exceeding Rs. 2/- together with such out-of-pocket expenses incurred by the Company in investigating evidence as it may determine. *As to issue of new certificates*
- (4) Where a new share certificate has been issued in pursuance of the last proceeding clause, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register by suitable cross-reference in the "Remarks" column. All entries made in the Register or in the Register of Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for the purpose of sealing and signing the share certificates under Clause (1) hereof. *Particulars of new certificate to be entered in the Register*

CALLS

15. The Board may, from time to time, subject to the terms on which may shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all money unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed. *Calls*
16. Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid. *Notice of Call*

17. (1) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 18 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine. *When interest on call or instalment payable*
- (2) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
18. If by the terms of issue or allotment of any share or otherwise any amount is made payable upon allotment or at any fixed time or by instalments, whether on account of the amount of the shares or by way of premium, every such amount shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount accordingly. *Amount payable on allotment at fixed times or payable by instalments as calls*
19. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register as a holder or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call nor that a quorum was present at the Board meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. *Evidence in actions by Company against member*
20. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made to the member paying such sum in advance as the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing. *Payment of calls in advance*
21. A call may be revoked or postponed at the discretion of the Board. *Revocation of calls*

FORFEITURE

22. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on *If call or instalment not paid notice may be given*

such member 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 non-payment.

23. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment or such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeiture. *Form of notice*
24. If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, 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 in respect of the forfeited shares and not actually paid before the forfeiture. *If notice not complied with shares may be forfeited*
25. When any share shall have been so forfeited notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. *Notice after forfeiture*
26. (1) Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell or otherwise dispose of the same on such terms and in such manner as it may think fit. *Forfeited shares to become property of the Company*
(2) Where any share is so sold or disposed of by the Board and the certificate in respect thereof is not delivered the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered, forfeited. *Board may issue new certificates*
27. The Board may, at any time before any shares so forfeited shall have been sold or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it may think fit. *Power to cancel forfeiture*
28. A person whose share has been forfeited shall cease to be a member in respect of the share, but shall notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the Company, all calls or instalments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with 18 per cent interest per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. *Liability on forfeiture*

29. A duly verified declaration in writing that the declarant is a Director, manager 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. The Company may receive the consideration, if any, given for the shares on any sale or disposal thereof and the receipt of the Company for such consideration shall constitute a good discharge to the person making the payment. A person appointed by the Board may execute an instrument of transfer in respect of the shares in favour of the person to whom the share is sold or disposed of and he shall there upon be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference of such forfeiture, sale or disposal of the share. *Evidence of forfeiture*
30. The provisions of Articles 22 to 29 hereof shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. *Forfeiture provisions to apply to nonpayment in terms of issue*

LIEN

31. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that the Article 122 hereof is to have full effect. *Company's lien of shares*
- Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of share shall operate as a waiver of the Company's lien, if any, on such share.
32. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it may think fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice. *As to enforcing lien by sale*
33. The net proceeds of the 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 lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale. *Application of proceeds of Sale*

34. Upon any sale for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. *Validity of sales in exercise of lien and after forfeiture*
35. Where any share under the powers in that behalf contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered. *Board may issue new certificates*

TRANSFER AND TRANSMISSION

36. Save as provided in section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferror and by or on behalf of the transferee has been delivered to the Company together with the certificate relating to the share or, if no such certificate is in existence, the Letter of Allotment of the share. The transferror shall be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register in respect thereof. *Execution of transfer etc.*
- 36A. 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 as the certificates in respect thereof shall be dematerialised in which event the rights and obligations of the parties concerned and matter connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.
37. Where an instrument of transfer of shares of the Company has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall comply with the provisions of Section 206A of the Act, in respect of the dividend, rights shares and bonus shares in relation to such shares. *Right to dividend etc. pending registration of transfer of shares*
38. Application for the registration of the transfer of a share may be made either by the transferror or the transferee provided that, where such application is made by the transferror, no registration shall, in the case of a partly paid share, be affected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the Register the name of the transferee in the same manner and subject to the same *Application by transferor*

conditions as if the application for registration of the transfer was made by the transferee.

39. Every instrument of transfer shall be in the prescribed form and in accordance with the provisions of Section 108 of the Act. *Form of transfer*
40. Subject to the provisions of Section 111 of the Act read with Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may within one month from the date on which the instrument of transfer, or the intimation of transmission, as the case may be, was delivered to the Company, refuse to register any transfer of, or the transmission by operation of law of the right to, a share upon which the Company has a lien and in the case of a share not fully paid up the Board does not approve provided that the registration of a transfer of shares shall not be refused on the ground of the transferee being either alone or jointly with any other persons or person indebted to the Company on any account whatsoever. *In what cases the Board may refuse to register transfer*
41. No transfer shall be made to a person of unsound mind, without the consent of the Board.
42. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferee or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same. *Transfer to be left at office whom to be retained*
43. If the Board refuses to register the transfer or the transmission by operation or law of the right to, any share, the Company shall within one month from the date on which the Instrument of transfer or the intimation of such transmission as the case may be, was lodged with the Company, send to the transferee and the transferee or to the person giving intimation of such transmission, as the case may be, notice of the refusal and where applicable comply with the provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956. *Notice of refusal to register transfer*
44. No fee shall be charged for the registration of any transfer, grant of probate, grant of letters of administration, certificate of death or marriage, power of attorney or other instrument. *No fee on registration of transfer, probate etc.*
45. The executor or administrator of a deceased member or the holder of other legal representatives (not being one of several registered joint-holders) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and, in case of the death of any one or more of the registered joint-holders of any share, the survivor shall be the only person recognised by the Company as having any title to such share, but nothing herein contained shall be taken to release the estate of a deceased *Transmission of shares*

joint holder and from any liability on the share held by him jointly with any other person the Board may require him to obtain a grant of probate or Letter of Administration or other legal representation, as the case may be from a competent Court in India and having effect in the place where the office is situated.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or Letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

46. Any committee or guardian, curator or other legal curator of a lunatic, idiot or compositement member or any person becoming entitled to or to transfer a share in consequence of the death or insolvency of any member upon producing such evidence that he sustains the character in respect to which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. *Transmission Article*
47. (1) If the person so becoming entitled under the last preceding Article shall elect to be registered as member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Election under the last preceding article*
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
48. A person so becoming entitled under article 45 hereof to a share by reason of the death or insolvency of a member shall, subject to the provisions of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the member registered in respect of the share except that no such person shall before being registered as a member in respect of the share, be entitled to exercise in respect thereof any right conferred by membership in relation to meetings of the Company. *Rights of persons under the transmission article*

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

INCREASE AND REDUCTION OF CAPITAL

49. The Company in general meeting may from time to time by ordinary resolution, alter the conditions of its Memorandum of Association to increase its capital by the creation of new shares of such amount as may be deemed expedient. *Power to increase capital*
50. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof shall direct and, if no direction be given, as the Board 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. *On what conditions new shares may be issued*
51. Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provision of Article 5. *Provisions relating to the issue*
52. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise. *How far new shares to rank with existing shares*
53. If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board. *Inequality in number of new shares*
54. The Company in general meeting may from time to time by special resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner and subject to any incident authorised and consent required by law. *Reduction of capital etc.*
- *54A. The Company shall have the power, subject to and in accordance with Sections 77A, 77B and all other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines prescribed by the Government of India, the Securities and Exchange Board of India or any other authority, to purchase its own shares or other specified securities or not they are redeemable. *Buy-Back of Shares*

ALTERATION OF CAPITAL

55. The Company in general meeting may from time to time by ordinary resolution alter the conditions of its Memorandum of Association so as to : *Power to subdivide and consolidate shares*
- (1) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares:

- (2) Sub-divide its existing shares or any of them into shares of a smaller amount than is fixed by the Memorandum so that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
- (3) Cancel any share, which at the date of the passing of the resolution 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.

- 56. The resolution whereby any share is, sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantages as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject nevertheless to the provisions of Section 85, 87 and 106 of the Act. *Sub-division into preference with Equity*
- 57. Subject to the provisions of Sections 100 to 105 (both inclusive) of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares. *Surrender of shares*

MODIFICATION OF RIGHTS

- 58. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. *Power to modify rights*

To every such separate meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding shares or representing by proxy one-fifth of the issued shares of that class and that if at any adjourned meeting of such holders a quorum as above defined is not present those who are present in person or by proxy may demand a poll, shall have one vote for each share of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

BORROWING POWERS

- 59. The board may, from time to time, at its discretion subject to the provisions of Sections 58A, 292, 293 and 370 of the Act, raise or borrow any sum or sums of money for the purpose of the Company and secure the repayment of such sum or sums in such manner and at such time or times and upon such terms and conditions in all respects as it may think fit. *Power to borrow*

60. Any debentures, debenture-stock, bonds or other securities may be issued on such terms and conditions as the Board may think fit. *Issue of debentures*

Provided that debentures with a right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81 (3) of the Act.

Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

61. (1) Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures. *Instrument of transfer*
- (2) Delivery by the Company of certificates upon allotment or registration of transfer of any debentures, debenture-stock or bond issued by the Company shall be governed and regulated by Section 113 of the Act. *Certificates of debentures etc. upon allotment or transfer*
62. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferror notice of the refusal. *Notice of refusal to register transfer*

GENERAL MEETING

63. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an Extraordinary General Meeting is convened under the provisions of Article 64 hereof, be called a "General Meeting". *When Annual General Meeting to be held*
64. The Board may, whenever it thinks fit, call a General Meeting, and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting, forthwith proceed to call an Extraordinary General Meeting, and in the case of such requisition the provisions of Section 169 of the Act shall apply. *When other General Meeting to be called*
65. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members. *Circulation of members resolutions*

66. (1) Save as provided in section 171 (2) of the Act, not less than twentyone days notice shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that proxy need not be a member of the Company. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act.
- (2) Notice of every meeting of the Company shall be given to every member of the Company, to the auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notice to such persons. Provided that where the notice of a general meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Office under Section 53(3) of the Act, the statement of material facts referred to in Section 173(2) of the Act need not to be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the company.
- (3) The accidental omission to give any such notice to or its non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

67. The ordinary business of an Annual General meeting shall be to receive and consider the Profit and loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business. *Business of meetings*
68. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be a quorum. *Quorum to be present when business commences*
69. If within half an hour from the time appointed for the meeting, quorum be not present, the meeting, if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for holding the meeting those members who are present and not being less *When, if quorum not present, meeting to be dissolved and when to be adjourned*

than two shall be a quorum and may transact the business for which the meeting was called.

70. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a special resolution as defined in Section 189(2) of the Act. *Resolution to be passed by Company in General Meeting*
71. The chairman, who may henceforth alternatively be called "Chairperson" of the Board shall be entitled to take the chair at every general meeting. In the absence of the Chairman/Chairperson or if at any meeting the chairman/Chairperson is unwilling to act, the Vice- Chairman, who may henceforth alternatively be called "Vice Chairperson" of the Board shall be entitled to take the Chair. If at any meeting both the Chairman/ Chairperson and Vice Chairman/ Vice Chairperson shall not be present within fifteen minutes of the time appointed for holding such meeting, or are unwilling to act, or if there are no Chairman/ Chairperson and Vice-Chairman/ Vice-Chairperson, then the members present shall choose any Director present, or if all the Directors present decline to take the chair then the members present shall on a show of hands or on a poll if properly demanded, elect one of their member being a member entitled to vote, to be Chairman of that meeting. *Chairman of General Meeting*
72. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member. *How questions to be decided at meeting*
73. At any general meeting, unless a poll is duly ordered by the chairman, a declaration by the Chairman that the resolution has or has not been carried or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of, or against the resolution. *Evidence of passing of resolution where poll not ordered*
74. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company; *Poll*
- (a) Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or
 - (b) on which an aggregate sum of not less than Rs. 50,000 has been paid up.

- (2) A poll on a question of adjournment or election of a Chairman shall be taken forthwith. A poll on any other question shall be taken in such manner and at such time and place as the Chairman of the meeting directs and subject as aforesaid either at once or after an interval or adjournment or otherwise provided that a poll demanded as aforesaid shall be taken at such time not being later than forty- eight hours from the time when the demand was made. The result of the poll shall be deemed to the decision of the meeting on the resolution on which the poll was taken.
- (3) The demand of a poll may be withdrawn at any time.
- (4) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.
- (5) On a poll 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.
- (6) The Order for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been ordered.

- 75. (1) The Chairman of a general meeting adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which meeting the adjournment took place.
- (2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting, but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

- 76. (1) Save as hereinafter provided, on a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity shares, or as a duly authorised representative of a body corporate, being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote. *Votes of Members*
- (2) Save as hereinafter provided, on a poll the voting rights of a holder of Equity Share shall be as specified in Section 87 of the Act.

- (3) No Company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.
77. (1) Where a Company or body corporate (herein after called "member Company") is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member Company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by a director or secretary of such member Company and certified by him being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member Company which he represents, as that member Company could exercise if it were an individual member. *Procedure where a company or body corporate is member of the Company.*
- (2) Where the President of India or the Governor of a State is a member of the Company then his representative at meetings shall be in accordance with Section 187A of the Act. *Representative of President of India or Governor of a State*
78. If any member be a lunatic or idiot or non composmentis he may vote whether on a show of hands or at a poll by the committee, curator bonus or other legal curator and such last mentioned person may give his vote by proxy provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his right under Article 46 hereof to the share in respect of which he proposes to exercise his right under this Article, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. *Vote in respect of insane member*
79. Where there are members registered jointly in respect of any shares any one of such members may vote at any meeting either personally or by proxy in respect of such share as if he was solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy, then one of the said members so present whose names stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed to be members registered jointly in respect thereof. *Joint-holders*
80. Votes may be given either personally or by proxy, and on a poll a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. *Proxies permitted*

81. (1) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his Attorney duly authorised in writing if such appointor is a body corporate be under its common seal or the hand of its officer or attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called Special proxy. Any other proxy shall be called a General Proxy. *Instrument appointing proxy to be in writing*
- (2) A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. *Proxy need not be a member*
82. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarially certified that power or authority, shall be deposited at the office not less than fortyeight hours before the time for booking the meeting or a adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. *Instrument appointing a proxy to be deposited at the office*
83. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer or share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. *When vote by proxy valid though authority revoked*
84. Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act or as near thereto as possible or in any other form which the Board may accept. *Form of instrument appointing a special proxy*
85. No member shall be entitled to exercise any voting right either personally or by proxy at any meeting of the Company 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. *Restriction on voting*
86. (1) Any objection as to the admission or rejection of a vote, either on a show of hands or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive. *Admission or rejection of votes*
- (2) No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or

tendered and every vote not disallowed to such meeting shall be valid for all purposes.

DIRECTORS

87. The number of directors of the Company shall not be less than three nor more than twelve, including all types of directors other than alternate directors. *Number of Directors*

88. At the date of adoption of these Articles the following are the Directors of the Company *Present Directors*

SRI SHREEKANT BANGUR
SRI SURAJ RATAN RATHI
SRI P. S. DUTTA ROY

89. Unless otherwise determined by the Company in general meeting a Director shall not be required to hold any share in the Capital of the Company as his qualification. *Share qualification of Directors*

90. (1) Unless otherwise determined by the Company in general meeting, each Director (other than a Managing Directors and Whole-time Director) shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board such fee as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the Act and applicable to the Company. *Director's fees remuneration & expenses*

(2) Subject to the provisions of Sections 198, 309 and 310 of the Act (wherever applicable) and without prejudice to Articles 90(1), 90(3) and 91 hereof, the Directors (other than a Managing Director and Whole-time Director) may be paid further remuneration by way of commission if the Company in general meeting by a special resolution authorises such payment provided that such commission shall not in the aggregate exceed 3% of the net profits of the Company (to be reduced to 1% of the net profits of the Company if the Company has a Managing Director or a Wholetime Director or a Manager) computed in the manner laid down in Section 309(5) of the Act and further that such remuneration shall be paid to all the Directors for the time being in office (other than a Managing Director and a Wholetime Director) or to any one or more of them in such proportion as the Board may by resolution decide when authorising such payment and in default of such decision equally to all the Directors.

(3) If any Director, being willing, is called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 198, 309 and 310 of the Act, the Board may remunerate the Director so doing either by a fixed

sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

- (4) A Nominee Director may be paid remuneration by way of Commission, Salary or perquisites (other than fees for attending meeting of the Board or Committee thereof and reimbursement of actual expenses incurred in attending to the Company's work) only with the prior approval of the Central Government under section 310/309 of the Act wherever applicable.
 - (5) The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in attending and returning from Board Meetings, Committee Meetings or General Meetings of the Company or otherwise incurred in the execution of their duties as Directors.
91. The Board may from time to time appoint one or more Directors (a) to be wholtime Director or Wholtime Directors or (b) to executive office or offices, either wholtime or part time, upon such terms and conditions and upon such remuneration (either in addition to or in substitution for any other remuneration to which they may be entitled) as the Board may determine and the Board may from time to time entrust to or confer upon such Director(s) such of the powers exercisable by the Board to be exercised for such objects and purposes and with such restrictions as it may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers. *Board may appoint wholtime Director or Directors to executive office*
 92. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum above fixed, the Board shall not, except for the purpose of filling vacancies or to summoning a general meeting of the Company, act so long as the number is below the minimum. *Board may act notwithstanding vacancy*
 93. The office of a Director shall ipso facto become vacant upon the happening of any of the events enumerated in Section 283 of the Act. *Vacation of office Director*
 94. Any Director or other person referred to in Section 314 of the Act may be appointed to hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the provisions of said Section 314. *Holding of office or place of profit under the company or under its subsidiary*
 95. A Director of this Company may be or become a director of any other 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 a director or member of such Company. *When director of this Company appointed Director of a Company in which the Company is interested either as a member or otherwise*
 96. The provisions of Section 297 of the Act shall apply to any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company in which a Director of the Company, his relative, a firm in which such Director

Conditions as to contract between a Director and the Company.

or relative is a partner or any other Partner of such firm or a private Company of which such Director is a member or Director is interested.

97. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company not being a 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 them together holds or hold not more than two percent of the paid up share capital in the other Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. *Disclosure of Director's interest*

A general notice, renewable in the last month of each financial year of the Company, that a Director is a Director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and, after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a Director or member and of firms of which he is a member.

98. A Director shall not take any part in the discussion of, or vote on any contract or arrangement in which he is any way, whether directly or indirectly, concerned or interested and if he shall do so his vote shall not be counted nor shall he be counted in quorum present at the meeting but neither of these prohibitions shall apply to any contract or arrangement exempted by Section 300 of the Act. *Discussion and voting of Director interested*

APPOINTMENT AND RETIREMENT OF DIRECTORS

99. (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. *Proportion of Director to retire by rotation*
- (2) Subject to the provision of the Act, the Board may appoint a Director or Directors whose period of office is not liable to determination by retirement of Directors by rotation. *Appointment of non-retiring director by the Board*
- (3) Notwithstanding anything to a contrary contained in these Articles, so long as any moneys remain owing by the Company to the industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and investment Corporation of India, Industrial Reconstruction Corporation of India Ltd., Life Insurance Corporation of India,

Unit Trust or India, General Insurance Corporation of India, National insurance Company Ltd., the Oriental Fire and General Insurance Co. Ltd., The New India Assurance Co. Ltd., United India Insurance Company Limited. Any Financial Corporation or Financial Institution owned or controlled by the Central or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation") out of the loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint, from time to time, any person or persons as a Director or Directors wholetime or non-wholetime, {(which Director or Directors is/are hereinafter referred to as "Nominee Director(s)")} on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Corporation such Nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director(s) shall not be liable to retirement by rotation of Directors, Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

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

The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee(s) of which the Nominee Director(s)

is/are member(s), as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

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

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

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

- | | | |
|----------|---|---|
| 100. (1) | In the event of any conflict between Articles 99(2), 99(3) and 120, Article 99(3) shall prevail over Articles 99(2) and 120 and, in the event of any conflict between Articles 99(2) and 120, Article 120 shall prevail over Article 99(2). | <i>Which Article to prevail</i> |
| (2) | At each 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 multiple of three, the number nearest to one-third shall retire from office. | <i>Rotation and retirement of Directors</i> |
| 101. | Subject to the provisions of these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall, in default of and subject to any agreement among themselves, be determined by lot. | <i>Which Directors to retire</i> |
| 102. | The eligibility and appointment of a general meeting of the Company of a person (other than a retiring Director) to the office of Director shall be governed by the provisions of Section 257 of the Act. | <i>When the Company and Candidates for office of Directors must give notice</i> |

103. The Board shall have power, to anytime and from time to time, to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall then be eligible for re-appointment. *Power of Board to add on its number*
104. Any casual vacancy occurring among the Directors may be filled up by the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that, the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 106. *Board may fill up casual vacancies*
105. The Board may, in accordance with and subject to the provisions of Section 313 of the act, appoint any person to act as Alternate Director for a Director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held. *Power to appoint alternate Directors*
106. The Company may remove any Director before the expiration of his period of office in accordance with the provisions of Section 284 of the Act and may, subject to the provisions of Section 263 of the Act, appoint another person in his place if the Director so removed was appointed by the Company in general meeting or by the Board under Section 262 of the Act. *Power to remove Director by ordinary resolution or special notice*

PROCEEDINGS OF DIRECTORS

107. The Board shall meet at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. Notice in writing of every meeting of the Board shall be given to every director for the time being in India and at his usual address in India to every other Director. *Meetings of Directors*
108. A Director may, at any time, and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board. *Directors may summon meeting*
109. The Board may appoint some one of their members to be the Chairman/ Chairperson of the Board and some one of their members to be the Vice Chairman/Vice Chairperson of the Board and the Directors so appointed shall continue as Chairman/Chairperson and Vice Chairman/ Vice Chairperson respectively until otherwise determined by the Board. If no such Chairman/Chairperson is appointed or if at any meeting of the Board the Chairman/ Chairperson shall not be present within fifteen minutes after the time appointed for holding the same or be willing to act, Vice Chairman/Vice Chairperson shall be the Chairman/Chairperson of such meeting. If or if at any meeting of the Board both the Chairman/Chairperson and the Vice Chairman/Vice Chairperson shall not be present within fifteen minutes after the time appointed *Chairman*

for holding the same or though present be willing to act, the Directors present shall choose some one of their member to be Chairman of such meeting.

110. The Quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act, If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint. *Quorum*
111. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board. *Powers of quorum*
112. Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote. *How questions to be decided*
113. The Board may, subject to the provisions of the Act from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed upon it by the Board. *Power to appoint committees and to delegate*
114. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under these Articles. *Proceedings of Committee*
115. All acts done by any meeting of the Board or of Committee thereof or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. *When acts of a Director valid notwithstanding defective appointment*
116. Save in those cases where a resolution is required by Section 262, 292, 297, 316, 372(5) and 386 of the Act to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may

be,) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

MINUTES

117. (1) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of every general meeting and of every meeting of the Board or of every Committee of the Board. *Minutes to be made*
- (2) Any such minutes of any meeting of the Board or any Committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of the Section 193 of the Act, shall be evidence of the matters stated in such minutes. The Minutes Books of the General Meeting of the Company shall be kept at the office and shall be open for inspection by members during the hours of 10 a.m. to 12 noon on such business days as the Act requires them to be open for inspection. *General powers of Company vested in the Board*

POWERS OF THE BOARD

118. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

MANAGING DIRECTORS

119. (1) Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, for a period not exceeding the period prescribed by the Act for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his place or their places. *Power to appoint Managing director*
- (2) If a Nominee Director discharges the duties of Managing Director enjoying substantial powers of management or is in the whole-time service of the Company, the Company shall, where required, obtain the necessary approval of the Central Government under Section 269 of the Act.

120. Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire. Subject to the revisions of any contract between him and the Company a Managing Director shall be subject to the same provisions as to resignation and removal of the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause save that if he shall retire by rotation under the provisions of Section 256 of the Act or otherwise vacates office as a Director at an Annual General Meeting and be reappointed as a Director at the same meeting he shall not, by reason only of such retirement, or vacation cease to be a Managing Director.
- To what provisions a Managing Director shall be subject to retire*
121. If at any time the total number of Managing Directors is more than one third of the total number of Directors not liable to retire by rotation the Managing Directors who shall retire be determined by and in accordance with their respective seniorities. For the purpose of their Article the seniorities of the Managing Directors shall be determined by the date of their respective appointments as Managing Directors by the Board. As between persons who became Managing Directors on the same day, those to retire shall, in default of or subject to any agreement among themselves, be determined by lot.
- Seniority of Managing Director*
122. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may, from time to time, be sanctioned by the Board.
- Remuneration of Managing Director*
123. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presented by the Board as it may think fit, and may confer such powers, for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it may think fit, and the Board may confer such powers either collaterally with, or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
- Powers of Managing Director*

MANAGER

124. Subject to the provisions of the Act and in particular to the provisions of Section 197A thereof, a Manager may be appointed by the Board for such term, at such remuneration and upon such terms and conditions as it may think fit.
- Board's Power to appoint Manager*

LOCAL MANAGEMENT

125. The Board may, subject to the provisions of the Act, make such arrangement as it may think fit for the management of the Company's affairs abroad or in any specified locality in India and for this purpose appoint local bodies, attorneys
- Local Management Power of Attorney seal for use abroad and foreign registers*

and agents and fix their remuneration and delegate to them such powers as the board may deem requisite or expedient. The Company may exercise all the powers of Section 50 of the Act and the official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the seal appoint. The Company may also exercise the powers of Sections 157 and 158 of the Act with reference to the keeping of Foreign Register.

SECRETARY

126. Subject to the provisions of Section 383A of the Act the Board may at any time and from time to time appoint any individual possessing the prescribed qualification to be in the secretary of the Company and may determine his powers and duties and fix his remuneration and the period for which and other terms and conditions on which he is to hold such office. *Secretary*

THE LOCAL

127. The Board shall provide for the safe custody of the seal and the seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorised by the Board in that behalf and save as provided in Article 14(1) hereof, one Director at least shall sign every instrument to which the seal is affixed. Provided nevertheless that any instrument bearing the seal of the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

RESERVES

128. Subject to the provisions of Section 205 of the Act the Board may from time to time before recommending any dividend set apart any such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company for equalisation of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investment (other than shares of the Company) as the Board may think fit and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special funds as it thinks fit, with the full power to employ the Reserves or any parts thereof in the business of the Company and that without being bound to keep the same separate from the other assets. *Reserves*
129. All moneys carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of *Investments of money*

the Company may, subject to the provisions of Section 370 and 372 of the Act be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank or deposit or otherwise as the Board may, from time to time, think proper.

130. (1) Any general meeting may upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserves, or any Capital Redemption Reserve Account, or in the hands of the Company and available for divided or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issue of shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares. *Capitalisation of reserves*
- (2) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the footing that they receive the same as capital. *Surplus moneys*
- (3) For the purpose of giving effect to any resolution under either of the above clauses of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may determine that cash payments shall be made to any members in order to adjust the rights of all parties and may vest such cash in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointed shall be effective. *Fractional certificates*

DIVIDENDS

131. Subject to the rights of members entitled to shares if any, with preferential or special rights attached to them or unless otherwise provided in any respect by the terms of issue the profits of the Company which it shall from time to time *How profits shall be divisible*

be determined to divide in respect to any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that a party paid up share shall only entitle the holder with respect thereto the amount paid thereon bears to the nominal amount of such shares provided that where capital is paid up in advance of calls such capital shall not rank for dividend or confer a right to participate in profits.

- | | | |
|------|---|---|
| 132. | The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment. | <i>Declaration of Dividends</i> |
| 133. | No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend. | <i>Restriction on amount of dividends</i> |
| 134. | Subject to the provisions of Section 205 and 205A of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company. | <i>Dividends</i> |
| 135. | Subject to the provisions of the Act, the declaration of the Board as to the amount of the net profits of the Company shall be conclusive. | <i>What to be deemed net profits</i> |
| 136. | The Board may, from time to time, pay to the member such interim dividends as appear to the Board to be justified by the profits of the Company. | <i>Interim dividends</i> |
| 137. | The Board may deduct from any dividend payable to any member all sums of moneys, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | <i>Debts may be deducted</i> |
| 138. | Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, so that the call be made payable at the same time as the dividend and the dividend may be set off against the call. | <i>Dividend and call together</i> |
| 139. | No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or Reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company. | <i>Dividend in cash</i> |
| 140. | A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by the Company and where appropriate the Company shall comply with the requirements of Section 206A of the Act. | <i>Effect of transfer</i> |
| 141. | The Company may pay interest on capital raised for the construction of works or buildings when and so far as it shall be authorised to do by Section 208 of the Act. | <i>Payment of interest on capital</i> |

142. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 140. *To whom dividends payable*
143. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and other payments in respect of such share. *Dividend to jointholders*
144. Unless otherwise directly in accordance with Section 206 of the Act, any dividend interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address to that one of the joint-holders who is the first named in the Register in respect of the joint holding or to such person and such address as the holder or joint holders, as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. *Dividend Warrant*
145. No unclaimed dividend shall be forfeited by the Board and any dividend which has been declared by the Company but has not been paid or claimed (within the meaning of Section 205A of the Act) within 42 days from the date of its declaration to or by a member be entitled to the payment of such dividend shall be dealt with the Company in accordance with the said Section 205A. *Unpaid & unclaimed dividends*

BOOKS AND DOCUMENTS

146. (1) A Board shall cause proper books of account to be kept in accordance with Section 209 of the Act. *Books of account to be kept*
- (2) The books of account shall be kept at the office or at such other place in India as the board may decide and when the Board so decides, 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. *Where to be kept*
147. (1) The books of account and other books and papers shall be open to inspection during business hours by any Director, Registrar or any Officer of the Government authorised by the Central Government in this behalf. *Inspection*
- (2) 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 books of account and books and documents of the Company, other than those referred to in Article 117(2) and 165 or any of them, shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any books of account or books or documents of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

148. The books of account of the Company together with the vouchers relevant to any entry in such books of account shall be preserved in good order for a period of not less than eight years from the date of incorporation of the Company and after the said period of eight years, the books of account of the Company together with the vouchers, relevant to any entry in such books of account relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

Books of account to be Preserved

BALANCE SHEET AND ACCOUNTS

149. At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.
150. There shall be attached to every Balance sheet laid before the Company a Report by the Board complying with Section 217 of the Act.
151. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors' report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by section 219 of the Act, be sent not less than twentyone days before the date of the meeting of every member, trustee for the holder of any Debentures issued by the Company and other persons to whom the same is required to be sent by the said section provided that if and, so long as the shares of the Company are enlisted on any recognised Stock Exchange, it shall be sufficient if the copies of the aforesaid documents are made available by the Company for inspection at the office during working hours for a period of 21 days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form approved by the Board and signed on behalf of the Board in accordance with Section 215(1) of the Act or copies of the said documents, as the Company may deem fit, are sent to every member and other persons entitled thereto not less than 21 days before the date of the meeting provided further that any member or other person referred to in sub-section (2) of Section 219 of the Act shall on demand be entitled to be furnished free of cost with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto including the Profit and Loss Account and Auditors' Report.
152. The Company shall comply with Section 220 of the act as the filing copies of the Balance Sheet and Profit and Loss Account and other documents required to be annexed or attached thereto to be filled with the Registrar.

Balance Sheet and Profit and Loss Account

Annual report of Directors

Copies to be sent to members and others

Copies of Balance Sheet etc. to be filled

153. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive except as regards any error discovered therein. *When accounts to be deemed finally settled*

AUDIT

154. Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors. *Accounts to be Audited annually*
155. The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed. The appointment, remuneration, rights and duties of the Auditor or Auditors so appointed shall be regulated by Section 224 to 227 of the Act. *Appointment and remuneration of Auditors*
156. Where the Company has a branch office the provisions of Section 228 of the Act shall apply. *Audit of accounts of branch office of Company*
157. All notices of and other communications relating to any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company; and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. *Right of Auditor to attend General Meeting*
158. The Auditors Report (including the Auditors; separate, special or supplementary Report, if any) shall be read out before the Company in general meeting and shall be open to inspection by any member of the Company. *Auditors' Report to be read*

SERVICE OF NOTICES AND DOCUMENTS

159. A notice or other document may be given or sent by the Company in accordance with the provisions of Section 53 and 172 of the Act. *How notice to be served on members*
160. Every person, who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share. *Transferee etc. bound by prior notices*
161. Subject to the provisions of Article 159, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these notwithstanding such member be then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any share registered in his name whether held solely or jointly with other persons by such member until some other person be registered instead as the holder or joint-holder thereof and such service shall for all purposes of these presents be deemed in sufficient service of such notice or document on *Notice valid though member deceased*

his heirs, executors or administrators and all persons, if any jointly interested with him in any such share.

COMMENCEMENT OF BUSINESS

162. Subject to the provisions of Section 149(2A) of the Act, the Company may, from time to time, by a Special Resolution commence any new business in relation to any of the objects set out in sub-clauses (C) of clause III of its Memorandum of Association. *Commencement of Business*

KEEPING OF REGISTERS AND INSPECTION

163. The Company shall duly keep and maintain at the office the various Registers required to be kept and maintained under the Act and Rules made thereunder. *Registers to be maintained by company*
164. The Company shall comply with the requirements of Section 39, 118, 196, 219, 301, 302, 307, 370 and 372 of the Act as to the supply of copies of registers, deeds, documents, instruments, returns, certificates and books therein mentioned. *Supply of copies of Registers etc.*
165. Where under any provisions of the Act any person whether a member of the Company or not is entitled to inspect any register, return, certificate, deeds, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10 a.m. to 1 noon on such business days as the Act requires them to be open for inspection. *Inspection of Registers etc.*
166. The Company may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the office is situated, close the Register of Members or the Register of Debenture holders as the case may be, for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time. *When Registers of Members and Debenture holders may be closed*

RECONSTRUCTION

167. On any sale of the undertaking of the Company the Board or the liquidators on a winding-up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and a special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive *Reconstruction*

all rights in relation thereto, save only, in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

SECRECY

168. Every Director, Secretary, Trustee for the Company, its Members or Debenture-holders, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the Company shall, if so required by the Board sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Article contained. *Secrecy*
169. No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or subject to Article 147 to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate. *No member to enter the premises of the Company without permission*

WINDING UP

170. (1) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets (whether they shall consist of property of the same kind or not) shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively, and if in a winding up the assets (whether they shall consist of property of the same kind or not) available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up par which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions. *Distribution of assets*

- (2) If the Company shall be wound up whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution, divide among the members, in species or kind, any part of the assets of the Company (whether they shall consist of property of the same kind or not) with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the members or any of them as the liquidators, with the like sanction, shall think fit. *Distribution of assets specie*

INDEMNITY

171. Every Director, Secretary or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against any liability incurred by him as such Director, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

172. (A) **Definitions**

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

'Beneficial Owner' shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

'Shareholder' or 'Member' means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

"SEBI Board" means the Securities and Exchange Board of India.

"Bye-laws" means bye-laws made by a depository under section 26 of the Depositories Act, 1996.

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

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by Regulations.

"Regulations" means the regulations made by the SEBI Board.

"Security" means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

(B) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder.

1. The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply at the Shares of the Company which are dematerialised in future or issued in future in dematerialised form.
2. The Company shall be entitled to dematerialise its existing shares, re materialise its shares held in the Depositories and or to offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(C) Option to receive security certificates or hold securities with depository

1. Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
2. Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

(D) Securities in depositories to be in fungible form.

1. All securities held by a depository shall be dematerialised and shall be in fungible form.
2. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to the depository in respect of the securities held by it on behalf of the beneficial owners.
3. In case of transfer of transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

(E) Rights of Depositories and Beneficial Owners.

1. Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a depository shall be deemed

to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner.

2. Save as otherwise provided in clause (1) above, the depository as registered owner shall not have any voting rights or any other rights in respect of securities held by it.
3. Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a depository.
4. Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

(F) Depository to furnish information

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and by the Company in his behalf.

(G) Option to opt out in respect of any such security

1. If a beneficial owner seeks to opt out of a depository in respect of any security, he shall inform the depository accordingly.
2. The depository shall on receipt of such information make appropriate entries in its record and shall inform the company.
3. The company shall, within thirty (30) days of the receipt of intimation from a depository and on fulfilment of such conditions and on 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.

(H) Section 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles -

1. Section 83 of the Act shall not apply to securities held with a depository.
2. Nothing contained in Section 108 of the Act shall apply to a transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the record of a depository.

(l) **Register and Index of beneficial owners.**

1. The Register and Index of beneficial owners maintained by a depository under section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles.
2. Except as ordered by a Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or implied notice thereof.
3. The Company shall keep a Register and Index of members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any state or Country outside India, a Branch Register of members resident in that state or country.
4. The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of an share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

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

Sl. No.	Names, Addresses, Descriptions and Occupations of Subscribers with their Signatures	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1.	Sd/- SHREE KANT BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	Witness to all Signatories Sd/- NIRANJAN KUMAR AGARWAL S/o Sri B. L. Choudhury 36A, Bentick Street Calcutta - 700 069 CHARTERED ACCOUNTANTS
2.	Sd/- SURAJ RATAN RATHI S/o Shree G. K. Rathi Ramendu University Road Ujjain (M. P.) Service	100 (One Hundred)	
3.	Sd/- PARTHA SARATHI DATTA ROY S/o Late Anil Bhusan Datta Roy 29, Jodhpur Park Calcutta - 700 068 Profession	100 (One Hundred)	
4.	Sd/- SHREE NIWAS BANGUR S/o Sri N. D. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	

Sl. No.	Names, Addresses, Descriptions and Occupations of Subscribers with their Signatures	Number of Equity Shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
5.	Sd/- NAND KISHORE BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business/Industrialist	100 (One Hundred)	Witness to all Signatories Sd/- NIRANJAN KUMAR AGARWAL S/o Sri B. L. Choudhury 36A, Bentick Street Calcutta - 700 069 CHARTERED ACCOUNTANTS
6.	Sd/- KESHAV BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	
7.	Sd/- ADITYA KR . BANGUR S/o Shree S. N. Bangur 16, Alipore Road, Calcutta - 27 Business	100 (One Hundred)	
		700 (Seven Hundred)	

Calcutta, dated 5th day of August, 1992.

Stamp duty Nil
IN THE HIGH COURT OF KARNATAKA AT BANGALORE
{ORIGINAL JURISDICTION}

IN THE MATTER OF COMPANIES ACT, 1956

AND

**IN THE MATTER OF SCHEME OF AMALGAMATION &
ARRANGEMENT BETWEEN MPHASIS BFL LIMITED AND
KSHEMA TECHNOLOGIES LIMITED AND THEIR RESPECTIVE
SHAREHOLDERS.**

**COMPANY PETITION NOS.148/2005 & 149/2005
CONNECTED WITH
COMPANY APPLICATION NO. 855/2005 & 856/2005
RESPECTIVELY**

CO.P NO.148/2005:-

BETWEEN

**MPHASIS BFL LIMITED,
139/1, HOSUR ROAD,
KORAMANGALA,
BANGALORE-560 095.**

.....PETITIONER.

AND

NIL

....RESPONDENT

CO.P. NO. 149/2005

BETWEEN

KSHEMA TECHNOLOGIES LTD.,
NO.1, GLOBAL VILLAGE,
MYLASANDRA MYSORE ROAD,
BANGALORE-560 059.

.....PETITIONER.

AND

NIL

.....RESPONDENT.

**BEFORE THE HON'BLE MR. JUSTICE RAM MOHAN REDDY
DATED THIS THE 16TH DAY OF JANUARY, 2006**

ORDER UNDER SECTION 394

The above petitions coming on for hearing on 16th day of January, 2006, upon reading the said petitions, the order dated 29.08.2005 whereby the Applicant Company in CA 855/05 was ordered to convene separate meetings of the shareholders & creditors and the applicant company in CA 856/05 was ordered to convene the meetings of the creditors and dispensed with the meeting of the shareholders for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation & Arrangement proposed to be made between the said companies and its shareholders and creditors and annexed to the affidavits dated 25.8.2005, of Mr. Alok Chandra Misra-Vice President Finance of the applicant company in CA 855/2005 and Director of Applicant company in CA 856/2005 both filed on 25th day of August, 2005, and "Vijaya Karnataka" and "The Hindu" Newspapers both dated 6.9.2005, each containing the advertisement of the said notices convening the said meetings directed to be held by the said order dated 29.08.2005, the affidavit dated 13.9.2005 of Mr. Jaithirth Rao-Chairman appointed by this Court in CA 855/2005 and the Affidavit dated 13.9.2005 of Mr. Alok Chandra Misra appointed by this Court in CA 856/2005; showing the publication and despatch

of the notices convening the said meetings, the reports of the Chairmen of the meetings dated 29.9.2005 as to the result of the said meetings, and upon hearing Shri. A. Murali, AZB & Partners Advocates for the petitioners, Sri Deepak Counsel for the Official Liquidator, Sri T.M.Venkatareddy & Sri S.R.Vishwanath for Central Government Counsel for the Registrar of Companies and it appearing from the reports that the proposed scheme of arrangement & amalgamation has been approved unanimously. This court doth hereby sanctioned the scheme of amalgamation & arrangement set forth in the petitions herein and in the schedule-1 hereto, and doth hereby declare the same to be binding on the shareholders and creditors of the petitioner companies and also on the said companies.

THIS COURT DOTH ORDER

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

5. That the Transferor company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies, for registration and on such certified copies being so delivered the transferor company shall be dissolved and the Registrar of Companies 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 said companies shall be consolidated accordingly; and
6. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

SCHEDULE-I

**SCHEME OF AMALGAMATION AND ARRANGEMENT
BETWEEN
MPHASIS BFL LIMITED
AND
KSHEMA TECHNOLOGIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

(under sections 391 to 394 read with sections 78, 100 to 104 of the Companies Act, 1956)

This composite Scheme of Amalgamation and Arrangement is presented for the proposed amalgamation of Kshema Technologies Limited ("Kshema") with Mphasis BFL Limited ("MBFL"), and the proposed utilisation of Securities Premium account of MBFL. The Scheme is made pursuant to the provisions of section 391 to 394 read with Sections 78, 100 to 104 and other relevant provisions of the Companies Act, 1956 ("the Act").

1 DEFINITIONS

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

- 1.1 **"Act" or "The Act"** means the Companies Act, 1956, and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 **"Appointed Date"** means April 1, 2005.
- 1.3 **"Effective Date"** means the last of the dates on which the certified copies of the order(s) of the High Court of Karnataka sanctioning the Scheme are filed with the Registrar of Companies at Karnataka.
- 1.4 **"High Court"** means the High Court of Karnataka at Bangalore.
- 1.5 **"Kshema" or "the Transferor Company"** means Kshema Technologies Limited, a company registered under the Companies Act, 1956, and having its registered office at Kshema Dhama, #1, Global Village, Mysore Road, Bangalore - 560 059.

- 1.6 **“MBFL” or “the Transferee Company”** means Mphasis BFL Limited, a company registered under the Companies Act, 1956, and having its registered office at 139/1 Hosur Road, Koramangala, Bangalore 560 095.
- 1.7 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) made under Clause 15 of this Scheme.
- 1.8 **“Stock Exchanges”** means (i) the Stock Exchange, Mumbai (ii) the National Stock Exchange, Mumbai and (iii) the Calcutta Stock Exchange.

2 SHARE CAPITAL

- 2.1 The share capital of the Transferee Company as on March 31, 2005, was as under:

Authorised Capital	Amount
10,00,00,000 equity shares of Rs.10 each	100,00,00,000
Issued, Subscribed & Paid-up Capital	Amount Rs.
7,86,14,108 equity shares of Rs. 10 each fully paid-up	78,61,41,080
Less : 14,200 Shares forfeited at Rs 10 each	(1,42,000)
Add: Amount originally paid-up on forfeited shares	71,000
Total	78,60,70,080

- 2.2. The share capital of the Transferor Company as on March 31, 2005, was as under:

Authorised Capital	Amount
1,80,00,000 equity shares of Rs.10 each	18,00,00,000
Issued, Subscribed & Paid-up Capital	Amount (Rs)
30,88,930 equity shares of Rs.10 each fully paid-up	3,08,89,300

With effect from June 2004, the Transferee Company acquired the entire paid-up equity shares of the Transferor Company. Accordingly, the Transferor Company is a wholly-owned subsidiary of the Transferee Company.

- 2.3 Subsequent to the above date, and as at July 11, 2005, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company, and the authorized share capital of the Transferee Company. However, the issued, subscribed and paid-up share capital of the Transferee Company, subsequent to the above date, and as at July 11, 2005, was as follows.

Issued, Subscribed & Paid-up Capital	Amount
7,89,71,755 equity shares of Rs. 10 each fully paid-up	78,97,17,550
Less: 14,200 Shares forfeited at Rs. 10 each	(142,000)
Add: Amount originally paid-up on forfeited shares	71,000
Total	78,96,46,550

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

4. PURPOSE OF THE SCHEME

- 4.1 The Transferor Company and the Transferee Company are engaged in similar business, viz., software development. The Transferee Company is primarily engaged, inter alia, in providing information technology solutions and services specifically tailored to meet the requirements of the financial services, retail, logistics and transportation, and technology sectors. The Transferor Company is in the business of rendering software development solutions and services, primarily in sectors such as financial services and enterprise applications, industrial and embedded solutions and healthcare and life sciences.

- 4.2. The Transferee Company acquired the entire shareholding of the Transferor Company in June 2004, and thereby the Transferor Company became a wholly-owned subsidiary of the Transferee Company. It is desired now that the Transferor Company be consolidated into the Transferee Company and, as such, it is proposed to amalgamate the Transferor Company into the Transferee Company. Further, having separate set-ups for the same or related activities not only involve additional costs but also duplication of efforts. Therefore, the amalgamation of the Transferor Company with the Transferee Company, is expected to improve efficiency, result in operational rationalisation / synergy and achieve economy in operational costs and would be to the mutual advantage of both the companies.

5 AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- 5.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, intellectual property rights, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the orders of the High Court sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, business and undertaking(s) of the Transferee Company.

- 5.2 it is clarified that any statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 5.3 It is clarified that all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any Income earned from those assets.
- 5.4 The transfer of property and liabilities and the continuance of proceedings by the Transferee Company as stated above shall not affect any transaction or proceedings already concluded by the Transferor Company to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto as done and executed by the Transferee Company on behalf of itself.

6. CONSIDERATION

- 6.1 The entire equity share capital of the Transferor Company is held by the Transferee Company i.e., the Transferor Company is a wholly-owned subsidiary of the Transferee Company. Accordingly, pursuant to the amalgamation of the Transferor Company into the Transferee Company, no shares of the Transferee Company shall be allotted in respect of its holding in the Transferor Company, and the investments in the shares of the Transferor Company, appearing in the books of account of the Transferee Company as on the Appointed Date shall stand cancelled.

7. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

8. CONTRACTS, DEEDS, ETC.

- 8.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of Transferor Company, the Transferee Company had been a party thereto.
- 8.2 The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

9. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

- 9.1 The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and undertakings for and on account of and in trust for the Transferee Company;
- 9.2 The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence.
- 9.3 All the profits or income 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 deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 9.4 The Transferee Company 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 the Transferee Company may require to carry on the business of the Transferor Company.

10 EMPLOYEES OF THE TRANSFEROR COMPANY

- 10.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date on without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.
- 10.2 It is expressly provided that on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make

contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said Fund or Funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

11 ACCOUNTING TREATMENT FOR AMALGAMATION AND UTILISATION OF SECURITIES PREMIUM IN THE BOOKS OF THE TRANSFEE COMPANY

11.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books as given below.

- (i) All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at their respective book values.
- (ii) The amount of investments in the Transferor Company appearing in the books of account of the Transferee Company shall be credited in full.
- (iii) The amount of any inter-company balance / amounts between the Transferor Company and the Transferee Company, appearing in the books of account of the Transferee Company, shall stand cancelled.
- (iv) In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.
- (v) Surplus, if any, of the net assets acquired by the Transferee Company after making the adjustments stated in sub-clauses (i) to (iv) above, shall

be credited to "General Reserve" account; and Deficit, if any, of the net assets acquired by the Transferee Company after making the adjustments stated in sub-clauses (i) to (iv) above, shall be adjusted against the "Securities premium" account of the Transferee Company.

- (vi) The utilisation of Securities Premium (tantamount to reduction of capital) of the Transferee Company, referred to in the sub-clause (v), shall be effected as a part of this composite Scheme itself and not under a separate procedure in terms of sections 100 to 104 of the Act, and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- (vii) The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form to the shareholders of the Transferee Company.

12 WINDING UP

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.

13 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- (i) The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (ii) The certified copies of the order(s) of the High Court under sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Karnataka.
- (iii) Compliance with such other conditions as may be imposed by the High Court.

14 APPLICATION TO HIGH COURT

The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make applications to the High Court, where the registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning the Scheme, and for dissolution of the Transferor Company without being wound up.

15 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferee Company and the Transferor Company by their respective Board of Directors, or any person(s) or committee authorised / appointed by them, may carry out or assent to any modifications / amendments to the Scheme or to any conditions or limitations that the High Court and or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or the person(s) / committee). The Transferee Company and the Transferor Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

16 EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

17 COSTS, CHARGES AND EXPENSES

In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

SCHEDULE II

PART 1

(Insert a short description of the freehold property of the transferor company)

NIL

PART II

(Insert a short description of the leasehold property of the transferor company)

NIL

PART III

(Insert a short description of all stocks, shares, debentures and other charges in action of the transferor company)

NIL

- 116/110
- The date on which charges and additional charges if any, are called for
- The date on which charges and additional charges, if any, are deposited/paid
- The date on which the copy is ready 4/16/10
- The date of notifying that the copy is ready for delivery 4/16/10
- The date on which the applicant is required to appear on or before 8/6/10
- The date on which the copy is delivered to the applicant 05/6/10
- 1915

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

Dated this the 19th day of June, 2007

BEFORE

THE HON'BLE MR. JUSTICE N KUMAR

Company Petition No. 121 of 2006

BETWEEN:

MphasiS Limited

A company incorporated under the

Companies Act, 1956 and

Having its registered office

At 139/1, Hosur Main Road

Koramangala

Bangalore-560 095

Karnataka

... Petitioner

(By Sri S S Nagananda, Senior Advocate
for Amarchand & Mangaldas &. Suresha A
Advocates)

AND

NIL

... Respondent

(By Sri Shivaprabhu Hiremath, Advocate, for ROC;
Sri Basavaraj Belavangala, Advocate for Objector;
Y Hariprasad, Advocate for Objector)

This Company Petition filed Under Section 394 of the Companies Act, 1956, praying to sanction the Scheme of Amalgamation between Mphasis BFL (Transferee Company) Limited and EDS Electronics Data Systems India (Transferor Company) and etc.,

This Company Petition coming on for orders this day, the Court made the following :

ORDER

The petitioner has preferred this petition under Section 394 of the Companies Act, 1956 for sanctioning of the scheme of amalgamation.

2. The petitioner company is incorporated under the provision of the Indian Companies Act, 1956, for short hereinafter referred to as the “Act”. The registered office of the petitioner company is situate at Bangalore at No. 139/1, Hosur Main Road, Koramangala, Bangalore-560 095, Karnataka. The main object of the petitioner company as set in the Memorandum of Association is to manufacture either for its own use or for sale in India or for export outside India computer systems, computer peripherals and accessories, computer consumables like floppy disks / diskettes, hard disks, ribbons, etc., as set out in the Memorandum of Association. Annexure-B is the copy of the Memorandum and Articles of Association of the petitioner company. The authorized share capital of the company as on 18.8.2006 is 20 crores equity shares of Rs.10/- each amount to Rs. 200 crores. The issued, subscribed and paid capital is 161,859,420 equity shares of Rs. 10/- each amounting to Rs.1,618,594,200. The company has produced the true copy of the annual report for the financial year 2005-06 containing its balance sheet and audited financial statements as per Annexure-C. This company is hereinafter referred to as the “transferee company”.

3. The transferor company-E.D.S Electronic Data Systems (India) Private Limited was established with the object of carrying on business of providing services including management consulting, systems development, systems integration, systems management, process management and rendering management consultancy services of all kinds, etc., as clearly set out in the Memorandum of Association. A copy of the same is produced as Annexure-D. The share capital structure of the transferor company as on August 18, 2006 is 45,000,000 equity shares of Rs. 10/- each amounting to Rs.45 Crores and the issued, subscribed and paid up capital is 3,52,83,252 of Rs. 10/- each amounting to Rs.35,28,32,520/-. The financial statement of the transferor company for the year ended March 31, 2006 containing its

balance sheet has been produced as per Annexure-E.

4. The transferor company and the transferee company are part of Electronic Data Systems Corporation, a listed company incorporated under the laws of Delaware. The said E.D.S Group now desires to consolidate its interests in the information technology and business process outsourcing business in India in such a manner as to generate revenue, cost and other operating synergies that will benefit the customers, employees and shareholders of both the petitioner company and the transferor company. In order to achieve this objective the transferee company proposed to enter into a scheme under Sections 391 to 394 of the Companies Act, 1956 to amalgamate the transferor company with itself. After the scheme is made effective the transferor company will dissolve without the process of winding up. The salient features of the scheme are all clearly set out in Annexure-A, copy of the scheme.

5. The Board of Directors of the transferor company and the transferee company have passed resolutions dated 20.7.2006 and 26.7.2006 approving the scheme. The transferee company has passed a resolution on October 30, 2006 extending the time for implementation of the scheme.

6. The share exchange ratio for the scheme was computed and recommended by Deloitte Haskin and Sells, Chartered Accountants, Bangalore. The Board of Directors of both the companies have accepted the said valuation as it is fair and reasonable. Annexure-H is the valuation report.

7. The transferee company filed an application before this Court in C.A. No. 984/2006 seeking permission from this Court for convening the meeting of equity share holders to seek their approval to their scheme. By an order dated 13.10.2006 this Court directed that meeting of the equity shareholders of the petitioner company be held on 13.11.2006 to consider and if thought fit, approve, with or without modifications, the scheme. The meeting of the secured creditors and unsecured creditors was dispensed with. As directed by this Court, on Monday 13.11.2006 the meeting of the equity shareholders of the petitioner company was duly held at 9.30 am at The Taj West End Hotel, Bangalore. Mr. Jaithirth Rao acted as Chairman of the

said meeting. The said meeting of the equity shareholders was attended either in person or by proxy by 88 equity shareholders of the petitioner company. The Chairman put the resolution to vote. 66 equity share holders holding 11,66,99,560 equity shares representing 71.97% of the equity shares of the company and 99,999146% of the equity shares present and voting, voted in favour of the scheme. 6 equity share holders holding 157 equity shares, representing 0.0001% of the equity shares of the company and 0.000135% of the equity shares present and voting, voted against the scheme. Poll papers of 2 equity shareholders, holding 840 equity share, representing 0.00052% of the equity shares of the company and 0.00072% of the equity shares present and voting were declared invalid. The declared that the scheme was approved by requisite majority in number as well as in holdings at the meeting of the equity share holders and has reported the result of the meeting to this Court. Annexure-K is the Chairman's report.

8. The transferor company which is having its registered office at Bombay has also filed similar petition before the High Court of Bombay. By an order dated 2.2.2007 in Company Petition No. 663/ 2006 connected with Company Application No. 937/2006 the Court has approved the scheme of amalgamation with the transferee company subject to the order to be passed by this Court in this petition.

9. After entertaining this petition, notice was ordered to the Registrar of Companies. The petitioner was directed to take out advertisement in Hindu and Vijaya Karnataka. Accordingly, the petitioner has taken out the publication in the aforesaid two newspapers. In pursuance of the notice, the Registrar of Companies has entered appearance and filed his report / statement of objections. In pursuance of the public notice one of the equity share holder has entered appearance and has filed his statement of objections.

10. The main objection of the Registrar of Companies is that, on account of the amalgamation, the transferor company will be dissolved and only the transferee company exists and on account of the scheme of amalgamation the authorized capital of the transferee company gets increased. Therefore, the transferee company has to comply with the provisions of Sections 94 and 97 of the Companies Act, 1956 by

filing relevant returns with the Registrar of Companies with registration fee/filing fee. The Companies Act does not specifically exempt the transferee company on account of the scheme of amalgamation from payment of registration fee for increase of its authorized capital pursuant to the scheme of amalgamation. If such a course is permitted it will be against the provisions of the Companies Act. It involves substantial loss to the revenue and the State Government.

11. The grievance of the share holder who is opposing this petition is that, the company has not furnished the information and suppressed the same to the share holders. He objects to the valuation made by the petitioner as well as the exchange ratio of shares. Therefore, he has sought for rejection of the petition.

12. I have heard the learned counsel for the parties.

13. The first objection of the Registrar of Companies is that, the petitioner has to first comply with the mandatory requirement of Sections 94 and 97 before approaching this Court for amalgamation. In fact the said objection raised by the Registrar of companies was considered by the Andhrapradesh High Court in the case of ***SABOO LEASING (P) LIMITED in Re. reported in (2004) 52 SCL 681 (AP)*** where it was held as under:-

“10. The present scheme of arrangement or amalgamation if it is sanctioned by this Court, the certified copy of the order of this court is required to be filed before the Registrar within 30 days from the date of the order under sub-section (3) of section 394 of the Companies Act for the purpose of its registration. The object behind such intimation, which is required under law either under Section. 95 or under Section 97 or under Section 394(3) of the Companies Act, appears to be one and the same, Again the default in not filing certified copy of the order of this Court before the Registrar within 30 days entails penal consequences. Well, when the certified copy of the order sanctioning the scheme by this Court is required to be filed before the Registrar for the purpose of its registration, there is no reason as to why it shall not be treated as notice to the Registrar as envisaged under section 95 to 97 of the Companies Act. Inasmuch as, as discussed here in above, the object being the

same, the necessary changes that are required to be made in the concerned Register by the Registrar of companies can be effected after receiving the certified copy of the order of this Court sanctioning the scheme. The sanction of the scheme by this Court has its own effect. It is not a mere act of the parties individually and volitionally. The scheme upon being sanctioned by this Court, it becomes operational by virtue of the orders passed by this court. In other words, by operation of law, such changes would come into effect. Therefore, it has statutory genesis and statutory character, but not mere individual acts of the companies. In that view of the matter, no separate notice informing the Registrar under Section 95 or 97 of the Companies Act need be given, unlike the other cases which do not require the sanctions of the Court, in my considered view, inasmuch as the scheme is required to be sanctioned by this Court and such sanction is required to be registered with the Registrar of Companies by filing the certified copy of the order of this Court”.

14. Section 94 of the Act deals with the power of limited company to alter its share capital. If so authorised by its articles, alter the conditions of its memorandum by providing for increase of its share capital in any of the modes set out in this Section. However, the said power shall be exercised by the company in General Meeting. It need not be confirmed by the Court. Section 95 provides that if the share capital is increased, the company shall within 30 days after doing so, give notice thereof to Registrar specifying such increase in the share capital, to enable him to record the same and make any alterations in the company's memorandum or articles or both. Therefore, it is clear that the increase in the share capital has to be authorised in the articles of the company and the said power is to be exercised in General Meeting and thereafter it has to be brought to the notice of the Registrar within 30 days after doing so, to enable him to make necessary entry in the records. These provisions ipso facto do not apply to a case of increase of share capital of a company on account of amalgamation. Sections 391 to 394 which deals with amalgamation, reconstruction of companies do not provide for compliance of Sections 94 to 97 in the event of an increase in the share capital on account of amalgamation. The increase of share capital in the case of amalgamation comes into effect only after the Court passes an order according sanction to the scheme of amalgamation. When such a scheme of amalgamation is approved in the General Meeting of the share holders,

there is substantial compliance of Section 94. A certified copy of the order of the Court is to be filed before the Registrar within 30 days from the said order, which would operate as a notice contemplated under sub-section (1) of Section 95 and 97 of the Act. Thus, in the scheme of the Act, the provisions of Sections 94 to 97 are also complied with. There is no infraction of the said provision.

15. The second objection raised was that without paying the requisite fee/stamp duty on the enhanced share capital, enhancement of share capital cannot be permitted. This question also has been considered by various High Courts.

16. In the case of **JAYPEE CEMENT LIMITED [(2004) 122 COMPANY CASE 854]** it was held that, upon the merger authorised share capital of JPI shall stand combined with the authorised share capital of JPC. According to the Regional Director, this amounts to increase of the authorised capital of JPC, which cannot be done without paying the requisite fee / stamp duty to the Government. In reply to this objection, it was submitted on behalf of JPC that the fee / stamp duty is nominal and has a maximum limit which the JPC is prepared to pay. But, it was submitted that the requisite fee has already been paid on the authorised capital of JPI and merely because of its merger with JPC, there is no reason why the same fee should be paid again by JPC on the same authorised capital. Accepting the said contention it was held that, the submission has force and no good reason has been shown why the two merged companies should be required to pay duty again on the same authorised capital on which duty has already been paid by the JPI. Regarding the increase of authorised share capital by merger of the authorised capitals of the two companies, an order can be passed under Section 391 of the Companies Act itself.

17. Again the Bombay High Court in the case of **VASANT INVESTMENT CORPORATION LIMITED vs. OFFICIAL LIQUIDATOR [(1981) 51 COMPANY CASES 20]** has held that, the whole purpose of section 391 is to reconstitute the company without the company being required to make a number of applications under the Companies Act for various alterations which may be required in its memorandum and articles of association for functioning as a reconstituted company under the scheme. In fact a similar view was taken by the Bombay High

Court in the case of ***PMP, AUTO INDUSTRIES LIMITED [(1994) 80 COMPANY CASES 289]***. After relying on the aforesaid judgment the Allahabad High Court in the case of ***SURYA COMMERCIALS LIMITED[(2007)137 COMPANY CASES 3.25][ALL]*** held that, since the combined authorised capital does not exceed the authorised capital of the two companies, no further fees or stamp duty is required to be paid. The authorised share capital of the transferee company would be sufficient to allot shares to the members of the transferor company upon addition of authorised capital of the transferor company as provided in the scheme. The said judgment has been followed by the High Court of Andhrapradesh in several judgments.

18. Thus, the law on the point is well settled. Upon the merger of the transferor company with the transferee company under a scheme of amalgamation, the share capital of the transferor company is combined with the share capital of the transferee company. This amounts to increase of the authorised share capital of the transferee company. The said combined authorised share capital of the transferee company is sufficient to allot shares to the members of the transferor company. The transferor and transferee company have already paid requisite fee/ stamp duty on the authorised share capital of the respective companies. Therefore, in reality there is no increase in the share capital of the transferee company so as to attract payment of any additional fee/ stamp duty. There is no obligation or reason for the two amalgamated companies to pay duty again on the same authorised capital on which they have already paid the duty.

19. The objection of the sole share holder who is opposing the scheme is that he was not given three years balance sheet. In fact he did not attend the meeting at all. In reply to his notice he was informed by the company to come to the registered office of the company and have a look at all the documents which he wanted, which he failed to do. Under those circumstances when there is no statutory obligation on the part of the company to make available the balance sheet and accounts for a period of three years, when admittedly they applied the latest balance sheet with all annexures, the conduct of the objector is not fair, Therefore, the majority decision taken by the equity share holders is just and fair and it would legitimately bind even a dissenting member of the class including the objector before this Court.

20. As per the proposed scheme the transferee company shall allot 5 (five) fully paid up equity shares of Rs. 10/- each that of the transferee company to every 4 (four) fully paid up equity shares of Rs. 10/- each of the transferor company. The same is based on the recommendation by Deloitte Haskin and Sells, Chartered Accountants, Bangalore. The Board of Directors of both the companies have accepted the said valuation as fair and reasonable. Once the exchange ratio of the shares of the transferee company to be allotted to the shareholders of the transferor company has been worked out by a recognised firm of chartered accountants who are experts in the field of valuation and if no mistake can be pointed out in the said valuation, it is not for the Court to substitute its exchange ratio, especially when the same has been accepted without demur by the overwhelming majority of the shareholders of the two companies or to say that the shareholders in their collective wisdom should not have accepted the said exchange ratio on the ground that it will be detrimental to their interest. It is not open to this Court to sit as a court of appeal and decide sitting in judgment over the commercial wisdom of the share holders.

21. From the aforesaid facts set out above and the material on record it is clear that all the requisite statutory procedure for supporting such a scheme has been complied with and that the requisite meetings as contemplated under Section 391 have been held. All necessary material intended by Section 393 is placed before the voters in the meeting as contemplated under Section 391(1), to enable the voters to arrive at an informed decision for approving the scheme in question. The scheme is backed up by the requisite majority votes as required under sub-section (2) of Section 391. The two secured creditors of the company have given their consent for the amalgamation in writing. Similarly, all the requisite material contemplated by the proviso to subsection (2) of Section 391 is placed before the Court by the petitioner seeking sanction for such a scheme. The terms of the scheme of amalgamation indicate that with effect from the appointed day all debts, liabilities, duties and obligations of the transferor companies and any accretions and additions or deletions thereto after the appointed date shall without any further act or instrument or deed stand transferred and vested in or be deemed to be transferred to and vested in the transferee company so as to become as and from that date, the debts, liabilities, duties and obligations of the transferee company. Upon the scheme being sanctioned and

becoming finally effective the transferee company shall allot 5 (five) fully paid up equity shares of Rs.10/- each of the petitioner for every (4) four fully paid up equity shares of Rs.10/- each of the transferor company. Thus, the interest of the share holders is fully taken care of. All the employees of the transferor company wherever applicable in service on the effective date shall become the employees of the transferee company on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to the concerned transferor company. In fact no employee of the transferor company has appeared before this Court to oppose the scheme of amalgamation. Thus, the interest of the employees of the transferor company is also taken duly care of. The scheme do not contravene any law. The affairs of the transferee company is not conducted in a manner detrimental to the interests of the share holders and creditors of the company. Under these circumstances, a case for according sanction for the scheme of amalgamation proposed by the petitioner is hereby made out. Hence, I pass the following order:-

1) The scheme of amalgamation-Annexure-A proposed by the petitioner company is hereby sanctioned and it will be binding on the petitioner company, its share holders and creditors.

(2) The petitioner shall file the certified copy of the order with the Registrar of Companies within thirty days from the date of receipt of a copy of this order.

(3) Office is directed to draw up decree in Form No. 42.

(4) No costs.

Sd/-
Judge



"TRUE COPY"

S K Lalitha Devi
ILC Section Officer 26/7/07
High Court of Karnataka
Bangalore-560 001.

- (a) The date on which the application was made. 25.07.07
- (b) The date on which charges and additional charges if any are called for. 25.07.07
- (c) The date on which charges and additional charges, if any are deposited/paid. 25.07.07
- (d) The date on which the copy is ready. 26.07.07
- (e) The date of notifying that the copy is ready for delivery. 26.07.07
- (f) The date on which the applicant is required to appear on or before. 30.07.07
- (g) The date on which copy is delivered to the applicant. 26.07.07
- (h) Examined by. Kumari M.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.663 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.957 OF 2006

In the matter of Petition under section 391 to 394 of the
Companies Act, 1956:

and

In the matter of the Scheme of Amalgamation between EDS
Electronic Data Systems (India)
Private Limited with Mphasis Limited.

EDS Electronic Data Systems
(India) Private Limited

.. Petitioner

Shri.Virag Tulzapurkar with Shri.Tapan Deshpende i/b. Amarchand Mangaldas &
S.A.Shroff & Co. for the petitioner.

Shri.C.J. Joy with Shri.Parag Vyaz i/b. P. Kapoor for R.D.

Mrs.K.V.Gautam, Dy.O.L.

CORAM: S.C. DHARMADHIKARI. J.
DATE : 2ND FEBRUARY, 2007.

P.C.:

1. This is a petition by the transferer company seeking sanction to the scheme of amalgamation with the transferee company M/s. Mphasis Limited. The transferee company's petition has been filed in the Karnataka High Court and subject to the orders passed therein, this petition is taken up for hearing and final disposal.

2. Shri. Tulzapurkar, learned senior counsel appearing for the petitioner pointed out that the petitioner has complied with all the statutory requirements and pre-requisites. The meetings have been dispensed with but individual notices have been served on all including the unsecured creditors.

3. Shri. Tulzapurkar, then points out that salient features of the scheme are set out in the petition. A copy thereof is annexed to the petition. All relevant particulars are disclosed on oath. The latest financial position is also made available. The declarations as are necessary in law have been given on oath. A copy of the petition along with annexures thereto has been served on the R.D. and the R.D. has filed an affidavit which states that the R.D. has no objection to this Court sanctioning the scheme because the same is not prejudicial to the interest of creditors, shareholders and general public.

4. Similarly, the O.L. has also forwarded his report and relying upon the comments of the C.A., who has scrutinised the books of accounts and related papers, the O.L. has stated that the affairs of the transferor company are conducted in a manner prejudicial to its members or to the general public.

5. In the above circumstances, the Company Petition No.663 OF 2006 is made absolute in terms of prayer clauses (e) to (g). Cost of R.D. and O.L. quantified at Rs.2,500/-. Drawn up order dispensed with. All concerned to act on authenticated copy of this order and the scheme.

(S.C. Dharmadhikari. J)

Applied on 3-2-07
Engrossed on 8-2-07
Section Writer. b
Folios 3p
Examined by eng
Compared with b
Ready 29 FEB 2007
Delivered on 9-2-07

68 FEB 2007

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 05TH DAY OF JULY, 2010

BEFORE

THE HON'BLE MR. JUSTICE H.N. NAGAMOHAN DAS

COP.No.84/2010

BETWEEN :

MPHASIS LIMITED
BAGMANE TECHNOLOGY PARK,
BYRASANDRA,
C.V.RAMAN NAGAR.
BANGALORE — 560 093.
COMPANY.

..PETITIONER

(BY Sri A. MURALI & Sri J.SAGAR ASSOCIATES, ADV.)

AND:

NIL

.

..RESPONDENT

(BY Sri M.SWAYAM PRAKASH, CGC FOR ROC)

THIS COMPANY PETITION IS FILED UNDER SECTION 391 TO 394 R/W SECTIONS 78,100 TO 104 OF THE COMPANIES ACT, 1956 PRAYING TO SANCTION THE SCHEME OF AMALGAMATION ANNEXURE-A IN THE PETITION SO AS TO BE BINDING ON THE PETITIONER COMPANY AND ETC.

THIS COMPANY PETITION COMING ON FOR ORDERS
THIS DAY, THE COURT MADE THE FOLLOWING;

ORDER

This petition is filed under Sections 391 to 394 of the Companies Act, 1956 ('the Act'), by the petitioner for sanction of the Scheme of Amalgamation at Annexure-A by which MphasiS FinSolutions Private Limited (Transferor company) is proposed to be merged with the petitioner company - MphasiS Limited (Transferee company).

2. The Petitioner - Company was incorporated on 10.08.1992 under the name and style BFL Software Limited in the State of West Bengal. Subsequently, the registered office of the company was shifted from West Bengal to Karnataka vide an order of the Company Law Board, Eastern Region. The name of the company was thereafter changed to MphasiS BFL Limited and subsequently changed to MphasiS Limited and a fresh certificate of incorporation was issued on 24.11.2006 bearing the registration as L30007KA1992PLC025294.

3. The registered office of the petitioner - company is situated at Bagmane Technology Park, Byrasandra, C.V.Raman Nagar, Bangalore-560 093. The authorised share capital of the petitioner - company is Rs.245,00,00,000(Rupees Two Hundred and Forty Five crores only) divided into 24,50,00,000(Rupees Twenty four crores fifty lakhs only) fully paid up equity shares of Rs.10/- each and the issued and subscribed capital is Rs.209,59,64,210(Rupees Two Hundred and Nine Crores Fifty Nine Lakhs Sixty Four Thousand Two Hundred and Ten only) and paid-up share capital was Rs.209,57,08,210(Rupees Two hundred and nine crores fifty seven lakhs eight thousand two hundred and ten only) divided into 20,95,70,821(Twenty crores, ninety five lakhs seventy thousand eight hundred and twenty one) fully paid-up equity shares of Rs.10/- each.

4. The petitioner - company was incorporated to carry on the business among others, to manufacture computer systems, computer peripherals and accessories, develop application softwares, and to run electronic data processing centres and morefully described in the Memorandum and Articles of Association of the petitioner company furnished at Annexure-B to the petition. The latest audited balance sheet for the year ending 31.10.2009 is produced as Annexure C. The petitioner - company is a profit making company as per the Balance sheet.

5. The Board of Directors of the petitioner - company has approved and adopted a Scheme of Amalgamation in its meeting held on 24.11.2009 by virtue of which the Transferor Company is proposed to be merged with the petitioner - company.

6. The petitioner - company was directed to hold/convene the meeting of the equity shareholders and a common meeting of secured and unsecured creditors of the petitioner-company vide order dated 17.2.2010 passed in Company Application No.46/2010 and the said order was modified by this court vide order dated 3.3.2010 passed in C.A.No.129/2010 and further corrected the typographical error as per order dated 8.4.2010 passed in CA.No.211/2010, for the purpose of considering and if thought fit approving with or without modification the Scheme of Amalgamation, whereunder the Transferor company is proposed to be merged with the petitioner company. The Chairman appointed by this court convened the said meetings on 7.4.2010 and his report regarding the result of the said meetings.

7. The Transferor company was incorporated on 13.6.2002 under the name and style AIG Systems Solutions Private Limited in the State of Tamilnadu bearing registration No.U72400TN2002PTC04891 having its registered office at 7th floor, Olympia Technology Park, FORTIUS, 1 SICDO Industrial Estate, Guindy, Chennai 600 032. Subsequently, its name has changed to MphasiS FinSolutions Private Limited and the registered office changed to “The Lords II”, Northern Extension Area, Ekkatuthangal, Thiru-ViKa Industrial Estate, Guindy, Chennai 600 032. The transfer company was incorporated with main objects to carry on the business among others, of electronic data processing services in the field of information technology services.

8. The Transferor company is a wholly owned subsidiary of the petitioner company, upon the scheme becoming effective, no shares of the petitioner company will be allotted to the shareholders of the Transferor company and the transferor company will be dissolved without winding up.

9. This court directed the petitioner to take out publication in the Hindu English daily and in Kannada Prabha, Kannada daily published from Bangalore on or before 5.5.2010 fixing the date of hearing as 2.6.2010, also ordered to issue notice to the Regional Director. Accordingly, the petitioner - company has carried out the advertisement and furnished the copies of the The Hindu and Kannada Prabha dated 30.4.2010 along with memo dated 24.5.2010. Pursuant to the notice issued to the Registrar of Companies, Bangalore has filed an affidavit dated 19.6.2010 on behalf of the Regional Director with the following observation:

“As regards the accounting treatment prescribed in Clause 10.3 of the scheme, petitioner may be advised to transfer the surplus to the Capital Reserve instead of General Reserve in accordance with Accounting Standard-14”

10. The petitioner - company has filed affidavit dated 28.6.2010 undertaking to comply with the observation made by the Regional Director.

11 . Pursuant to the advertisement of the hearing of the petition none of the shareholders, creditors, employees or any other persons have appeared before Court to oppose the Scheme of Amalgamation.

12. All the employees of the Transferor company in service on the effective date shall become the employees of the Transferee company on such date without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with the Transferor company. As already noticed supra no employee of the Transferor company has appeared before the court to oppose the scheme of amalgamation. The shareholders and creditors have approved the scheme - Annexure-A with requisite majority.

In the circumstances, the petitioner has made out a case for sanctioning the scheme of amalgamation - Annexure-A. Hence the following order:

- (i) Petition is hereby allowed.
- (ii) The Scheme of Amalgamation - Annexure-A proposed by the Transferee company is hereby sanctioned and binding on the petitioner, its shareholders and creditors subject to compliance of observations made by the Regional Director and sanctioning of the Scheme by the High Court of Judicature at Madras.
- (iii) Petitioner shall serve a copy of this order on the Registrar of companies in the State of Karnataka and also in the State of Tamil Nadu within 30 days from the date of receipt of copy of this order.

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORIGINAL JURISDICTION)

Friday, the 17th day of September, 2010.

THE HON'BLE MR.JUSTICE K.VENKATARAMAN

COMP.PETN.N0.62 OF 2010

In the matter of companies Act, 1956
and
In the matter of sections 391 to 394 of the Companies Act,
1956
and
In the matter of MphasiS Finsolutions Private Limited
and
In the matter of Scheme of Amalgamation of
MphasiS FinSolutions Private Limited
with MphasiS Limited

C.P.NO.62/2010:

MphasiS FinSolutions Private Limited
having its Registered Office at
The Lords II, Northern Extn. Area,
Ekkatuthangal, Thiru-Vi-Ka Industrial
Estate, Guindy, Chennai 600 032
represented by Iyer Shobha Narayanan
Company Secretary. .. Petitioner/
Transferor Company

This Company Petition praying this Court:-

- a) That the Scheme of Amalgamation of MphasiS FinSolutions Private Limited with MphasiS Limited, be sanctioned by the High Court with effect from 1st November 2009 so as to be binding on all the shareholders and creditors of the Petitioner Company namely, Mphasis FinSolutions Private Limited, and on the said Petitioner Company.
- b) That the Petitioner Company, namely, MphasiS FinSolutions Private Limited, be dissolved without winding up.

This Company Petition coming on this day before this court for hearing in the presence of Mr. P.H. Arvindhpandian, Advocate for the Petitioner in Company Petition No.62/2010, and Ms.Vijaya Geetha Bharatha Matha, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and Mr.M.Jayakumar, Deputy Official Liquidator for Official Liquidator, High Court, Madras, and upon reading the Company Petition No.62/2010, and the affidavit dated 1.9.2010 of B.K.Bansal, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and the advertisement of the company petition having been made in one issue of English Daily "The Hindu Business Line" dated 29.3.2010, and also in one issue of Tamil Daily "Malai Murasu" dated 30.3.2010, and this Court having dispensed with the convening, holding and conducting of the meeting of the equity shareholders of the Applicant company by an order dated 22.2.2010 and made in C.A.No.391 of 2010, and the orders herein dated 18.3.2010, and order dated 5.7.2010 and made in COP.No.84 of 2010 by the High Court of Karnataka at Bangalore, and on perusal of the report of the Official Liquidator, High Court, Madras summarising the report of the Chartered Accountant, to the effect that the affairs of the transferor company had not been conducted in a manner prejudicial to the interest of its members or to the public interest, and this Court doth hereby sanction the Scheme of Amalgamation annexed hereunder with effect from 1.11.2009 and declare the same to be binding on all the shareholders and creditors of the said company, and the said company, THIS COURT DOTH FURTHER ORDER AS FOLLOWS:—

(1) That, the Petitioner Company herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Amalgamation or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out this Scheme of Amalgamation annexed hereunder.

(3) That the Transferor Company viz., MphasiS FinSolutions Private Limited shall be dissolved without being wound up.

(4) That Ms. Vijaya Geetha Bharatha Matha, Additional Central Government Standing Counsel shall be entitled to a fee of Rs.2500/- (Rupees two thousand and five hundred only) payable by the transferor company viz., M/s. MphasiS FinSolutions Private Limited.

ANNEXURE:

SCHEME OF AMALGAMATION

OF

MphasIS FinSolutions Private Limited (Transferor Company)

With

MphasiS Limited (Transferee Company)

And

THEIR RESPECTIVE SHAREHOLDERS

[Under Section 391 to 394 read with section 78 and sections 100 to 104 of the Companies Act, 1956]

The Scheme is divided into the following parts:

- (a) **Part 1** deals with the Definitions and Share capital;
- (b) **Part 2** deals with the Amalgamation of MphasiS FinSolutions Private Limited with MphasiS Limited.
- (c) **Part 3** deals with Reduction of Securities Premium Account of MphasiS Limited as on November 1, 2009;
- (d) **Part 4** deals with General Terms and Conditions that will be applicable to the entire Scheme.

PART 1

1. DEFINITIONS

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

- a) **“Act”** means the Companies Act, 1956 and any amendments and/or re-enactment thereof, for the time being in force;
- b) **“Appointed Date”** means the commencement of business from November 01, 2009;

- c) **"Assets"** shall mean all the business, undertakings, estates, assets, properties, rights, titles and interests of whatsoever nature and kind and wheresoever situated (in India or abroad), of the Transferor Company as on the Appointed Date and thereafter, including but not limited to-
- i. all assets, moveable and immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent of whatever nature and wheresoever situate, free hold or lease hold, fixed or current, including capital works in progress, computers & telecommunication equipments, computer hardware, software and programmes, plant & machinery, office equipments, furniture & fixtures, vehicles, sundry debtors, cash & bank balances, loans & advances, deposits, buildings, godowns, warehouses, offices, inventories, bills of exchange, peripherals and accessories, receivables, service tax and other future tax input credit, investments, goodwill, investment in shares, debentures, bonds, mutual funds etc.
 - ii. all the registrations, permits, quotas, rights, entitlements, industrial and other licences, concessions, exemptions, no- objection certificates and certifications, incentives, reserves, deposits, provisions, funds, subsidies, grants, tax credits, approvals, authorisations, consents, tenancies, roof rights, trade marks, service marks, patents, copyrights, all intellectual property rights and licences thereunder, know-how, technical know-how, permits, designs, patterns, inventions, leasehold rights, leases, tenancy rights privileges, trade names, descriptions, trading style, franchises, labels, label designs, color schemes, utility models, holograms, bar codes, all other rights, benefits and entitlements including sales tax deferrals and other benefits, lease rights (including the benefit of any applications made thereof), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, e-mail connections, communication facilities and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements including lease rights, benefits under letter of credit, guarantees, letters of comfort etc. issued for the benefit of the Transferor Company, benefits under government schemes, deferred tax benefits

and other benefits accruing on account of past expenditure and all such other interests/benefits;

iii. all earnest moneys and/or security deposits;

iv. all records, files, papers, engineering and process information, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and all other records pertaining to business;

- d) **“Companies”** means the transferee Company and the Transferor Company collectively;
- e) **“Courts”** means the Hon’ble High Court of Karnataka and the Hon’ble High Court of Judicature at Madras;
- f) **“Effective Date”** means the last date on which certified copies of the orders of the Hon’ble High Court of Karnataka at Bangalore and Hon’ble High Court of Judicature at Madras confirming this Scheme are filed with the Registrar of Companies, Karnataka at Bangalore and Registrar of Companies at Chennai. References in this Scheme to the date of "coming into effect of this Scheme" or “effectiveness of this Scheme" shall mean the Effective Date.
- g) **"Liabilities"** shall mean all the debts, secured and unsecured loans, liabilities, responsibilities, obligations, provisions and duties of the Transferor Company, including all obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, leave, provident fund, sales tax, service tax and other statutory dues as on the Appointed Date and thereafter;
- h) **“Shareholders”** means the persons registered as holders of equity/ shares of the respective Companies concerned;
- i) **"Scheme" or “the Scheme” or "this Scheme"** means this Scheme of Amalgamation and Arrangement in its present form or with any modifications made under Clause 15 of the Scheme as approved or directed

by the Hon'ble High Court of Judicature at Madras and Hon'ble High Court of Karnataka at Bangalore or any other appropriate authority;

- j) **“Transferee Company”** means “MphasiS Limited” a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bagmane Technology Park, Byrasandra, C. V. Raman Nagar, Bangalore - 560 093;
- j) **“Transferor Company”** means “MphasiS FinSolutions Private Limited” a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at The Lords II, Northern Extn. Area, Ekkatuthangal, Thiru-vi-Ka Industrial Estate, Guindy, Chennai, 600032;

2. DATE OF COMING INTO EFFECT

2.1 Though the Scheme shall become effective on the Effective Date, the provisions of this Scheme shall be applicable and comes into operation from the Appointed Date.

3. SHARE CAPITAL

3.1 The Share Capital structure of the Transferor Company as at October 31, 2009 is as follows:

<u>Authorised Share Capital</u>	Rs.3,00,00,000 (Rupees Three Crores Only)
<u>Issued and Subscribed Capital</u>	Rs.2,31,04,990 (Rupees Two Crores, Thirty One Lakhs, Four Thousand, Nine Hundred and Ninety Only)

3.2 The Share Capital structure of the Transferee Company as at October 31, 2009 is as follows:

<u>Authorised Share Capital</u>	Rs.245,00,00,000 (Rupees Two Hundred and Forty Five Crores Only)
<u>Issued and Subscribed Capital</u>	Rs.209,57,08,210 (Rupees Two Hundred and Nine Crores, Fifty Seven Lakhs, Eight Thousand, Two Hundred and Ten Only)

PART 2

Amalgamation of MphasiS Finsolutions Private Limited with MphasiS Limited

4. TRANSFER AND VESTING OF ASSETS AND LIABILITIES

- 4.1 With effect from the Appointed Date, the entire business and the whole of the undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 391 to 394 of the Act and other applicable provisions of law for the time being in force and pursuant to the orders of the High Court of Karnataka or Hon'ble High Court of Judicature at Madras or any other appropriate authority sanctioning this Scheme and without any further act, instrument or deed but subject to the charges affecting the same as on the Effective Date, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company on the Appointed Date, on a going concern basis, so as to become as and from the Appointed Date, the business, undertaking, estate, assets, properties, rights, title and interests of the Transferee Company, but subject to all charges, liens, mortgages, if any, then affecting the same or part thereof.
- 4.2 All Assets of Transferor Company shall without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 391 to 394 of the Act or other provisions of law as applicable.
- 4.3 All debts, outstandings and receivables of the Transferor Company shall accordingly, on and from the Appointed Date and upon the Scheme becoming effective, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company after the Effective Date.

- 4.4 All Assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for the purposes of its business shall also be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme.
- 4.5 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company and the rights and benefits under the same and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Company, be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the Statutory and other authorities concerned in favour of the Transferee Company, in so far as the various incentives, sales tax deferral benefits, subsidies (including applications for subsidies), available tax credits, rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, (including without limitation, tax holiday under Section 10A or 10B or SEZ scheme of the Income Tax Act, 1961, as the case may be), granted by any Government body, local authority or by any other person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed vest with and be available to the Transferee Company on the same terms and conditions.
- 4.6 Upon the Scheme becoming effective, in accordance with the provisions of the Income Tax Act, 1961 and the Central Excise Rules, 1944, as are prevalent at the time of sanction of the Scheme, all Minimum Alternate Tax ("MAT") credit, MODVAT credit and/or CENVAT credit lying unutilized in the Transferor Company's accounts and records in respect of income, services, inputs and capital goods, shall stand transferred to and be available to the Transferee Company as if the same were the MAT credit, MODVAT credit and CENVAT

credits unutilized in the Transferee Company's accounts and records.

- 4.7 It is clarified that, upon the coming into effect of the Scheme, all the Liabilities and obligations of the Transferor Company shall, without any further act or deed stand transferred to the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans or incurred such borrowings and the Transferee Company undertakes to meet, discharge and satisfy the same.
- 4.8 Where any of the Liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all Liabilities and obligations incurred by the Transferor Company for the purposes of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations.
- 4.9 Upon the coming into effect of this Scheme, insofar as the security in respect of the Liabilities of the Transferor Company as on the Appointed Date are concerned, it is hereby clarified that any reference in any security documents or arrangements to which the Transferor Company is a part, to such assets of the Transferor Company offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of para 4.1 to the end and intent that-such security, mortgage and/or charge 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. The concerned secured creditors shall continue to have the security cover in respect of such assets forming part of the business of the Transferor Company; provided however that this clause or the Scheme in general shall not operate to

create any further or additional security there for after the Effective Date or otherwise.

- 4.10 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee company in terms of Section 293(1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Transferor company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.
- 4.11 The provisions at this Clause insofar as they relate to the transfer of Liabilities to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 4.12 To the extent that there are any loans, outstandings or balances due from the Transferor Company to the Transferee Company or vice versa, the obligations in respect thereof shall be extinguished upon the merger of interest between the creditor and debtor and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 4.13 With effect from the Appointed Date and upon the Scheme becoming effective, the unabsorbed depreciation and loss of the Transferor Company shall be treated as the unabsorbed depreciation and losses of the Transferee Company as on the Appointed Date and the Transferee Company shall be entitled to carry forward such losses and unabsorbed depreciation as losses and unabsorbed depreciation of the Transferee Company.
- 4.14 It is clarified that all taxes payable by the Transferor Company, relating to its entire undertaking, from the Appointed Date onwards including all or any refunds and claims, shall, for the purposes, be treated as the tax liabilities and refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company, if required, is expressly permitted to revise its tax returns, service tax

returns, VAT/sales tax returns, excise, MODVAT and/or CENVAT returns, and any other returns, and to claim refunds and/or credits, pursuant to the provisions of this Scheme.

4.15 Upon the Scheme becoming effective, the Transferee Company, if required, is also expressly permitted to revise its income-tax returns, and to claim advance tax, withholding tax credits and all such other relevant credits of the Transferor Company, pursuant to the provisions of this Scheme.

4.16 It is hereby clarified that, in accordance with the accounting specified under Accounting Standard 14 for Accounting of Amalgamation under pooling of interest method, all Assets and Liabilities of the Transferor Company shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor company as of the close of business hours on the date immediately preceding the Appointed Date.

5. BUSINESS AND PROPERTY IN TRUST FOR TRANSFeree COMPANY/CONDUCT OF BUSINESS

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

- a) the Transferor Company shall be deemed to have been carrying on all business and activities of the Transferor Company and stand possessed of the assets, rights, title, interest and authorities of the Transferor Company for and on account of, and in trust for, the Transferee Company; and
- b) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes, if any, thereon), relating to the Transferor Company, shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.

5.2 The Transferor Company undertakes that it will from the date of approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company, or the Appointed Date, whichever is earlier, and up to and including the Effective Date preserve and carry on the business of the Transferor Company with diligence and prudence and agrees that it will not, in any material respect,

without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferor Company or any part thereof except in the ordinary course of business or undertake substantial expansion of the Transferor Company, other than expansions which have already been commenced.

6. SAVING OF CONCLUDED TRANSACTIONS

- 6.1 The transfer and vesting of the assets, liabilities and obligations of the Transferor Company and continuance of the proceedings by or against the Transferee Company shall not in any manner affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that the Transferee Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

7. CONSIDERATION

- 7.1 Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme being sanctioned by the Hon'ble High Court of Karnataka at Bangalore and Hon'ble High Court of Judicature at Madras and the investments in the shares of the Transferor Company, appearing in the books of the Transferee Company as on the Appointed Date will be cancelled and there will be no issue and allotment of shares of the Transferee Company to the shareholders of the Transferor Company upon this Scheme becoming effective.

8. WINDING-UP OF THE TRANSFEROR COMPANY

- 8.1 Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound-up.

PART - 3

REDUCTION OF SECURITIES PREMIUM ACCOUNT OF MPHASIS LIMITED

9. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE TRANSFEREE COMPANY AS ON THE APPOINTED DATE

- 9.1 Upon the coming into effect of the Scheme in order to reflect the true valuation and operational results of the Transferee Company, the Securities Premium Account of Rs. 166,93,57,464 (Rupees One Hundred and Sixty Six Crores, Ninety Three Lakhs, Fifty Seven Thousand, Four Hundred and Sixty Four only) of the Transferee Company, as on the Appointed Date, will be reduced by writing down/write-off and adjusted against goodwill or intangibles, as the case may be, accounted at the time of acquisition of the Transferor Company amounting to Rs. 17,34,68,380/- (Rupees Seventeen Crores, Thirty Four Lakhs, Sixty Eight Thousand, Three Hundred and Eighty Only).
- 9.2 Accordingly, the Securities Premium Reserve of the Transferee Company will stand reduced to Rs. 149,58,89,084 (Rupees One Hundred and Forty Nine Crores, Fifty Eight Lakhs, Eight Nine Thousand and Eighty Four Only) after adjustment and set-off of the aforesaid aggregate sum of Rs. 17,34,68,380/- (Rupees Seventeen Crores, Thirty Four Lakhs, Sixty Eight Thousand, Three Hundred and Eighty Only).
- 9.3 The utilisation of the Securities Premium (which tantamounts to reduction of capital) of the Transferee Company, shall be effected as a part of this composite Scheme itself and not under a separate procedure in terms of Section 100 to 104 of the Act, and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- 9.4 The reduction of capital of The Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in other form to the shareholders of the Transferee Company.
- 9.5 The reduction of share capital does not cause any prejudice to the creditors of the Transferee Company. The reduction of capital does not involve diminution of

PART - 4

any liability in respect of unpaid share capital. The creditors of the Transferee Company are also in no way affected by the proposed reduction of the share capital as there is no reduction in the amount payable to any of the creditors no compromise or arrangement is contemplated with the creditors and there is no significant reduction in the security, which the creditors may have in the Transferee Company. Further, the proposed reduction of share capital would not in any way adversely affect the ordinary operations of the Transferee Company or the ability of the Transferee Company to honor its commitments or to pay its debts in the ordinary course of business.

GENERAL TERMS AND CONDITIONS

10. ACCOUNTING TREATMENT

ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEE COMPANY

- 10.1 On the scheme becoming effective, the Transferee Company shall account for the amalgamation under the scheme in its accounts in accordance with Accounting Standard -14, issued by the Institute of Chartered Accountants of India.
- 10.2 In terms of Part 3 of the Scheme corresponding adjustments will be made in the consolidated financial statements of Transferee Company, to the extent securities premium account is reduced in terms of this Scheme in the stand-alone financial statements of Transferee Company.
- 10.3 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books as given below.
 - a) All the assets and liabilities recorded in the books of the Transferor Company shall be recorded by the Transferee Company at their respective book values.
 - b) The amount of investments in the Transferor Company appearing in the books of account of the Transferee Company shall be credited in full.
 - c) The amount of any inter-company balance / amounts between the

Transferor Company and the Transferee Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

- d) In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.
- e) Surplus, if any, of the net assets acquired by the Transferee Company after making the adjustments stated in sub-clauses i. to iv. above, shall be credited to "General Reserve" account; and
- f) Deficit, if any, of the net assets acquired by the Transferee Company after making the adjustments stated in sub-clauses (i) to (iv) above, shall be adjusted against the "Securities premium" account of the Transferee Company.
- g) The utilisation of Securities Premium (tantamount to reduction of capital) of the Transferee Company, referred to in the sub-clause e), shall be effected as a part of this composite Scheme itself and not under a separate procedure in terms of sections 100 to 104 of the Act, and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- h) The reduction of capital of the Transferee Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form to the shareholders of the Transferee Company.

11 STAFF, WORKMEN AND EMPLOYEES

- 11.1 On the scheme becoming operative all employees of the Transferor Company, if any, in service on the Effective Date, shall be deemed to have become employees of the Transferee Company in such position, level and designation as may be determined by the Transferee Company, without any break or interruption in their service, and on the basis of continuity of service. The Transferee Company agrees that for the purpose of payment of any

compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

11.2 It is expressly provided that, on the scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the transferor company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company and the accounts of the employees, who are employed by the Transferor Company and who fall under Clause 10.1 above, relating to the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of the Transferee Company and the employees shall be deemed to have become members of such trusts/funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that, for the purpose of the said Fund or Funds, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

11.3 The income~tax and other benefits available to the provident fund, gratuity fund, pension and/or superannuation fund and to the employees covered by the-provident fund, gratuity fund, pension and/or superannuation fund of the Transferor Company and the Transferee Company shall continue to be available after the merger of the provident fund, gratuity fund, pension and/or superannuation fund of the Transferor and the Transferee Company.

12 CONTRACTS AND DEEDS

- 12.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals, arrangements and other instruments of whatsoever nature forming part of or in relation to 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 on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, ' the Transferee Company had been a party or beneficiary or obligee thereto. '
- 12.2 Without prejudice to the other provisions of the Scheme and notwithstanding the merger of the Transferor Company with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or novations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company, and to carry out and perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.
- 12.3 For the avoidance of all doubt, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereafter, shall not affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Effective Date.

13 LEGAL PROCEEDINGS

- 13.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company

under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Transferor Company shall be continued and enforced by or against the Transferee Company after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

14 APPLICATIONS TO HIGH COURT/OTHER AUTHORITY

- 14.1 The Transferor Company and Transferee Company shall with all reasonable diligence make and pursue applications to the Hon'ble High Court of Judicature at Madras and the High Court of Karnataka at Bangalore respectively or such other authority having jurisdiction under law, under Section 391 to 394 of the Companies Act, 1956 for sanction and carrying out of the Scheme.

15 MODIFICATION OR CLARIFICATION

- 15.1 The Transferor Company (by their Directors or committee or authorized person thereof) and the Transferee Company (by their Directors or committee or authorized person thereof) may assent to any modification(s) or amendment(s) in this Scheme which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for implementing and/or carrying out the Scheme or which may be considered necessary due to any change in law and the Transferor Company (by their Directors or committee or authorized person thereof) and the Transferee Company (by their Directors or committee or authorized person thereof) be and is hereby authorized to take such steps and do all acts, deed and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 15.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Transferor Company and the Transferee Company, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme. It

is hereby clarified that the Board of Directors of the Transferor Company and the Transferee Company may in their absolute discretion, adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever in respect of such part of the Scheme that has not been adopted or the entire Scheme where it is declared null and void shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

16 GENERAL TERMS

It is clarified that all taxes payable by the Transferor Company, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its Sale Tax returns, Excise and Modvat/Cenvat returns, other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income-tax returns and to claim refunds, advance tax and withholding tax credits, tax losses/unabsorbed depreciation under Section 10A or 10B of the Income Tax Act, 1961, as the case may be, pursuant to the provisions of this Scheme.

17 CONDITIONALITY OF SCHEME

- 17.1 The Scheme is conditional upon and subject to the certified copies of the above orders of, the High Courts sanctioning the Scheme or of such other authority having jurisdiction under law being filed with the Registrar of Companies, Karnataka at Bangalore and Registrar of Companies at Chennai.

18 EFFECT OF NON-RECEIPT OF APPROVALS

- 18.1 In the event any of the approvals or conditions enumerated in the Scheme not

being obtained or complied with, or for any other reason the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19 COSTS, CHARGES AND EXPENSES

19.1 In the event of the Scheme being sanctioned by the High Court, the Transferee Company shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme. Such expenses will be adjusted against the General Reserve.

WITNESS, The Hon'ble Thiru M.YUSUF EQBAL, Chief Justice of Madras High Court, aforesaid this the 17th day of September, 2010.

Sd/-
DEPUTY REGISTRAR(O.S)

//CERTIFIED TO BE A TRUE COPY//

DATED THIS THE 28TH DAY OF SEPTEMBER 2010.

Court Officer

From 25th September 2008 the Registry is issuing certified copies of the Orders/Judgments/Decree in this format.

COMP.PETN.NO.62 of 2010

ORDER DATED: 17.9.2010

THE HON'BLE MR.JUSTICE
K.VENKATARAMAN

FOR APPROVAL ON: 27/9/2010

APPROVED ON: 28/9/2010

COPY TO:

1. The Official Liquidator, High Court, Madras.
2. The Registrar of Companies,
No.26, Haddows Road, Chennai - 6.
3. The Regional Director,
Southern Region, No.26, Haddows Road,
Chennai - 6.

HIGH COURT, MADRAS

ORIGINAL SIDE

C.A. No.....10458/10...

Applied.....20.9.10...

Stamp called for.....

Stamps put in.....28.9.10...

Ready.....

28/9

[Signature]
CO (OS.)

IN THE HIGH COURT OF KARNATAKA AT BANGALORE

DATED THIS THE 19TH DAY OF JUNE 2014

BEFORE

THE HON'BLE MR. JUSTICE A.S. BOPANNA

COMPANY PETITION NO. 311/2013

BETWEEN :

MPHASIS FINSOURCE LIMITED
REG. OFFICE: BAGMANE WORLD TECHNOLOGY
CENTER, RING ROAD
DODDANNAKUNDHI VILLAGE
MAHADEVAPURA
BANGALORE - 560 048

.....PETITIONER

(BY SRI ARUN P.K. ADVOCATE)

AND:

NIL

.....RESPONDENT

**[BY SRI K.S. MAHADEVAN, ADVOCATE FOR OL;
SMT. PREMA HATI, CGC FOR ROC)**

THIS COMPANY PETITION IS FILED UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT. 1956, PRAYING THAT THE SCHEME OF AMALGAMATION ANNEXURE-A HERE TO BE SANCTIONED BY THIS COURT SO AS TO BINDING ON THE PETITIONER COMPANY, ITS SHAREHOLDERS AND CREDITORS AND ALSO ON THE TRANSFEREE COMPANY AND ITS SHAREHOLDERS AND CREDITORS AND ETC.

THIS PETITION COMING ON FOR ORDERS, THIS DAY, THE COURT MADE THE FOLLOWING.

ORDER

The petitioner herein is the transferor company which is before this Court in this petition filed under sections 391 to 394 of the Companies Act, 1956, seeking that the scheme of amalgamation be sanctioned by this Court.

2. The petitioner-company at the first instance on the scheme being considered and approved -by the Board of Directors in their meeting held on 27.09.2013 had approached this Court by filing an application under section 391 of the Companies Act, in C.A.No. 2377/2013 seeking leave of this Court to dispense with the holding of meeting of the shareholders and creditors. Since the shareholders already accorded their approval for the scheme and it was certified that there were no creditors, this Court-by the order dated 05.12.2013 had allowed the said application and dispensation as sought for was granted. Subsequent there to, the instant petition is filed.

3. The petitioner-transferor company was incorporated on 08.06.2006 with the authorized share capital of Rs. 20,00,000/- divided into 2,00,000/- equity shares of Rs.10/- each. The subscribed and paid up share capital of the petition company is Rs. 5,00,000/- on filing of the instant petition, the advertisement of the petition was ordered to be taken on 24.1.2014 which has been accordingly done. The office of the Official Liquidator and the Regional director were also notified about the petition. The official liquidator on verification has filed OLR indicating that the report of M/s S.L. Patil & Co. (Chartered Accountants) indicated that the petitioner-company has not conducted itself in a manner prejudicial to the interest of the company or the public interest. In that view, it has been suggested that the scheme could be accepted. The affidavit filed by the Registrar of Companies on behalf of the Regional Director would also indicate that on perusal of the scheme, they do not any to object to the same except that the petition could be considered making. it subject to observations of the Income Tax Department.

4. In that light, a perusal of the scheme would indicate that the scheme of amalgamation has not only taken into consideration the interest of the shareholders, but it has also taken into consideration the interest of the company's staff, workmen and employees by specifically providing that their services would be absorbed in the transferee company. Hence, having gone through the petition along with the scheme of amalgamation and also taking into consideration that there are no creditors to the company and the shareholders have consented to the scheme and office of the official Liquidator and the Regional Director have not found anything objectionable in this scheme, I am of the opinion that prayer made in the petition is be granted.

ORDER

- (i) The petition is allowed.
- (ii) The scheme as at annexure-A for amalgamation of the petitioner- Transferor Company with the Transferee Company is approved.
- (iii) In view of the sanction of the scheme (*), the petitioner - Company being the Transferor Company shall stand dissolved without the order of winding up.
- (iv) Copy of the order shall be filed with the Registrar of Companies within a period of thirty days from the date of receipt of a copy of this order.