
MEMORANDUM OF ASSOCIATION
OF
NOCIL LIMITED
WITH
ARTICLES OF ASSOCIATION

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

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L99999MH1978PLC012003

In the matter of M/s NATIONAL ORGANIC CHEMICAL INDS LIMITED

I hereby certify that NATIONAL ORGANIC CHEMICAL INDS LIMITED which was originally incorporated on Twelfth day of June Nineteen Hundred Seventy Eight under the Companies Act, 1956 (No. 1 of 1956) as NATIONAL ORGANIC CHEMICAL INDS LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto 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 24/06/1985 vide SRN A21411178 dated 14/09/2007 the name of the said company is this day changed to NOCIL LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Mumbai this Fourteenth day of September Two Thousand Seven.



H. Chinnachamy N
(CHINNACHAMY N)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

महाराष्ट्र, मुंबई
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

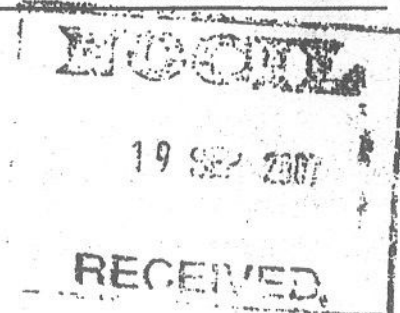
Mailing Address as per record available in Registrar of Companies office:

NOCIL LIMITED

MAFATLAL HOUSE H T PAREKH MARG BACKBAY RECLAMATION, CHURCHGATE,

MUMBAI - 400020,

Maharashtra, INDIA





Form I. R.

CERTIFICATE OF INCORPORATION

No. 12003 of 1961-62

I hereby Certify that "NATIONAL ORGANIC
CHEMICAL INDUSTRIES 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 BOMBAY this ELEVENTH day of
MAY, One thousand nine hundred and SIXTY ONE (21st Vaisakha
1883).

Sd/- S. K. DUTT

*Registrar of Companies,
Maharashtra*





सत्यमेव जयते

No. 12003.

Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED

which was incorporated under the Companies Act, 1956, on the ELEVENTH day of MAY 1961,

and which has this day filed a duly verified declaration in the prescribed form that the conditions of 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 Bombay

this Fourth day of October

One thousand nine hundred and Sixty Two (12th Asvina, 1884)



T. J. Gondhalekar
(T. J. GONDHALEKAR)
Registrar of Companies.
MAHARASHTRA

J. S. Gondhalekar
MFP-1021/SC-2410-61 (USG)-2B-8-57-6,000.

Recd

MEMORANDUM OF ASSOCIATION
OF
NOCIL LIMITED*

- I. The name of the Company is "NOCIL LIMITED"**
- II. The registered office of the Company will be situated in the State of Maharashtra.**
- III. The objects for which the Company is established are:**
 - (1) To carry on the business of manufacturing of and dealers in chemicals, chemical compounds and chemical products of any nature and kind whatsoever, and as wholesale and retail chemists and druggists, chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalis, petrochemicals, chemical compounds and elements of all kinds (solid, liquid and gaseous), drugs, medicines, pharmaceuticals, antibiotics etc., tannins, tannin extracts, essences, solvents, plastics of all types, dyes, dyestuffs, intermediates, textile auxiliaries, artificial silks, staple fibres, and synthetic fibres of all kinds and types, regenerated fibres or filaments, cellophane, colours, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, as well as biochemical, pharmaceutical, medicinal, sizing, bleaching, photographic and other preparations and articles of any nature and kind whatsoever.
 - (2) To carry on all or any of the businesses following, namely, cotton spinners and doublers, flax, hemp and jute spinners, linen manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers, printers and processors and makers of vitriol, bleaching, dyeing, printing and other processing materials, and to purchase, comb, prepare, spin, dye and deal in flax, hemp, jute, wool, cotton, silk and other fibrous substances, and to weave or otherwise manufacture, buy and sell and deal in linen, cloth and other goods, and fabrics, whether textile, frebled netted or looped and to supply power, and to carry on or be interested in the business of flour mill proprietors, pressing and ginning mill proprietors, oil mill proprietors, paper mill proprietors and ice manufacturers in all their branches and either in Mumbai or other parts of India.
 - (3) To carry on the business of manufacturers of and dealers in all kinds and classes of paper, board and pulp including paper pulp, photographic paper, glass paper, paste boards, card boards, straw boards, pulp board, leather board, mill board, corrugated board, duplex and triplex boards, hard boards, plywood boards, soda pulp, mechanical pulp, sulphite pulp, chemical and semi-chemical pulp, etc., including such pulp as is manufactured from all types of raw materials such as timber, bamboos, grasses, sugar-cane bagasse, cotton linters, lint, cotton waste etc. and all kinds of coated papers with all types of materials, resins and plastics.

[*Pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 27th August, 2007, the name of the Company has been changed from "NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED" to "NOCIL LIMITED"]

- (4) To carry on in all its branches the business of producers, manufacturers, purchasers, processors, refiners, importers, exporters, sellers of and dealers in cement, asbestos, alumina cement, portland cement, lime and lime stone, kankar plasters, gypsum, gypsum board, plastic board, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, concrete, gravel, sand, sacks, bricks, tiles, building materials of all kinds and all materials analogous to or connected therewith and the business of miners, metallurgists, builders, contractors, quarry owners and to purchase and vend all materials, raw products or otherwise and all articles in any way connected with the said business and to acquire, erect, construct, establish, operate and maintain cement factories, limestone quarries, workshops and other works.
- (5) To exploit and render fit for use, deposits of salt, natron, natural soda, nitrates, natural brines and seawater, and to manufacture therefrom any kind of chemicals and other products and by-products, and to carry on the business of manufacturers, exporters and importers of and dealers in salt, table salt, potassium chloride, magnesium chloride and allied substances.
- (6) To refine, treat and render merchantable and fit for use natural deposits of sulphur, salt, brine, natron, soda, kieselguhr, nitrates and other chemical substances of all kinds obtained as aforesaid and to manufacture therefrom by any electrolytic, metallurgic or other forms of plant or process every kind of chemical and other products and by-products and deal in the same.
- (7) To fix atmospheric nitrogen by the synthesis of ammonia or by any other process or processes and to manufacture nitrogen compounds of all kinds and deal in the same.
- (8) To carry on the business of manufacturers, importers, exporters of and dealers in fertilisers, including synthetic and other fertilisers, manures, dips, sprays, vermifuges, medicines and remedies of all kinds for agricultural, horticultural or other purposes and remedies for animals.
- (9) To carry on the trade or business of manufacturers of and dealers in explosives and accessories of all types including safety fuses, gas-masks and apparatus of all kinds and of whatever composition and whether for military, sporting, mining, industrial or agricultural purposes or for any other purpose, and to manufacture, deal in, import and export solid, liquid and gaseous chemicals and accessories.
- (10) To acquire, own and exploit collieries and to manufacture from coal, coke, and other solid, liquid and gaseous fuels by any process including distillation or hydrogenation of coal, water gas and other gases; and to carry on the distillation of coal-tar for the production of coal-tar chemicals and products of all kinds.
- (11) To carry on the business of importing, exporting, prospecting and boring for, extracting, pumping, drawing, transporting, refining and dealing in natural gases, petroleum and other mineral oils and fuels and of manufacturing all kinds of petroleum products and by-products and to construct, lay down and maintain pipe-lines, pumping stations, and other appliances for the transportation of natural gases, petroleum and other products.

- (12) To carry on the business of a gaswork in all its branches and to deal in, manufacture and render saleable coke, coal-tar, creosote oil, pitch, asphalt, ammonia and other products obtained in the manufacture of gas.
- (13) To work mines or quarries and to prospect for, search for, win, get, crush, smelt, calcine, concentrate, refine, dress amalgamate, manipulate, prepare for market or otherwise exploit, import, export or deal in metals, and metallic and non-metallic minerals of all kinds, precious and other stones, and to carry out all kinds of mining and metallurgical operations and to carry on the business of manufacturing metals and metallic alloys including special alloys of all kinds and to manufacture galvanized and plated and clad irons and steels as well as other metals of all kinds.
- (14) To carry on the business of producers as well as refiners of all kinds of metals including all precious metals and as manufacturers, importers, exporters of and dealers in sheets, circles, rods, electrodes and wires of all metals and alloys, including precious metals and also as manufacturers of solders of all kinds including silver solders.
- (15) (a) To carry on the trades or business of iron masters, steel makers, steel converters, colliery proprietors, coke manufacturers, miners, smelters, engineers, tin-plate makers and iron founders, in all their respective branches.
- (b) To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick-earth, bricks, and other metals, minerals and substances and to manufacture and sell fuel.
- (c) To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, metallurgists, and mechanical engineers.
- (16) To irrigate, cultivate, improve and develop lands and properties, whether belonging to the Company or not, and to develop the resources thereof by cleaning, draining, fencing, cultivating, planting, manuring, farming, letting or otherwise and to carry on the business usually carried on by planters and plantation owners.
- (17) To cultivate, grow and produce and deal in agricultural and vegetable products of all kinds, grass, wood, timber, cotton, coffee, cocoa, tobacco, rubber, indigo, sugarcane, oil seeds and essential oil producing seeds, plants, herbs, flowers, fruits and tubers, drugs, medicinal plants and tannin materials of all kinds and other raw materials that are the produce of land, and to sell, purchase and deal in the same and to carry on all or any of the businesses of farmers, dairymen, seedsmen, and nursery-men and to buy, sell and trade in any goods usually traded in any of the above businesses.
- (18) To carry on the business of distillers, manufacturers of and dealers in spirits and alcohols of all kinds and description as well as other bio-chemical and fermentation products and derivatives thereof.
- (19) (a) To carry on the manufacture and sale of medicines and preparations, and generally to carry on the business of manufacturers, buyers, and sellers of and dealers in all kinds of medicines and medical preparations and drugs whatsoever.

- (b) To carry on all or any of the businesses of chemists; druggists, chemical manufacturers, and dealers, drysalters, importers and manufacturers of and dealers in pharmaceutical and medicinal preparations.
 - (c) To manufacture, buy, sell, and deal in mineral waters, wines, cordials, liqueurs, soups, broths, and other restoratives or food, specially suitable or deemed to be suitable for invalids and convalescents.
 - (d) To assist, promote, establish, and contribute to, manage, control or support sick funds, and any associations or institutions for providing, upon any terms and conditions, medicines, drugs, medical and surgical preparations and apparatus, and restoratives during sickness or illness.
- (20) To construct, lay down, establish, operate and maintain power stations employing all sources of energy and to do all such things as may be required in connection therewith and to use, manufacture and put up apparatus and instruments for generation, accumulation, distribution, supply and employment of electricity or any power or energy.
- (21) To carry on all or any of the businesses of engineers, metal founders, metal welders, smiths, machinists, metal rollers, tool makers, wire drawers, sheet manufacturers, tube, pipe, and tank manufacturers, moulders, metallurgists, metal workers, fitters, millwrights, galvanisers, electroplaters and enamellers.
- (22) To acquire the right to use and to put up telegraphs and telephone lines, exchanges, radio and television stations and teleprinters and telex.
- (23) To carry on the business of a water works company in all its branches and to sink and bore wells and shafts and to make build, construct, lay down and maintain dams, reservoirs, canals, water-works, cisterns, culverts, filter beds mains and other pipes, pipelines and appliances and to execute and do all other acts and things necessary or convenient for obtaining, storing, purifying, sterilising, selling, delivering, measuring, distributing and dealing in water, and disposal of sewage by any method or process.
- (24) To carry on business as manufacturers, producers, importers and exporters of, dealers and brokers in and to buy, sell, make advances upon or otherwise traffic in chemicals, metals, materials, substances, products, goods, articles and merchandise of all kinds.
- (25) To acquire, construct, maintain, carry out, improve, work, alter, control and manage any roads, ways, tramways, railways, sidings, ropeways, bridges, boats, steamships, airways, tunnels, water rights, wharves, canals, irrigation works, reservoirs, furnaces, stamping works, smelting works, factories, warehouses, shops, stores and other works and conveniences which the Company may think conducive to any of its objects and to contribute to and take part in constructing, maintaining, carrying out improving, working, controlling and managing any such works or conveniences.
- (26) To purchase, take on lease or exchange, hire or otherwise acquire real and personal property of all kinds and in particular land, oil wells, refineries, mines, mining rights, minerals, ores, buildings, machinery, plant, stores, licenses, concessions, easements and other rights and privileges which it may seem necessary or convenient to obtain for the purpose of or in

connection with any of the businesses of the Company and whether for the purpose of resale or realisation or otherwise.

- (27) (a) To purchase, take on lease, or otherwise acquire, hold and work any lands producing rubber trees, or suitable for the planting, cultivation and growth of rubber trees, and any concessions, rights, powers, and privileges over any such lands.
- (b) To carry on the business of planters and cultivators of rubber plants, and any other plants producing anything of a similar character.
- (28) To carry on business of pharmaceutical manufacturing, and general chemists and druggists, and manufacturers of and dealers in all kinds of toilet requisites, and manufacturers of all kinds of boxes and cases wholly of card, wood, metal or otherwise, and printers, colour printers, publishers, stationers, candle makers, manufacturers of perfumes, collectors of flowers and perfume-producing vegetation.
- (29) (a) To further the search for, development, production, transport, refining and acquisition in India or elsewhere, *of* solid, liquid and gaseous hydrocarbons and other minerals and their products and by-products.
- (b) To carry on the business *of* extracting, pumping, drawing, transporting and purifying and dealing in petroleum and other mineral oils and their products and by-products.
- (c) To search for, inspect, examine and explore, work, take on lease, purchase, or otherwise acquire lands and places which may seem to the Company capable or possibly capable *of* affording a supply *of* raw materials or substances or articles suitable for any business *of* the Company.
- *(29A) To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "programme of rural development" shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area which the Directors consider it likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under the Income-tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trust or Fund as the Directors may approve.

* Sub-clauses (29A) and (29B) were added in terms of the Special Resolution passed at the Extra-ordinary General Meeting of the Company held on 30th December, 1977 and confirmed by the Company Law Board, Western Region Bench, Mumbai, vide its order dated 24th July, 1978 in Company Petition No. 52(17) CLB.WR of 1978.

- *(29B) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the people or any section of the people and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, etc., or for organising lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting, or assisting any institution, fund, trust, etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trust or Fund as the Directors may approve.
- (30) To erect, construct, enlarge, alter, maintain buildings, works and structures of every kind necessary or convenient for the Company's business.
- (31) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, abandon, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (32) To sell and mortgage and otherwise in any other manner deal with or dispose of the property, assets or undertaking of the Company or any part thereof, for such consideration as the Company may think fit and in particular for shares, stocks, debentures and other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
- (33) To search for and to purchase or otherwise acquire from any Government, State or Authority any licenses, concessions, grants, decrees, rights, powers and privileges which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
- (34) To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, works, shops, machinery, engines, roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, water-courses, wharves, electric works and other works and conveniences which may seem calculated, directly or indirectly, to advance the interests of the Company, and to join with any other person or company in doing any of these things.
- (35) To purchase or otherwise acquire, protect, prolong and renew any patents, rights, brevet d'inventions, licenses, protections and concessions which may appear likely to be advantageous or useful to the Company and to use

and turn to account the same and to grant licenses or privileges in respect of the same.

- (36) To establish, provide, maintain and conduct or otherwise subsidise research laboratories, experimental stations, workshops, and libraries for scientific, industrial and technical research and experiments; to undertake and carry on scientific, industrial, economic and technical research, surveys and investigations; to promote studies, research, investigation and invention, both scientific and technical by providing, subsidising, endowing, or assisting laboratories, colleges, universities, workshops, libraries, lectures, meetings, exhibitions and conferences and by providing for the remuneration to scientists, scientific or technical professors or teachers and the award of scholarships, grants and prizes to students, research-workers and inventors or otherwise, and generally to encourage, promote and reward studies, research, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the businesses of the Company.
- (37) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, public places and theatres, by radio, by television, by circulars, by purchase and exhibition of works of art or interest, by publication of books, pamphlets, bulletins or periodicals, by organising or participating in exhibitions and by granting prizes, rewards and donations.
- (38) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above businesses or any of them or calculated, directly or indirectly, to enhance the value of or render profitable any of the properties or rights of the Company.
- (39) To aid, pecuniarily or otherwise, any association, body or movement having for an object, the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
- (40) To provide for the welfare of employees or ex-employees of the Company and the wives, widows, families or dependents of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, gratuities, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions and trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and assistance as the Company shall think fit.
- (41) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition.
- (42) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds

for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or Officers of the Company or of any such other company as aforesaid, and the wives, widows, families, and dependents of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, earlier alone or in conjunction with any such other company as aforesaid.

- (43) To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights, and liabilities of the Company or for any other purpose which may seem, directly or indirectly, calculated to benefit the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
- (44) To subscribe for, take, or otherwise acquire, and hold shares, stock, debentures, or other securities of any other company having objects altogether or in part similar to those of the Company, or carrying on any business capable of being conducted so as, directly or indirectly, to benefit the Company.
- (45) To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as, directly or indirectly, to benefit the Company, and to subsidise or assist any such person or company financially or otherwise and in particular by subscribing for or guaranteeing the subscription of shares, stock, debentures, debenture-stock or other securities of such company.
- (46) To take or otherwise acquire and hold or to underwrite shares, stock or securities of any other company.
- (47) To amalgamate with any company or companies.
- (48) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
- (49) To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, co-operation, joint adventures, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in, any business or transaction which may seem capable of being carried on or conducted so as, directly or indirectly to benefit the Company.

- (50) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture - stock, contracts, mortgages, charges, obligations, instruments and securities of any company or any authority, supreme, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
- (51) To vest any immovable or movable property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared Trust in favour of the Company.
- (52) To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or any such persons or companies and generally to give guarantees and indemnities.
- (53) To procure the Company to be registered or recognised in any foreign country or place.
- (54) To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any underwriting or other commissions, brokers' fees and other charges and to remunerate by cash or allotment of fully or partly paid shares to any person, firm or company for services rendered or to be rendered in introducing any property or business to the Company or in placing, assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company or the conduct of its business or for any other reason which the Company may think proper.
- (55) To draw, accept, make, endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments.
- (56) To borrow or raise or secure the payment of money, or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise, including debentures or debenture-stock convertible into shares of this Company or any other company or perpetual annuities and as securities for any such money so borrowed, raised or received, or of any such debenture-stock so issued, to mortgage, pledge or charge the whole or any part of the property, assets or revenue and profits of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem, or pay off any such securities; and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.

- (57) To invest moneys of the Company in and subscribe for, take acquire and hold shares, stock, debentures or securities of any other company or corporation whatsoever and wheresoever, and to invest moneys of the Company on any other securities and in any other manner, including the purchase of any book or other debts.
- (58) To pay, or satisfy the consideration for any property, rights, shares, securities, or assets whatsoever, which the Company is authorised to purchase, or otherwise acquire, either by payment in cash, or by the issue of shares, or other securities of the Company, or in such other manner as the Company may agree or partly in one mode and partly in another or others.
- (59) To apply for, promote and obtain any Act of Parliament or Legislature, charter, privilege, concession, license or authorisation of any Government, State or municipality, provisional order or license of the Board of Trade or other authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the interests of the Company.
- (60) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise, or any person or company that may seem conducive to the objects of the Company, or any of them, and to obtain from any such government, authority, person or company any rights, privileges, charters, contracts, licenses, and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
- (61) To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation, or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes whatsoever conducive to the interest of the Company.
- (62) To place, to reserve, or to distribute as dividend or bonus among the members or otherwise to apply any moneys received by way of premium on shares or debentures issued at a premium by the Company or any moneys received in respect of dividends accrued on, or arising from the sale of forfeited shares or unclaimed dividends.
- (63) To distribute any of the property of the Company amongst members in specie or kind.
- (64) To act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts.
- (65) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

- (66) To do all such other things as are incidental or as the Company may think conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated and whether domiciled in India or elsewhere and the intention is that the objects specified in each paragraph of this clause shall have the widest possible construction and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

IV. The liability of the members is limited.

- V. The Authorised Share Capital of the Company is Rs. 1200,00,00,000 (Rupees One Thousand Two Hundred Crores only) divided into 120,00,00,000 (One Hundred Twenty Crores) Equity Shares of Rs. 10 (Rupees ten only) each with rights, privileges and conditions attaching thereto with power to vary and modify or abrogate such rights, privileges and conditions as may be provided. The Company has power to increase or reduce the capital of the Company and to divide the shares and capital for the time being into several classes and to attach thereto such preferential deferred, qualified or special rights, privileges or conditions.

Names of Subscribers	Addresses and description of Subscribers	Number of shares taken by each Subscriber	Names, Addresses and Description of Witnesses
ARVIND N. MAFATLAL	10, Altamount Road, Mumbai 26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH, Solicitor, 51, Mahatma Gandhi Road, Mumbai 1.
YOGINDRA N. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
R.N. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
H.B. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
VIJAYALAXMI NAVINCHANDRA	10, Altamount Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
MRS. SHARDA BHAGUBHAI	10, Altamount Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
K.K. MAHADEVIA	B-5, Mafatlal Park, Bhulabhai Desai Road, Mumbai 26 Industrialist	1 Equity	AMBALAL SHANKERLAL PARIKH
JAYANTILAL D. VASA	E-10, Mafatlal Park, Bhulabhai Desai Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
for THE STANDARD MILLS COMPANY LIMITED Mafatlal Gagalbhai & Sons By YOGINDRA N. MAFATLAL Partner Managing Agents	Mafatlal House, Backbay Reclamation, Mumbai-1 Investor	53 Equity	AMBALAL SHANKERLAL PARIKH
	Total	101 Equity	

Dated at Mumbai, this 4th day of May, 1961

ARTICLES OF ASSOCIATION OF NOCIL LIMITED*

TABLE "A" EXCLUDED

1. The regulations contained in the Table marked "A" in Schedule I to the Companies Act, 1956 (hereinafter called the Act or the said Act) shall not apply to the Company except so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. Table "A" not to apply

The regulations for the management of the Company and for the observance of the members thereto and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to the regulations by special resolution as prescribed or permitted by section 31 of the Act, be as are contained in these Articles. Company to be governed by these Articles

INTERPRETATION

2. The marginal notes hereto shall not affect the construction hereof. Marginal notes not authoritative
- In these Articles, unless there be something in the subject or context inconsistent therewith: Interpretation clause

- (i) "Alter" and "Alteration" shall include the making of additions and omissions. "Alter"
- (ii) "The Company" means "NOCIL LIMITED". "The Company"
- (iii) "Body Corporate" or "Corporation" includes a company incorporated outside India but does not include – "Body Corporate"
- (a) a corporation sole;
- (b) a co-operative society registered under any law relating to co-operative societies; and
- (c) any other body corporate (not being a company as defined in the Act) which the Central Government may by notification in the Official Gazette specify in this behalf.
- (iv) "A Company" shall include a company as defined in section 3 of the Act. "A Company"
- (v) "The Act" or "the said Act" means the Companies Act I of 1956 and subsequent amendments and other Acts for the time being in force in India containing the provisions of the Legislature in relation to companies. "The Act"
- (vi) "The Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a meeting of the Board or acting by circular under the Articles. "The Direction"

[*Pursuant to the Special Resolution passed at the Annual General Meeting of the Company held on 27th August, 2007, the name of the Company has been changed from "NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED" to "NOCIL LIMITED"]

"Debenture"	(vii) "Debenture" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.
"Document"	(viii) "Document" includes summons, notice, requisition, order, other legal process und registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.
"Dividend"	(ix) "Dividend" includes bonus.
"Board"	(x) "Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board meeting or acting by circular under the Articles.
"Member"	(xi) "Shareholder" or "Member" means the duly registered holders 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.
"Month"	(xii) "Month" means calendar month.
"Office"	(xiii) "Office" means the registered office for the time being of the Company.
"Ordinary Resolution and Special Resolution"	(xiv) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned to these terms by section 189 of the Act.
Variation	(xv) "Variation" shall include abrogation; and "vary" shall include abrogate.
"The Seal"	(xvi) "The Seal" means the Common Seal of the Company for the time being.
"Writing"	(xvii) "Writing" shall include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or partly one and partly the other.
"Singular Number"	(xviii) Words importing the singular number shall also include the plural number and vice-versa.
"Gender"	(xix) Words importing the masculine gender shall also include the feminine gender.
"Corporation"	(xx) "Corporation" shall include a company whether incorporated and formed under the Act or not.
"Persons"	(xxi) "Persons" shall include corporations as well as individuals.
	(xxii) "Beneficial owner" shall mean beneficial owner as defined in Clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.
	(xxiii) "Depositories Act" shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.
	(xxiv) "Depository Act" shall mean a Depository as defined under Clause (e) of the sub-section (1) of the Depository Act, 1996.
Expression in the Act to bear the same meaning in Articles	Subject as aforesaid, any words or expression' defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

3. The Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Re. 1/- (Rupee one), a copy each of the following documents as in force for the time being:
- Copies of the Memorandum and Article to be furnished by Directors
- (a) the Memorandum,
 - (b) the Articles, if any,
 - (c) the Agreement, if any, entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Managing Agent or as its Secretaries and Treasurers, and
 - (d) every other agreement and every resolution referred to in section 192 of the Act if and in so far as they have not been embodied in the Memorandum or Articles.
4. (1) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of sections 100 to 104 or of section 402 of the Act.
- Company's funds may not be applied in purchase of or lent on shares of the Company
- (2) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company.

Provided that nothing in this clause shall be taken to prohibit:

- (a) the provision in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for, fully paid shares in the Company or its holding company being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company including any Director holding a salaried office or employment in the Company, or
 - (b) the making by the Company of loans within the limit laid down in sub-section (3) of section 77 of the Act to persons (other than Directors, Managing Director, Managing Agents, Secretaries and Treasurers or Managers) *bona fide* in the employment of the Company, with a view to enabling those persons to purchase or subscribe for, fully paid shares in the Company or its holding company to be held by themselves by way of beneficial ownership.
- (3) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed the amount of his salary or wages at that time for a period of six months.
- (4) Nothing in this Article shall affect the right of the Company to redeem any shares issued under section 80 of the Act.

CAPITAL

5. Deleted.

Capital and shares

Provisions of sections 85 to 88 of the Act to apply	6. The provisions of sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.
Register of Members	<p>7. (1) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with sections 150 and 151 of the Act and Register and Index of Debenture-holders in accordance with section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture-holders in accordance with section 157 of the Act.</p> <p>(2) The Company shall also comply with the provisions of sections 159 and 161 of the Act as to filling annual returns.</p> <p>(3) The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any state or country outside India a Branch Register of Members resident in that state or country.</p>
Commencement of business	8. The business of the Company may be commenced at such time after registration as the Directors think fit notwithstanding that, part only of the shares may have been subscribed for or allotted. The Company shall also comply with the provision of section 149 of the Act.
Allotment of shares	9. The Directors shall observe the provisions of the Act relating to the allotment of shares.
Shares at the disposal of the Directors	10. Subject to the provisions of section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of section 79 of the Act) at a discount and at such times as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may allot and issue shares in the capital of the Company in payment or part payment for any property sold and transferred or for services rendered to the Company in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
Option to call on shares	10 A. Option or right to call on shares shall not be given to any person except with the sanction of the Company in general meeting.
Every share transferable etc.	<p>11. (1) The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by the Articles of the Company.</p> <p>(2) Each share in the Company shall be distinguished by its appropriate number.</p> <p>(3) A certificate under the Common Seal of the Company, specifying</p>

any shares held by any member shall be *prima facie* evidence of the title of the member to such shares.

- (4) The Company shall be entitled to dematerialise its existing shares, rematerialize its shares held in the Depositories and / or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.
- 12 (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account"; and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided in this Article, apply as if the share premium account were paid-up share capital of the Company. Application of premiums received on issue of shares
 - (2) The share premium account may, notwithstanding anything in clause (1) be applied by the Company:
 - (a) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
 - (b) in writing off the preliminary expenses of the Company;
 - (c) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
 - (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.
13. When it is proposed to increase the subscribed capital of the Company by the allotment of further shares the provisions of section 81 of the Act in so far as the same be applicable shall be complied with. Further issue of Capital
14. If and whenever as the result of issue of new or further shares or any consolidation or subdivision of shares, any shares become held by members in fractions, the Directors shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. Sale of fractional shares
15. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or other-wise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of sections 69, 70, 71, 72 and 73 of the Act so far as applicable. Acceptance of shares

Deposits and calls etc.
to be a debt payable
immediately

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

Instalments on shares to
be duly paid

17. If by the condition of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on shares of the
same class to be made on
uniform basis

18. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Liability of jointholder
of shares

19. The joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

Trusts not recognised

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

UNDERWRITING AND COMMISSION

Power to pay certain
commission and
prohibition of payment
of all other
commissions discounts
etc.

21. (1) The Company may pay a commission to any person in consideration of:
- (a) his subscribing or agreeing to subscribe, whether absolutely, or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section 4A of section 76 of the Act, or
 - (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the Company, if the following conditions are fulfilled, namely,
 - (i) the commission paid or agreed to be paid does not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, two and a half per cent of the price at which the debentures are issued;
 - (ii) the amount or rate per cent of the commission paid or agreed to be paid is, in the case of shares or debentures

offered to the public for subscription disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, disclosed in the Statement in lieu of Prospectus and filed, before the payment of the commission, with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued, also disclosed in that circular or notice;

- (iii) the number of shares or debentures which persons have agreed for a commission to subscribe, absolutely or conditionally, is disclosed in the manner aforesaid, and
 - (iv) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the Prospectus or the Statement in lieu of Prospectus for registration.
- (2) Save as aforesaid and save as provided in section 79 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance to any person in consideration of:
- (a) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company.
 - or
 - (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in or debentures of the Company,
- whether the shares, debentures or money be so allotted or applied by being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.
- (3) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has heretofore been lawful for the Company to pay.
 - (4) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received in payment of any commission, the payment of which, if made directly by the Company, would have been legal under section 76 of the Act.
 - (5) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in shares, debentures or debenture-stock of the Company.

CERTIFICATES

22. (1) The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other Certificate of shares

authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.

- (2) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under section 84 of the Act.

Members' rights to
Certificate

23. (1) Every member shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several Certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within the time provided by section 113 of the Act. Every Certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one Certificate and delivery of a Certificate for a share to one of several joint-holders shall be sufficient delivery to all such holders. The Directors shall have discretion (which they may exercise from time to time and for any period of time) not to charge the fee in respect of splitting the share certificates referred to in this clause.

Provided that the provision relating to progressive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in dematerialised form.

- (2) Notwithstanding anything in clause (1) above, the Directors shall; however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any Rules made under the Act of such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

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

24. If any Certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Directors, they may order the same to be cancelled and may issue a new Certificate in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 1 for each Certificate) as the Directors shall prescribe. Out-of-pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock

Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

CALLS

25. The Directors may from time to time and subject to section 91 of the Act make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. Calls

26. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members on a subsequent date to be specified by the Directors. Calls to date from resolution

27. Fifteen days' notice at the least shall be given by the Company of every call made payable otherwise than on allotment specifying the time and place of payment provided that before the time for payment of such call, the Directors may by notice in writing to the members, revoke the same. Notice of call

28. The Directors may from time to time, at their discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members, who, from residence at a distance or other cause, the Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. Directors may extend time

29. If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given, and all the provisions herein contained in respect of calls shall relate to such amount or installments accordingly. Amount payable at fixed time or by instalments as calls

30. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the shares, debentures, bonds or other instruments in respect of which a call shall have been made or the installment shall be due, shall pay interest for the same at such rate not exceeding 24 (Twenty-four) per cent per annum as may be decided by the Directors from time to time from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part. When interest on call or instalment payable

31. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. Partial payment not to preclude forfeiture

Proof on trial of suit on
money on shares

32. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder or one of the holders, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls or any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation
of calls may carry
interest

33. (1) The Directors may, if they think fit, subject to the provisions of section 92 of the Act, receive from any member willing to advance the same, all or any part of the sum due upon the shares held by him, beyond the sums actually called for, and upon the amount 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, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon.

And the Directors may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

- (2) The member shall not however be entitled to any dividend or to participate in any profits or to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

FORFEITURE, SURRENDER AND LIEN

If call or instalment not
paid, notice must be
given

34. (1) If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid 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.

Form of notice

- (2) The notice shall name a day [not being less than 14 (fourteen) days from the date of the notice] and a place or places, on and at which such call, instalment or such part or other moneys as aforesaid and such interest and expenses aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. In default of payment shares to be forfeited
Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
36. When any share shall have been so forfeited, notice of the forfeiture shall be given to the holder of the share, or the person entitled to the share by transmission, and an entry of the forfeiture with the date thereof shall be made in the Register of Members, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid. Entry of forfeiture in Register of members
37. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit. Forfeited shares to be property of the Company and may be sold
38. The Directors may, at any time, before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul forfeiture hereof upon such conditions as they think fit. Power to annul forfeiture
39. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay to the Company, all calls, instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture, until payment, at such rate not exceeding 24 (Twenty-four) percent per annum as the Director may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so. Shareholders still liable to pay money owing at time of forfeiture and interest
40. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. Surrender of shares
41. The Company shall have no lien on its fully paid-up shares. In the case of partly paid-up shares, the Company shall have a first and paramount lien only in respect of all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article. Company's lien on shares
42. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice. As to enforcing lien by sale
43. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of all moneys called and payable Application of proceeds of sale

in respect of such shares and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold.

Certificate of forfeiture

44. A Certificate in writing under the hand of one Director and countersigned by the Secretary or any other Officer authorised by the Directors for the purpose, that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Validity of sales under Articles 37 and 42

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

Title of purchaser and allottee for forfeited shares

46. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof, and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of transfers

47. The Company shall keep a book to be called "the Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Form of transfer

48. Subject to the provisions of section 108 of the Act, the instrument of transfer of any share shall be in writing in the form prescribed from time to time by law. Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

To be executed by transferor and transferee

49. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

50. (1) Subject to the provisions of section 111 of the Act, the Directors may at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of

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

- (2) Nothing in sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in, or debentures of, the Company.
 - (3) if the Company refuses, whether in pursuance of any power under these Articles or otherwise, to register any such transfer or transmission of right, it shall, within two months from the date on which the instrument of transfer or the intimation of such transmission as the case may be, was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
51. (1) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected, unless the Company gives notice of the application to the transferee and subject to the provisions of clause (4), 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 of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee. Transfer of shares
- (2) For the purpose of clause (1) notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered to him in the ordinary course of post.
 - (3) It shall not be lawful for the Company to register a transfer of any shares unless the proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the Certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of the shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer. Provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and transferee has been lost, the Company may, if the Directors think fit on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the Directors may think fit.
 - (4) If the Company refuses to register the transfer of any shares, the Company shall within two months from the date on which the instrument of transfer is lodged with the Company send to the transferee and the transferor notice of the refusal as provided in Article 50.

- (5) Nothing in clause (3) above shall prejudice any power of the Company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.
- (6) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
- Custody of Instrument of transfer
52. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
- Closure of transfer books
53. The Directors shall have power, on giving seven days' notice by advertisement as required by section 154 of the Act, to close the transfer books of the Company for such period or periods of time not exceeding on the whole 45 (forty-five) days in each year but not exceeding 30 (thirty) days at a time as they may deem fit.
- Title to shares of deceased holder
54. The executors or administrators of a deceased member (whether European, Hindu, Mohamedan, Parsi or otherwise not being one or two or more joint-holders) or the holder of a Succession Certificate shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate unless they shall have first obtained Probate or Letters of Administration or a Succession Certificate as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or a Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
- Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)
55. (1) Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "the Transmission Clause".
- (2) A transfer of the share or other interest in the Company of a deceased member made by his legal representative shall, although the legal

representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

(3) This Article shall not prejudice the provisions of Articles 50 and 56.

56. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. Refusal to register nominee
57. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. Board may require evidence of transmission
58. A fee not exceeding fifty paise per share may be charged in respect of the transfer or transmission to the same party, of any number of shares of any class or denomination, subject to such maximum fee on anyone transfer or transmission as may from time to time be fixed by the Directors. Such maximum fee may be a single fee payable on anyone transfer or on transmission, of any number of shares of one class or denomination or may be on graded scale varying with the number of shares of anyone class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine. The Directors shall have discretion (which they may exercise from time to time and for any period of time) not to charge any fee in respect of the transfer or transmission of shares referred to in this Article. Fee on transfer or transmission
59. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. The Company not liable for disregard of a notice prohibiting registration of transfer
60. The provisions of Articles 22 to 59 shall, mutatis mutandis, apply to the Debentures and Warrants of the Company.
 - 60A In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provision of the Depository Act, 1996 shall apply.

60B Nothing contained in the foregoing Articles 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 a Depository.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Increase of Capital

On What conditions the new shares may be issued

61. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amount as it thinks expedient.

62. (1) Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such conditions and with such rights and privileges annexed thereto as by the general meeting creating the same shall be directed and if no direction be given, as the Directors shall determine and in particular, such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with a special or without any right of voting and subject to be the provisions of section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

(2) Unless the Company in general meeting and in accordance with the provisions of section 81 of the Act shall otherwise determine, the provisions of section 81 of the Act shall be complied with, with regard to the offer of such shares.

Same as original Capital

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

Power to issue redeemable preference shares

63. (1) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are, or at the option of the Company are to be liable, to be redeemed:

Provided that:

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

redeemed; and the provisions of the Act relating to the reduction of the share capital of a company shall except as provided in section 80 of the Act, apply as if the capital redemption reserve account were paid-up share capital of the Company.

- (2) Subject to the provisions of section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided by the Articles of the Company or the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
- (3) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.
- (4) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares have never been issued; and accordingly the share capital of the Company shall not for the purpose of calculating the fees payable under section 611 of the Act be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

- (5) The capital redemption reserve account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
64. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares, to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:
- (a) The shares to be redeemed shall be determined by a drawing which the Company shall cause to be made at its registered office in the presence of one director at least; and
 - (b) Forthwith after every such drawing the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified, each such shareholder shall be bound to surrender to the Company the share Certificates in respect

Provision in case of redemption of preference shares

of the shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry interest from the date named for payment as aforesaid. Where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate therefore.

Reduction of Capital

65. Subject to confirmation by the court, the Company may, by special resolution, reduce its share capital in any way; and in particular and without prejudice to the generality of the foregoing power, may:

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by any assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, payoff any paid-up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Division and sub-division

66. The Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however 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 and so that as between the holders of the shares resulting from such subdivision one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage or otherwise over the others of any other such shares;
- (c) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination;
- (d) cancel shares which at the date of such general meeting 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.

Notice to Registrar of consolidation of Share Capital, conversion of shares into stocks etc.

67. (1) If the Company has:

- (a) consolidated and divided its share capital into shares of larger amount than its existing shares;
- (b) converted any shares into stock;
- (c) re-converted any stock into shares;
- (d) sub-divided its shares or any of them;

- (e) redeemed any redeemable preference shares; or
- (f) cancelled any shares otherwise than in connection with a reduction of share capital under sections 100 to 104 of the Act;

the Company shall within one month after doing so, give notice thereof to the Registrar specifying, as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stock reconverted.

- (2) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

MODIFICATION OF RIGHTS

- 68. If at any time the capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified, abrogated or dealt with in accordance with the provisions of section 106 of the Act. Powers to modify rights

The dissentient members shall have the right to apply to the court in accordance with the provisions of section 107 of the Act.

- 69. The rights or privileges conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied or modified or affected by the creation or issue of further shares ranking *pari passu* therewith. Issue of further shares not to affect rights of existing share-holders

JOINT-HOLDERS

- 70. Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: Joint-holders
 - (1) The Company shall be entitled to decline to register more than four persons as the holders of any share. No transfer to more than four persons as joint tenants
 - (2) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such shares. Liabilities of joint holders
 - (3) On the death of any one or more of such joint-holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Death of joint-holders
 - (4) Anyone of such joint-holders may give effectual receipts of any dividends or other money payable in respect of such share. Receipts of one sufficient
 - (5) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to the delivery of the Certificate relating to such share or to receive notices (which Delivery of Certificate and giving of notices to first-named holder

expression shall be deemed to include all documents as defined in Article 2) from the Company and any notice given to such person shall be deemed to have been given to all the joint-holders.

Votes of joint-holders

- (6) Anyone of two or more joint-holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one such joint'-holders be present at any meeting personally or by proxy or by attorney, that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first on the Register of Members in respect of such shares.

Several executors of a deceased member in whose (deceased member's) sole name any share stands shall for the purpose of this clause be deemed joint-holders.

BORROWING POWERS

Power to borrow

71. Subject to the provisions of sections 292 and 293 of the Act the Directors may from time to time at their discretion borrow any sum or sum of money for the purpose of the Company.

Conditions on which money may be borrowed

72. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.

Bonds, debentures etc. to be subject to control of Directors

73. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Provided that convertible bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company to persons other than the members of the Company on a *pro rata* basis with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Securities may be assignable free from equities

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

Issue at discount etc., or with special privileges

75. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, attending at general meeting of the Company, appointment of Directors and otherwise and subject to the following:

- (1) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business. Debentures with voting rights not to be issued
- (2) The Company shall have power to re-issue redeemed debentures in certain cases in accordance with section 121 of the Act.
- (3) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of section 123 of the Act.
- (4) Certain charges mentioned in section 125 of the Act shall be void against the liquidator or creditors unless registered as provided in section 125 of the Act. .
- (5) The term 'charge' shall include mortgage in these Articles.
- (6) A contract with the Company to take up and pay for any debenture of the Company may be enforced by a decree for specific performance.

- (7) The Company shall, within three months after the allotment of any of its debentures or debenture-stock, and within two months after the application for the registraion of the transfer of any such debentures or debenture-stock, have completed and have ready for delivery the certificates of all the debentures and the certificates of all debenture-stock allotted or transferred unless the conditions of issue of the debentures or debenture-stock otherwise provide. Limitation of time for issue of Certificate

The expression "transfer" for the purpose of this clause means a transfer duly stamped and otherwise valid, and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

- (8) (a) A copy of any trust deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment Right to obtain copies of and inspect Trust Deed.
 - (i) in the case of a printed trust deed, of the sum of Rupee one, and
 - (ii) in the case of a trust deed which has not been printed, of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
- (b) The trust deed referred to in item (a) above shall also be open to inspection by any member or debenture-holder of the Company in the same manner, to the same extent and on payment of the same fees, as if it were the Register of Members of the Company.

- 76. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. Indemnity may be given

Registration of charges

77. (1) The provisions of the Act relating to registration of charges which expression shall include mortgages shall be complied with.
- (2) In the case of a charge created out of India and comprising solely property situate outside India the provisions of section 125 of the Act shall be complied with.
- (3) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by section 125 of the Act.
- (4) Where any charge on any property of the Company required to be registered under section 125 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
- (5) In respect of registration of charges on properties acquired subject to charge, the provisions of section 127 of the Act shall be complied with.
- (6) The Company shall comply with the provisions of section 128 of the Act relating to particulars in case of series of debentures entitling holders *pari passu*.
- (7) The Company shall comply with the provisions of section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
- (8) The provisions of section 133 of the Act as to endorsement of certificate of registration on debenture or certificate of debenture-stock shall be complied with by the Company.
- (9) The Company shall comply with the provisions of section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.
- (10) As to modification of charges, the Company shall comply with the provisions of section 135 of the Act.
- (11) The Company shall comply with the provisions of section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of section 137 of the Act in regard to entering in the Register of Charges any appointment of Receiver or Manager as therein provided.
- (12) The Company shall also comply with the provisions of section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.
- (13) The Company shall keep at its registered office a Register of Charges and enter therein all charges specifically affecting any property of

the Company and all floating charges on the undertaking or on any property of the Company giving in each case:

- (a) a short description of the property charged,
- (b) the amount of the charge; and
- (c) except in the case of securities to bearer, the names of persons entitled to the charge.

- (14) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of section 144 of the Act.

78. The Company shall comply with the provisions of section 150 of the Act as to Register of Members and the provisions of section 152 of the Act as to Register and Index of Debenture-holders. Register of Members and Debenture-holders
79. No notice of any trust, express or implied or constructive, shall be entered on the Register of Members or of Debenture-holders. Trust not recognised
80. (1) The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the Register of Members or the Register of Debenture-holders for any period or periods not exceeding in the aggregate 45 (forty-five) days in each year, but not exceeding 30 (thirty) days at any one time. Power to close Register of Members or Debenture-holders
- (2) The Company may exercise the power to keep foreign Register of Members or Debenture-holders as provided in section 157 of the Act and the provisions of section 158 of the Act as to foreign register shall be complied with. Foreign Register of Members
- (3) The Company shall comply with the provisions of section 159 of the Act regarding filing of annual returns and the provisions of section 161 of the Act regarding annual return and certificates to be annexed thereto. Annual Return
- (4) (a) The Register of Members commencing from the date of the registration of the Company, the Index of members, the Register and Index of Debenture-holders and copies of all annual returns prepared under section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under section 161 of the Act shall be kept at the registered office of the Company or at such other place or places as may be permissible under the Act as the Directors may determine from time to time. Place of keeping and inspection of registers and returns
- (b) The registers, indexes, returns and copies of certificates and other documents referred to in sub-section (1) of section 163 of the Act shall except when the Register of Members or Debenture-holders is closed under the provisions of the Act, be open during business hours (subject to such reasonable restrictions as the Company may impose so that not less than two hours in each day are allowed for inspection) to the inspection
- (i) of any member or debenture-holder, without fee; and

- (ii) of any other person, on payment of a fee of Rupee one for each inspection.
- (c) Any such member, debenture-holder or other person may:
 - (i) make extracts from any register, index or copy referred to in sub-section (1) of section 163 of the Act without fee or additional fee, as the case may be, or
 - (ii) require a copy of any such register, index or copy or of any part thereof, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
- (d) The Company shall cause any copy required by any person under sub-clause (ii) of clause (c) above to be sent to that person within a period of ten days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.

STATUTORY MEETING AND GENERAL MEETINGS

Statutory Meeting

81. The Company shall hold within the period specified in section 165 of the Act, a general meeting of the members of the Company, which shall be called the Statutory Meeting.

Annual General Meeting

82. The Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting at the intervals, and in accordance with the provisions of section 166 of the Act.

Time and place of
Annual General
Meeting

83. Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.

Power of Directors to
call Extra-Ordinary
General Meeting

84. The Directors may call an extra-ordinary general meeting of the Company whenever they think fit.

Calling of Extra.
Ordinary General
Meeting on requisition

85. (1) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (4) of this Article, forthwith proceed duly to call an extra-ordinary general meeting of the Company.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (4) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at that date carries the right of voting in regard to that matter.
- (5) Where two or more distinct matters are specified in the requisition, the provisions of clause (4) shall apply separately in regard to each

such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

- (6) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called:
 - (a) by the requisitionists themselves,
 - (b) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in clause (4) whichever is less.

Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of section 189 of the Act.

- (7) A meeting called under clause (6) by the requisitionists or any of them:
 - (a) shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board; but
 - (b) shall not be held after the expiration of three months from the date of the deposit of the requisition.

Explanation: Nothing in clause (7)(b) shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.

- (8) Where two or more persons hold any shares or interest in the Company jointly, a requisition or a notice calling a meeting signed by one or some only of them, shall for the purposes of this Article have the same force and effect as if it has been signed by all of them.
- (9) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

- 86. (1) The provisions of sections 171 to 186 of the Act, shall, notwithstanding anything to the contrary in the Articles, apply with respect to general meetings of the Company.

Section 171 to 186 of the Act shall apply to meetings

- (2) (a) Section 176 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or of debenture-holders of the Company in like manner as it applies with respect to general meetings of the Company.
- (b) Unless the Articles or a contract binding on the persons concerned otherwise provide, sections 171 to 175 and sections

177 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to meetings of any class of members or of debenture-holders or any class of debenture-holders of the Company in like manner as they apply with respect to general meetings of the Company.

Length of notice for calling meeting

87. (1) A general meeting of the Company may be called by giving not less than twenty-one days' notice in writing.
- (2) A general meeting of the Company may be called after giving shorter notice than that specified in clause (1), if consent is accorded thereto:
- (i) in the case of an annual general meeting by all the members entitled to vote thereat: and
 - (ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety-five) percent of such part of the paid-up capital of the Company as gives a right to vote at the meeting;

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

Contents and manner of service of notice and persons on whom it is to be served

88. (1) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (2) Notice of every meeting of the Company shall be given:
- (i) to every member of the Company in any manner authorised by sub-sections (1) to (4) of section 53 of the Act,
 - (ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred, and
 - (iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by section 53 of the Act in the case of any member or members of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in section 173 of the Act need not be annexed to the notice as required by 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 notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

89. (1) For the purpose of this Article:

Explanatory statement to
be annexed to notice

(a) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors (ii) the declaration of a dividend, (iii) the appointment of directors in the place of those retiring, and (iv) the appointment of and the fixing of the remuneration of the auditors, and

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

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

Provided that the extent of shareholding interest of any such person shall be set out in the circumstances specified in the proviso to subsection (2) of section 173 of the Act.

(3) Where any item of business consists of the according of approval to any document by the meeting the time and place where the document can be inspected shall be specified in the statement aforesaid.

90. (1) Five members personally present shall be the quorum for a meeting of the Company. Quorum for meeting

(2) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved.

(3) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place, as the Board may determine.

(4) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

91. (1) No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business. Presence of quorum

(2) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant. Business confine to
election of Chairman
whilst Chair vacant

(3) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman. Chairman of General
Meeting

Chairman with consent
may adjourn the meeting

Business at adjourned
meeting

Proxies

- (4) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.
 - (5) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
92. (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.
- (2) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or where that is allowed one or more proxies, to attend and vote instead of himself and that a proxy need not be a member.
- (3) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty-eight) hours before the meeting in order that the appointment may be effective thereat.
- (4) The instrument appointing a proxy shall
- (a) be in writing, and
 - (b) be signed by the appointer or his attorney duly authorised in writing, or, if the appointee is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- (5) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the usual common forms or in such other form as the Directors may approve from time to time.
- (6) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by the Articles.
- (7) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

Form of Proxy

Restrictions on exercise
of voting rights of
members who have not
paid calls etc.

VOTES OF MEMBERS

93. No member shall exercise any voting right 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.

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| 94. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 93. | Restriction on exercise of voting right in other cases to be void |
| 95. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class. | Equal rights of shareholders |
| 96. At any general meeting a resolution put to the vote of the meeting shall unless a poll is demanded under section 179 of the Act be decided on a show of hands. | Voting to be by show of hands in first instance |
| 97. (1) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him. | Votes |
| (2) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under section 187 of the Act in which case such proxy or representative may vote on a show of hands as if he were a member of the Company. | No voting by proxy on show of hands |
| (3) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to transfer any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty-eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent members etc. |
| (4) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time the Directors may determine in the custody of the Company, if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company. | Custody of the instrument |
| (5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting. | Validity of votes given by proxy not withstanding death of member etc. |
| (6) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. | Time for objections for vote |

Chairman of any meeting to be the judge of any vote

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

Chairman's declaration of result of voting by show of hands to be conclusive

98. A declaration by the Chairman in pursuance of section 177 of the Act that on a show of hands, a resolution has or has not been carried or has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

99. (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 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 on which an aggregate sum of not less than fifty thousand rupees has been paid-up.
- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

100. (1) A poll demanded on a question of adjournment shall be taken forthwith.
- (2) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in section 175 of the Act) shall be taken at such time not being later than 48 (forty-eight) hours from the time when the demand was made, as the Chairman may direct.

Demand for poll not to prevent transaction of other business

101. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Right of a member to use his votes differently

102. On a poll taken at a meeting of the Company a member 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.

Scrutineers at poll

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

104. (1) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken. Manner of taking poll and result thereof
- (2) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
105. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member. Casting vote
106. (1) A body corporate (whether a company within the meaning of the Act or not), if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of section 187 of the Act authorise a person to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company or at any meeting of any creditors of the Company. Representation of body corporate
- (2) The representation of the President of India or of the Governor of a State if he is a member of the Company may be allowed in accordance with the provisions of section 187 A of the Act or any other statutory provision governing the same. Representation of President of India or Governor
107. The Company shall observe the provisions of section 187B of the Act in regard to the public trustee. Public Trustee
108. The Company shall comply with the provisions of section 192 of the Act relating to registration of certain resolutions and agreements. Registration of resolution and agreements
109. The Company shall comply with the provisions of section 188 of the Act relating to circulation of members' resolutions. Circulation of members resolution
110. The company shall comply with the provision of section 190 of the Act relating to resolutions requiring special notice. Resolution requiring special notice
111. The provisions of section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolution shall be deemed for all purposes as having been passed on the date on which in fact it was passed and shall not be deemed to have been passed on any earlier date. Resolutions passed at adjourned meeting
112. The Company shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board, to be entered in the books to be kept as may be required by section 193 of the Act. Minutes of proceedings of General Meetings and of Board and other meetings
113. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of section 193 of the Act then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein. Presumptions to be drawn where minutes duly drawn and signed

Inspection of Minute
Books of General
Meetings

114. (1) The books containing the minutes of the proceedings of any general meeting of the Company shall:
- be kept at the registered office of the Company, and
 - be open during the business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may in general meeting impose so however that not less than two hours in each day are allowed for inspection.
- (2) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in clause (1) on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
- (3) In the case of any refusal or default, the court may, by order, compel an immediate inspection of the Minute books or direct that the copy required shall forthwith be sent to the person requiring it.

Publication of reports of
proceedings of General
Meetings

115. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by section 193 of the Act to be contained in the minutes of the proceeding of such meeting.

MANAGERIAL PERSONNEL

Managerial personnel

116. The Company shall duly observe the provisions of section 197 A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

MANAGEMENT

Number of Directors

117. The number of Directors of the Company shall not be less than 4 nor more than 16, excluding the Special Director, if any; and the Debenture Director, if any, and the Corporation Director, if any.

Names of first Directors

118. The first Directors of the Company are:
- SHRI ARVIND NAVINCHANDRA MAFATLAL
 - SHRI YOGINDRA NAVINCHANDRA MAFATLAL
 - SHRI RASESH NAVINCHANDRA MAFATLAL
 - SHRI HEMANT BHAGUBHAI MAFATLAL

Debenture Director

119. Any Trust Deed for securing debentures or debenture-stock may, if so arranged, provide for the appointment, from time to time., by the Trustees thereof or by the holders of debentures or debenture-stock, of some person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture-stock, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary

provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

120. So long as any moneys be owing by the Company to any Finance Corporation or Credit Corporation or to any Financing Company or Body and/or so long as any Finance Corporation or Credit Corporation or any Financing Company or Body holds the shares in the Company acquired as a result of underwriting (which Corporation or Body is hereinafter in this Article referred to as "the Corporation"), the Directors may authorise such Corporation to appoint, from time to time, any one or more person(s) as Director(s) of the Company (which Directors(s) is hereinafter referred to as "Corporation Director") and the Corporation Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director. Corporation Director

The Corporation may at any time and from time to time remove any such Corporation Director or Directors appointed by it and may, at the time of such removal and also in the case of death or resignation of the person(s) so appointed at any time, appoint another or others in his or their place, and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. Such appointment or removal shall be made in writing signed by the Chairman of the Corporation or any person or Director thereof authorised in this behalf and shall be delivered to the Company at its registered office.

Every Corporation entitled to appoint a Director under this Article may appoint one or more such person(s) as Director(s).

121. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the Directors may authorise such company, corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint, from time to time, any person as a Director of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however that such Special Director shall hold office so long as such collaboration arrangement remains in force, unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or at any time thereafter. Special Director

The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the company at its registered office.

It is clarified that every Collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one Collaborator is so entitled there may be at any time as many Special Directors as the Collaborators eligible to make the appointment.

- Limit on number of non-retiring Directors
122. The provisions of Articles 119, 120, 121 and 164 are subject to the provisions of section 255 of the Act and the number of such Directors appointed under Articles 119, 120, 121 and 164 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
- Alternate Director
123. The Board of Directors may appoint any Alternate Director in accordance with section 313 of the Act.
- Qualification of Director
124. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.
- Remuneration of Director
125. The remuneration of a Director (including a Corporation Director) for his services for attending a Board Meeting shall be Rs. 1,000 or such higher sum as may be prescribed by the Act, or the Central Government pursuant to section 310 of the Act from time to time for each meeting attended by him, provided that the Directors may accept a lower sum from time to time.
- Provided further that in the case of a Corporation Director, if so desired by the Corporation appointing him, no sitting fees shall be paid to him. Such sitting fees may, however, be paid to the appointing Corporation if so desired by it.
- Travelling and other expenses
126. The Directors may allow and pay to any Director, who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings, or in connection with the business of the Company, his traveling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him.
- Provided that if so desired by the Corporation appointing a Corporation Director, the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to that Director in respect of his attendance at the meeting of the Board.
- Remuneration to Committee of Management
127. The Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by them, which may be called a 'Committee of Management' in the following manner.
- The remuneration payable to any member or members constituting the Committee shall be a sum not exceeding Rs. 250/- per meeting per member attended by him or a commission at 3% of the net profits of the Company computed in the manner laid down in section 198 (1) of the Act whichever is higher.
- The rate of such commission shall be reduced to 1 % in the circumstances referred to in section 309 (4) (a) of the Act.
- The Company may pay a commission higher than 3% or 1 % as the case may be to the member or members constituting the Committee of Management with such approval of the Central Government and of the Company in general meeting as may be requisite.

The remuneration of the Committee of Management referred to in this Article may be divided by the Committee by majority decision of the members thereof amongst such member or members and/or any ex-member or ex-members thereof and in such manner or proportion and on such basis as such majority may in their discretion decide.

The Directors may from time to time re-constitute such Committee by changing the personnel thereof as they may, in their discretion, think fit.

The remuneration payable under this Article shall be in addition to the sitting fee provided in Article 125 and expenses and allowances under Article 126.

128. The Directors may from time to time appoint one or more members of their body constituting a Committee other than the Committee of Management appointed by the Directors In terms of Article 127. The remuneration of a member of the Committee so appointed, for his service for attending a meeting of the Committee, shall be upto Rs. 1,000/- or such higher sum as may be prescribed by the Act or the Central Government pursuant to section 310 of the Act from time to time for each meeting attended by him in addition to the expenses and allowances under Article 126.

Appointment and remuneration to Committees

Provided that in the case of a Corporation Director, who may be a member of the Committee of Directors, other than the Committee of Management, if so desired by the Corporation appointing him,

- (i) no sitting fee shall be paid to him;
- (ii) such sitting fee may, however, be paid to the Corporation appointing him;
- (iii) the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to the Director in respect of his attendance at the meetings of a Committee.

129. If any Director, being willing, shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company, the Company may, subject to the provisions of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

Remuneration for extra services

130. The Directors may be paid further remuneration (if any) as the Company in general meeting may, subject to the provisions of the Act and the Articles, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time, subject to the provisions of the Act, determine and in default of such determination within the year, equally.

Further remuneration

- 130A. (1) Any provision relating to the remuneration of any Director, a Managing or Whole-time Director, or any amendment thereof which purports to increase or has the effect of increasing whether directly or indirectly, the amount thereof, whether that provision be contained in the Companys' Memorandum or Articles or in an Agreement

Increase in remuneration of Directors to require Government sanction

entered into by it, or in any resolution passed by the Company in general meeting or by the Board of Directors, shall, save and except where it is in accordance with the provisions of Schedule XIII of the Act, not have any effect unless approved by the Central Government and the amendment shall become void, if and in so far as, it is disapproved by the Government.

- (2) If the terms of any reappointment or appointment of a Managing or Whole-time Director, purport to increase or have the effect of increasing, whether directly or indirectly the remuneration which the Managing or Whole-time Director, as the case may be, was receiving immediately before such reappointment or appointment, the reappointment or appointment shall, save and except where it is in accordance with the provisions of Schedule XIII of the Act, not have any effect unless approved by the Central Government and shall become void if, and in so far as it is disapproved by the Government.

Directors not to act
when number falls
below minimum

131. When the number of Directors in office falls below the minimum above fixed, the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the company act so long as the number is below the minimum and they may so act notwithstanding the absence of the necessary quorum.

Eligibility

132. A person shall not be capable of being appointed a Director if he has the disqualifications referred to in section 274 of the Act.

Directors vacating office

133. (1) The office of a Director shall become vacant if:
- (a) he fails to obtain within the time specified in sub-section (1) of section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any, required of him by the Articles;
 - (b) he is found to be of unsound mind by a court of competent jurisdiction;
 - (c) he applies to be adjudicated an insolvent;
 - (d) he is adjudged an insolvent;
 - (e) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;
 - (f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by notification in the Official Gazette removes the disqualification incurred by such failure;
 - (g) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
 - (h) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any

guarantee or security for a loan from the Company in contravention of section 295 of the Act;

- (i) he acts in contravention of section 299 of the Act;
 - (j) he becomes disqualified by an order of court under section 203 of the Act;
 - (k) he is removed in pursuance of section 284 of the Act;
 - (l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (m) he resigns his office by notice in writing given to the Company.
- (2) Notwithstanding anything in sub-clauses (d), (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect:
- (a) for thirty days from the date of the adjudication, sentence or order;
 - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or.
 - (c) where within the seven days aforesaid any further appeal, or petition is preferred in respect of the adjudication, sentence conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

134. The Company may by ordinary resolution remove any Director (not being a Director appointed by the Central Government in pursuance of section 408 of the Act) in accordance with the provisions of section 284 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.

Removal of Directors

135. (1) Subject to the restrictions imposed by these Articles and by sections 292, 293, 294, 295, 297, 300, 314, 370 and 372 of the Act, no Director, Managing Director or other officer or employee of the Company shall be disqualified from his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, or officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with and in the cases mentioned in section 299 of the Act where that section be applicable.

Directors may contract with Company

- (2) In accordance with section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.

Provided that the above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of section 300 of the Act.

A general notice such as is referred to in sub-section (3) of section 299 of the Act shall be sufficient disclosure under this Article as provided in that section.

Directors may be
directors of companies
promoted by the
Company

136. A Director, Managing Director, officer or employee of this Company may be, or become a director of any company promoted by this Company or in which it may be interested as a vendor, member or otherwise, and no such director shall be accountable for any benefits received as director or member of such company, except to the extent and under the circumstances as may be provided in the Act.

Duty of Directors etc. to
make disclosure

137. (1) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Managing Agent, Secretaries and Treasurers, Manager or Secretary of any other body corporate shall, within twenty days of his appointment or as the case may be relinquishment of such office, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of section 303 of the Act.

- (2) Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of section 307 of the Act and every other person referred to in sub-section (11) of section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that section and section 308 of the Act.

Directors etc. not to hold
office or place of profit

138. Any Director or other person referred to in section 314 of the Act may be appointed to or hold any office or place of profit under the Company in accordance with the provisions of section 314 of the Act.

Certain powers to be
exercised by Board only
at meetings

139. The Board of Directors shall exercise the powers referred to in section 292 of the Act, on behalf of the Company and the Board shall do so only by means of resolutions passed at meetings of the Board. Provided that the Board may delegate the powers therein referred to in the manner and to the extent and subject to the conditions or limitations therein referred to, to such persons including officers as are mentioned in the said section.

Restrictions on powers
of Board

140. (1) The Board of Directors of the Company shall not, except with the consent of the Company in General Meeting:
- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the

Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;

- (b) remit, or give time for the repayment of any debt, due by a Director;
- (c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) borrow moneys, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose;

Explanation: For the purpose of these provisions the expressions "free reserve" shall include the amount to the credit of the following accounts:

(1) Dividend equalisation (2) Machinery renewal (3) Machinery replacement (4) Development rebate (5) Special depreciation (6) Post war rehabilitation (7) General reserve (8) Employees' welfare (9) Insurance Fund,

or

- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees, or five percent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanations contained in sub-section (1) of section 293 of the Act and in regard to the limitations on the powers of the Company contained in section 293A of the Act.

- (2) Nothing contained in sub-clause (a) of clause (1) shall affect:
 - (a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause, in good faith and after exercising due care and caution, or
 - (b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- (3) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) of clause (1) may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided

that this clause shall not be deemed to authorise the Company to effect any reduction in its Capital except in accordance with the provisions contained in that behalf in the Act.

- (4) No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
- (5) Due regard shall be given to and compliance as regard disclosures in the Profit and Loss Account shall be observed as provided under section 293A of the Act.

Appointment of sole
selling agents

- 141. (1) The appointment of a selling agent, the reappointment of a selling agent and extension of the term of a selling agent shall be regulated in accordance with the provisions of section 294 of the Act and any Rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said section and such Rules or Notifications, if any, as may be applicable.
- (2) The payment of any compensation to a selling agent shall be subject to the provisions of section 294A of the Act.

Loans to Directors

- 142. The provisions of section 295 of the Act shall be observed and complied with in cases of loans to or guarantee to or by or providing of any security in connection with a loan to or by persons and under the circumstances and cases mentioned in that section so far as the same may be applicable.

Board's sanction
required for certain
contracts in which
Directors are interested

- 143. Sanction of the Board of Directors shall be necessary in the cases and to the extent and in the manner required by section 297 of the Act and the Directors shall comply with the provisions of that section wherever applicable.

ROTATION OF DIRECTORS

Rotation of Directors

- 144. Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.
The remaining Directors, shall in default of and subject to any regulations in the Articles also be appointed by the Company in general meeting.

Ascertainment of
Directors retiring by
rotation and filling up
vacancies

- 145. (1) At the first Annual General Meeting of the Company, all the Directors whose period of office is liable to determination by retirement by rotation shall retire, and at every Annual General Meeting held thereafter, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office.
- (2) 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 who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.

- (3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up vacancy by appointing the retiring Director or some other person thereto.
- (4) (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
 - (i) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or
 - (v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

Explanation: In this Article and Article 146, the expression "Retiring Director" means a Director retiring by rotation.

146. (1) A person who is not a retiring Director shall, in accordance with section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of a Director at any general meeting, if he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.
- (2) The Company shall inform its members of the candidature of a person for the office of a Director or the intention of a member to propose such person as a candidate for that office not less than seven days before the meeting in the manner provided in sub-section (1A) of section 257 of the Act.

Right of persons other than retiring Directors to stand for directorship

147. Every person who is proposed as a candidate for the office of a Director of the Company shall sign and file with the Company and with the Registrar

Consent of candidate for directorship

his consent in writing to act as a Director in accordance with the provisions of section 264 of the Act in so far as they may be applicable.

PROCEEDINGS OF DIRECTORS

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| Meetings of Directors | 148. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. A meeting of the Board shall be held once at least in every three months as provided in section 285 of the Act. |
| When meeting to be convened | 149. Any Director of the Company may at any time convene a meeting of the Directors. |
| Director entitled to notice | 150. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and to every other Director at his usual address in India. |
| Questions at Board Meeting how decided | 151. Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote. |
| Who to preside meetings of the Board | 152. All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors, the Chairman be not present at the time appointed for holding the same, then and in that case the Directors shall Choose one of the Directors then present to preside at the meeting. |
| Quorum at Board Meeting | 153. (1) The quorum at meetings of the Directors shall be that prescribed by section 287 of the Act. |
| Quorum competent to exercise power | (2) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles for the time being vested in or exercisable by the Directors generally. |
| | (3) If a meeting of the Board could not be held for want of quorum, then, the meeting shall stand dissolved. |
| Directors may appoint committee | 154. Subject to the provisions of the Act, the Directors may delegate all or any of their powers to Committees consisting of such member or members of their body as they think fit, and they may, from time to time, revoke such delegation. |
| | Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors, and subject thereto may regulate its own procedure. |
| Resolution by circular | 155. Subject to the provisions of section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution duly passed at a meeting of the Directors or of such Committee called and held in accordance with the provisions of these Articles. |
| | Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting |

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

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| 156. Subject to the provisions of sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by the Articles. | Limit of Directors' number |
| 157. Subject to the provisions of section 260 of the Act, the Directors shall have power at any time to appoint any person as an additional Director to the Board but so that the total number of Directors shall not exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only upto the next Annual General Meeting of the Company and shall then be eligible for re-appointment. | Appointment of additional Directors |
| 157A. Subject to the provisions of section 262 of the Act, the Directors shall have power at any time to appoint any person as a Director to fill a casual vacancy on the Board. Any Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the office had not been vacated. | Appointment of Directors in casual vacancy |
| 158. All acts done by any meeting of the Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director. | Acts of Board or Committee valid notwithstanding defect of appointment |
| 159. The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with the Articles and section 193 of the Act. | Minutes of proceedings of the Board and the Committee to be valid |
| 160. (1) The Directors shall cause to be kept at the registered office of the Company. | Register of Directors and Managing Director etc. |
| (a) a Register of the Directors, Managing Director, Manager and Secretary of the Company containing the particulars required by section 303 of the Act; | |
| (b) a Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by section 301 of the Act; and (c) a Register of Directors' shareholding containing the particulars required by section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act. | |
| (2) The Company shall comply with the provisions of sections 301, 303 and 307 and other sections of the Act with regard to inspection of registers and furnishing copies or extracts so far as the same be applicable to the company. | Inspection of registers |

POWERS OF DIRECTORS

General powers of the
Company vested in
Directors

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

Restrictions of certain
sections of the Act to
apply

162. The restrictions contained in sections 292,293,294,295,297,299,300,370 and 372 of the Act shall be observed in regard to matters therein mentioned so far as the same be applicable to the Company.

Specific powers given to
Directors

163. Without prejudice to the general powers conferred by Article 161 and the other powers conferred by these presents and so as not in any way to limit any or all these powers it is hereby expressly declared that subject as aforesaid, the Directors shall have the following powers:
- (1) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
 - (2) to pay and charge to the capital account of the Company any interest lawfully payable thereout under the provisions of section 208 of the Act;
 - (3) to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
 - (4) to acquire by purchase, lease or in exchange or otherwise, lands, buildings, hereditaments, machinery, rights, privileges, or properties movable or immovable;
 - (5) to erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
 - (6) to let, mortgage, charge, sell or otherwise dispose off, subject to the provisions of section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
 - (7) at their discretion to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debentures stock or other

securities of the Company, and any such shares may be issued either as fully paidup or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged;

- (8) to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- (9) subject to section 292 of the Act, to open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- (10) to secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid Capital for the time being or in such other manner as they may think fit;
- (11) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof, as they think fit;
- (12) to accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- (13) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
- (14) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also subject to the provisions of section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- (15) to refer, subject to the provisions of section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
- (16) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

- (17) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of section 293 of the Act;
- (18) to determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents;
- (19) subject to the provisions of sections 292, 293, 370 and 372 of the Act, to invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such shares, securities or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;
- (20) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
- (21) subject to such sanction as may be necessary under the Act or the Articles, to give to any Director, officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company;
- (22) to provide for the welfare of employees or ex-employees of the Company and the wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- (23) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purposes or for any exhibition;
- (24) to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any person who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons,

and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;

- (25) before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other Special Fund to meet contingencies or to repay redeemable preference shares, debentures or debenture-stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as require to be invested upon such investments (subject to the restrictions imposed by sections 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company, notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such funds, interest at such rate as the Directors may think proper;
- (26) to appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, clerks, agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit and from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India in such manner as they think fit and the provision contained in clause (28) following shall be without prejudice to the general powers conferred by this clause;
- (27) to comply with the requirements of any local law which in their opinion, it shall be in the interests of the Company necessary or expedient to comply with;

- (28) at any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) be made in favour of any company or the members, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated, directly or indirectly, by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- (29) subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, officer or officers or employee for the time being of the Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper;
- (30) to enter into all such negotiations and contracts and rescind and vary all such contract and to execute and do all such acts, deeds and things in the name and on behalf of the Company they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

MANAGING DIRECTORS

Power to appoint
Managing Director

164. (1) Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company, either for a fixed term not exceeding 5 (five) years at a time or without any limitation as to the period for which he or they is or 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 or their place or places.

Will not be subject to
retirement by rotation

- (2) Subject to the provisions of the Act, a Managing Director shall not, while he continues to hold that 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 but subject to the provisions of any contract between him and the Company he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company, 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.

Remuneration of
Managing Director

- (3) Subject to the provisions of sections 198, 309, 310 and 311 of the Act, the remuneration of a Managing Director shall (subject to the

provisions of any contract between him and the Company) from time to time be fixed by the Company in general meeting or so far as the Act may allow, by the Directors, and may be by way of fixed salary or commission on dividends, profits or turnover of the Company or of any other company in which the Company is interested or by participation in any such profits, or by any or all of those modes.

- (4) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon a Managing Director, for the time being, such of the powers exercisable under these presents by the Directors as they 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 they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors, in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers and duties of
Managing Director

All the provisions of this Article shall also apply to Whole-time Directors, if appointed by the Board of Directors.

SEAL

165. (1) The Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in presence of one Director at the least, who shall sign every instrument to which the Seal is affixed and every such instrument shall be counter-signed by the Managing Director or such other officer or person as the Directors may from time to time resolve, provided that such counter-signatures shall not be necessary where the instrument is in favour of the Managing Director or the Managing Director is a party to it.
- (2) The Company may exercise the powers conferred by section 50 of the Act and such powers shall accordingly be vested in the Directors.

The Seal, its custody and
use

Seals abroad

INTEREST OUT OF CAPITAL

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

Payment of interest out
of Capital

DIVIDENDS

167. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum and these Articles

Division of profits

and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid up on the shares held by them respectively.

Dividend payable to registered holder

Time for payment of dividend

Capital paid up in advance at interest not to earn dividend

Dividends in proportion to amount paid up

Company in General Meeting may declare dividends

Power of Directors to limit dividends

Dividend to be paid out of profits

Directors' declaration as to net profits conclusive

Interim dividends

Retention of dividend until completion of transfer under Article 55

No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

168. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

169. Where a dividend has been declared by the Company it shall be paid within the period provided in section 207 of the Act.

170. Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to participate in profits or to dividend.

171. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of section 208 of the Act.

Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the Capital from time to time paid during such period on such share.

172. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

173. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.

174. Subject to the provisions of section 205 of the Act, no dividend shall be declared and paid for any financial year except out of profits of the Company or out of the moneys provided by the Central Government or State Government for payment of dividend in pursuance of any guarantee given by such Government and no dividends shall carry interest as against the Company. Nothing contained in this Article shall be deemed to affect in any manner the operation of section 208 of the Act.

175. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

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

177. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

178. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of

such share or shares either alone or jointly with any over person or persons, and the Directors may deduct from the interest or dividend payable to any member, all sums of money so due from or to the Company.

179. A transfer of shares shall not pass the right to any dividend declared before the registration of the transfer. Transferred shares must be registered
180. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in the case of joint-holders to that one of them first named in the Register of members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled there to by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Dividends how remitted
181. (1) After the declaration of the dividend at the Annual General Meeting of the Company if any dividend remains unpaid to or unclaimed by any member within 42 days from the date of declaration the Company will within seven days from the date of expiry of the said period of forty two days transfer the amount of each dividend which remains unpaid or unclaimed to a special account as specified under section 205A (1) of the Act. Unclaimed dividends
- (2) Any money transferred to the special account in terms of sub-clause (1) above which remains unclaimed for a period of three years from the date of such transfer shall be transferred by the Company to the General Revenue Account of the Central Government as specified under section 205A (5) of the Act."
- 181A. There shall be no forfeiture of unclaimed dividends till the claim thereto becomes barred by law. Forfeiture of unclaimed dividends
182. Any general meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls. Dividend and call together-set off allowed
183. Subject to the provisions of section 205 of the Act and if and in so far as may not be prohibited by that section or any other provision of the Act, any general meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend, wholly or in part, by the distribution of (a) partly or fully paid up shares, (b) debentures or debenture-stock, (c) any specific assets or property of the Company, or in anyone or more of such ways and the Directors shall give effect to such direction and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any members upon the footing of the value so fixed, or that fractions of less value than Rupee one may be disregarded, in order to adjust the rights of the parties and may vest any such shares, debentures, debenture-stock

or specific assets in trustees upon such trust for the persons entitled to the dividend as may seem expedient to the Directors. Where required the Directors shall comply with section 75 of the Act and the Directors may appoint any person to sign any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

CAPITALIZATION

Capitalization

184. Subject to the provisions of the Act:

- (1) any general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company (including profits or surplus moneys arising from realisation of any capital assets of the Company) standing to the credit of the Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing the premiums received on the issue of shares and standing to the credit of the share premium account be capitalized:
 - (a) by the distribution among the holders of the shares of the Company or any of them on the footing that they become entitled thereto as capital in accordance with the respective rights and interests and in proportion to the amount paid or credited as paid thereon, of paid up shares, debentures or debenture-stock, bonds or other obligations of the Company, or
 - (b) by crediting shares of the Company which may have been issued and are not fully paid up, in proportion to the amount paid or credited as paid thereon, respectively, with the whole or any part of the sums remaining unpaid thereon, and the Directors shall give effect to such resolution and apply such portion of the profits or Reserve Fund or any other Fund as may be required for the purpose of making payment in full or part for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed or (as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up, provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended, such distribution and payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.
- (2) for the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit and may make cash payments to any holders of shares on the footing of the value so fixed in order to adjust rights and may vest any shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for adjusting such rights as may seem expedient to

the Directors. In cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalization may be affected by the distribution of further shares in respect of the fully paid shares, by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability in the partly paid shares shall be so applied *pro rata* in proportion to the amount, then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which have been issued prior to such capitalization and such appointment shall be effective.

ACCOUNTS

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| 185. The provisions of sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company. | Accounts |
| 186. (1) The Company shall, at the expense of the Company, cause proper books of accounts to be kept in accordance with the provisions of section 209 of the Act. | Proper books of accounts to be kept |
| (2) The books of account shall be kept at the registered office of the Company or such other place or places in India as the Directors think fit and shall be open to inspection by the Directors during business hours. | Place of keeping books of accounts |
| 187. (1) The Directors shall lay before the Company at every Annual General Meeting held in pursuance of section 166 of the Act: | Statement of accounts to be furnished to General Meeting |
| (a) a Balance Sheet as at the end of the period specified in section 210 of the Act, and | |
| (b) a Profit and Loss Account for that period. | |
| (2) The Profit and Loss Account shall relate to the period referred to in section 210 of the Act. | |
| (3) The provisions of sections 211 to 215 of the Act shall be complied with whenever the same be applicable. | |
| 188. There shall be attached to every Balance Sheet laid before the Company in general meeting a report of the Board of Directors which shall comply with the requirements of section 217 of the Act and of any other act, rules or notification as may be applicable. | Directors' Report |
| 189. A copy of the audited Balance Sheet and the Profit and Loss Account together with a copy of the auditors' report and a copy of every document required by law to be annexed or attached thereto as the case may be to the Balance Sheet shall, not less than twenty-one days before the date of the meeting at which the same are to be laid, be sent to every member of the Company and to every holder of debentures of the Company (not being debentures which <i>ex facie</i> are payable to the bearer thereof), to every trustee for the holders of debentures issued by the Company and to all | Balance Sheet and other documents to be sent to the address of every member |

persons other than such members, holders or trustees, being persons entitled to receive them, subject to the provisions of section 219 of the Act.

Three copies of Balance Sheet etc. to be filed with Registrar

190. After the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting, three copies thereof signed as may be required by the Act shall be filed with the Registrar in accordance with the provisions of section 220 of the Act.

AUDIT

Accounts to be audited

191. The accounts of the Company shall be audited in accordance with the provisions of the Act.

Appointment and qualification of auditors

192. The Company shall appoint an auditor or auditors at each Annual General Meeting and the provisions of sections 224 to 230 of the Act with regard to the appointment, remuneration, removal, qualification, disqualification, powers and duties, audits of branch office and signature of audit report and reading and inspection of auditors' report shall apply so far as the same be applicable to the Company. The Company or the Directors may fix the remuneration of the auditor or auditors, as the Company or the Directors, as the case may be, may think fit, subject to any provisions of the Act in that behalf and may pay the same.

Accounts when audited and approved to be conclusive except errors discovered within three months

193. Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected and henceforth shall be conclusive.

NOTICES

Service of Notice on Company

194. A notice may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.

The term "Notice" in this and the following Articles shall include summons, notice, requisition, order or other legal process and any document.

Service of Notice on Registrar

195. A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

Service of Notice on members by Company

196. (1) A notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for the giving of notices to him.

- (2) Where a notice is sent by post:

- (a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a

sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- (b) such service shall be deemed to have been effected:
 - (i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and
 - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

- (3) A notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.
- (4) A notice may be served by the Company on the joint-holder of a share by serving it on the joint-holder named first in the Register of Members in respect of the share.
- (5) A notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

- 197. Subject to the provisions of the Act, notice of every general meeting shall be given:
 - (i) to every member of the Company in the manner authorised by sub-sections (1) to (4) of section 53 of the Act;
 - (ii) to the persons entitled to a share in consequence of the death or insolvency of a member, under sub-clause (ii) of clause (2) of section 172 of the Act;
 - (iii) to the auditor or auditors, in the manner authorised by section 53 of the Act in the case of any member or members of the Company.

Persons entitled to notice of General Meeting
- 198. Any notice given by the Company shall be signed by a Director, the Managing Director or by such officer as the Directors may appoint and the signatures thereto may be written, printed or lithographed.

Notice by Company and signatures thereto
- 199. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorised officer of the Company and need not be under its Common Seal.

Authentication of documents and proceedings

WINDING UP

- 200. Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall

Distribution of assets

be less than sufficient to repay the whole of the paid-up capital, such assets 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 winding up, the assets 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 at the commencement of the winding up or which ought to have been paid-up on the shares held by them respectively.

But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind

201. Subject to the provisions of the Act:

- (1) if the Company shall be wound up whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator, with the like sanction, shall think fit.
- (2) if thought expedient, any such division may subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have the right, if any, to dissent if such right be given by the Act.
- (3) in case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the resolution, by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

Rights of shareholders in case of sale

202. Subject to the provisions of the Act, a special resolution sanctioning a sale to any other company duly passed, may, in like manner as aforesaid, determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

SECURITY CLAUSE

Secrecy clause

203. Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company without the permission of the Directors, to require discovery of or any information respecting any detail of the Company's business or trading, or any other matter which is or may be in

the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

204. (1) Subject to the provisions of section 201 of the Act, the Managing Director and every Director of the Company and every employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company, to pay all costs, losses and expenses (including traveling expenses) which such Managing Director, Director, Manager, Secretary and other officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Manager, Secretary, officer or servant or in any way in the discharge of his duties and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims. Directors' and others
rights to indemnity
- (2) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the court.
205. Subject to the provisions of section 201 of the Act, no Director, Managing Director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. Directors and other
officers not responsible
for acts of others

Names of Subscribers	Addresses and description of Subscribers	Number of shares taken by each Subscriber	Names, Addresses and Description of Witnesses
ARVIND N. MAFATLAL	10, Altamount Road, Mumbai 26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH, Solicitor, 51, Mahatma Gandhi Road, Mumbai 1.
YOGINDRA N. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
R.N. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
H.B. MAFATLAL	10, Altamount Road, Mumbai-26 Industrialist	11 Equity	AMBALAL SHANKERLAL PARIKH
VIJAYALAXMI NAVINCHANDRA	10, Altamount Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
MRS. SHARDA BHAGUBHAI	10, Altamount Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
K.K. MAHADEVIA	B-5, Mafatlal Park, Bhulabhai Desai Road, Mumbai 26 Industrialist	1 Equity	AMBALAL SHANKERLAL PARIKH
JAYANTILAL D. VASA	E-10, Mafatlal Park, Bhulabhai Desai Road, Mumbai-26 Investor	1 Equity	AMBALAL SHANKERLAL PARIKH
for THE STANDARD MILLS COMPANY LIMITED Mafatlal Gagalbhai & Sons By YOGINDRA N. MAFATLAL Partner Managing Agents	Mafatlal House, Backbay Reclamation, Mumbai-1 Investor	53 Equity	AMBALAL SHANKERLAL PARIKH
	Total	101 Equity	

Dated at Mumbai, this 4th day of May, 1961

Special/Ordinary Resolutions passed at the Thirtieth Annual General Meeting of the Members of the Company held on 16th August. 1991

ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Section 293(I)(a) and (d) and other applicable provisions, if any, of the Companies Act, 1956, the Company in General Meeting hereby accords its consent to the Board of Directors borrowing any sum or sums of money, from time to time, from any one or more of the Company's bankers or from anyone or more other persons, firms, bodies corporate or financial institutions, whether by way of cash credit, advances or deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien on or pledge of the Company's assets and properties, whether movable or immovable including fixed assets or stock-in-trade (including raw materials, machinery, components, stores and spare parts in stock or in transit and work-in-progress) notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed or will exceed the aggregate of the paid-up capital and the free reserves of the Company, that is to say, the reserves not set apart for any specific purpose, but so that the total amount up to which moneys may be so borrowed by the Board of Directors and outstanding shall not at anyone time exceed Rs.250 crores."

SPECIAL RESOLUTION

"RESOLVED THAT under Section 149(2-A) of the Companies Act 1956, the Company in General Meeting hereby approves of commencement by the Board of Directors of the business of exports of all products including *inter alia* chemicals, metals, materials, substances, products, goods, articles and merchandise of all kinds whether or not manufactured by the Company but covered *inter alia* by Sub-clause (24) of Clause III of the Memorandum of Association of the Company."

Ordinary Resolution passed at the Thirty-first Annual General Meeting of the Members of the Company held on 18th August. 1992

ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Section 293(I)(a) and (d) and other applicable provisions, if any, of the Companies Act, 1956, the Company in General Meeting hereby accords its consent to the Board of Directors borrowing any sum or sums of money, from time to time, from any one or more of the Company's bankers or from anyone or more other persons, firms, bodies corporate or financial institutions, whether by way of cash credit, advances or deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien on or pledge of the Company's assets and properties, whether movable or immovable including fixed assets or stock-in-trade (including raw materials, machinery, components, stores and spare parts in stock or in transit and work-in-progress) notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business)

exceed or will exceed the aggregate of the paid-up capital and the free reserves of the Company, that is to say, the reserves not set apart for any specific purpose, but so that the total amount upto which moneys may be so borrowed by the Board of Directors and outstanding shall not at anyone time exceed Rs.5,000 crores."

IN THE HIGH COURT OF JUDICATURE AT MUMBAI
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 370 OF 1994
CONNECTED WITH COMPANY APPLICATION NO. 118 OF 1994

In the matter of the Companies Act, 1956;

And

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

And

In the matter of Scheme of Amalgamation
of Polyolefins Industries Limited having
its Registered Office at Mafatlal Centre.
Nariman Point, Mumbai 400021 with the
Petitioners;

National Organic Chemical Industries
Limited, a Company registered under the
provisions of the Companies Act, 1956
and having its registered office at Mafatlal
Centre. Nariman Point. Mumbai 400021;

} Petitioners

Coram: V P Tipnis J

Dated: 10th day of November. 1994

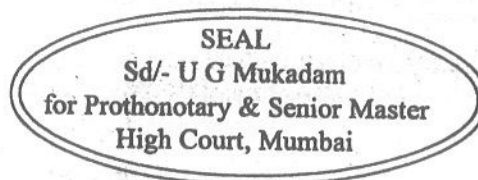
UPON the Petition of National Organic Chemical Industries Limited, the Petitioners Company abovenamed solemnly declared on the 17th day of May 1994 and presented to this Court on the 17th day of May 1994 for sanction of the arrangement embodied in the proposed Scheme of Amalgamation of Polyolefins Industries Limited (hereinafter referred to as "the Transferor Company") with National Organic Chemical Industries Limited, the Petitioner Company (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the Petition and the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. U. M. Karnik dated the 17th day of May 1994 verifying the said Petition AND UPON READING the Affidavit of Mr. U. M. Karnik dated the 9th day of November 1994 proving publication of the Notice of the Hearing of the Petition AND UPON READING the Order dated the 23rd day of March 1994 made by this Honourable Court in Company Application No.118 of 1994 whereby the Transferee Company was ordered to convene a meeting of the equity shareholders of the Transferee Company for the purpose of considering and, if thought fit, approving with or without modifications the arrangement embodied in the Scheme of Amalgamation of the Transferor Company with the Transferee Company, the salient features of which are contained in the Affidavit of Mr. U. M. Karnik in support of the said Company Application No.118 of 1994 AND UPON PERUSING the issues of "Free Press Journal" Mumbai Edition dated the 2nd day of April 1994 and "Mumbai Samachar" Mumbai Edition dated the 2nd day of April 1994 both containing the advertisements of the Notice convening the said meeting directed to be held by the said Order dated the 23rd day of March

1994 AND UPON READING the Affidavit of Mr. A. N. Mafatlal dated the 27th day of April 1994 showing the publication and despatch of the Notices convening the said meeting to be held pursuant to the said Order dated the 23rd day of March 1994 AND UPON READING the Report dated the 10th day of May 1994 of Mr. A. N. Mafatlal, the Chairman appointed for the said Meeting of the equity shareholders of the Transferee Company as to the result of the said meeting held on the 29th day of April 1994 and the Affidavit of the said Chairman Mr. A. N. Mafatlal dated the 10th day of May 1994 verifying the said Report AND IT APPEARING from the said Report of the Chairman of the said meeting of the equity shareholders of the Transferee Company that the proposed Scheme of Amalgamation has been approved by a majority of members present holding not less than 3/4th in value of the Equity Shares of the Transferee Company present and voting in person or by proxy AND UPON HEARING Mr. D. J. Khambatta, Advocate with Mr. P. N. Kapadia, Advocate instructed by Messrs. Gagrath & Co., Advocates for the Transferee Company appearing in support of the said Petition and Ms. S. P. Daruwala, Panel Counsel for the Regional Director, Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India who appears pursuant to notice under Section 394-A of the Companies Act, 1956 and submits to the orders of the Court THIS COURT DOTH HEREBY SANCTION the Arrangement embodied in the Scheme of Amalgamation of the Transferor Company with the Transferee Company as set out in Exhibit-H to the Petition and in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE the said Scheme of Amalgamation to be binding on all persons including all members of the Transferee Company and the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the entire Undertaking of the Transferor Company including all its assets, properties, rights, powers, claims, privileges, powers and authorities and all property tangible or intangible moveable or immoveable of whatsoever nature and wheresoever situate and including and in particular all licences and liberties, patents, Trademarks, designs, copyrights and import quotas and other rights held by the Transferor Company or to which the Transferor Company is entitled be transferred to and do vest in the Transferee Company without any further act or deed with effect from 1st day of April 1993; AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of the Transferor Company be transferred to and vested in the Transferee Company without any further act or deed with effect from 1st day of April 1993 so as to become the debts liabilities, duties and obligations of the Transferee Company; AND THIS COURT DOTH FURTHER ORDER that all contracts, deeds, bonds, debentures, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if the Transferee Company had been a party thereto instead of the Transferor Company; AND THIS COURT DOTH FURTHER ORDER that all proceedings (legal and other including any suits, appeals, revisions, petitions, arbitrations, execution proceedings, if any) by or against the Transferor Company pending as on the appointed date (i.e. 1st day of April, 1993) or commenced thereafter shall upon transfer of the Transferor Company's undertaking to the Transferee Company shall be

continued by, or against the Transferee Company: AND THIS COURT DOTH FURTHER ORDER that the Transferee Company shall without further act or application issue and allot shares in the Transferee Company to the members of the Transferor Company in terms of the said Scheme of Amalgamation i.e. one Equity Share of Rs.100/- each of the Transferee Company credited as fully paid up for every one Equity Share of Rs.100/- each fully paid up held by him/them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine AND THIS COURT DOTH FURTHER ORDER that the Transferee Company do within 30 days of the scaling of this order; cause a certified copy of this order to be delivered to the Registrar of Companies Maharashtra, Mumbai for registration and on such certified copy of the order being so delivered the Transferor Company shall stand dissolved without winding up order AND the Registrar of Companies, Maharashtra, Mumbai shall place all files, documents and records relating to the Transferor Company on the files kept by him in relation to the Transferee Company and consolidate the files and documents of both the Transferor Company and the Transferee Company accordingly; AND THIS COURT DOTH FURTHER ORDER that the parties to the Arrangement embodied or other person or persons shall be at liberty to apply to this Honourable Court for any directions that may be necessary for the purpose of carrying out the arrangement embodied in the said Scheme of Amalgamation AND THIS COURT DOTH LASTLY ORDER that the Transferee Company do pay a sum of Rs.500/- (Rupees Five Hundred only) to the Regional Director, Department of Company Affairs, Ministry of Law, Justice and Company Affairs, Government of India towards the costs of the said Petition WITNESS SHRI ANANDAMOY BHATTACHARJEE Chief Justice of Mumbai.

Aforesaid this 10th day of November 1994.

By the Court
Sd/- U G Mukadam
for Prothonotary & Senior Master
High Court, Mumbai



Order sanctioning the Scheme of Amalgamation drawn on the application of Messrs. Gagrati & Co., Advocates for the Petitioners having their Office at Alli Chambers, Nagindas Master Road, Fort, Mumbai 400001;

**SCHEME OF COMPROMISE OR ARRANGEMENT AS SANCTIONED
BY THE COURT**

**Scheme of Amalgamation
POLYOLEFINS INDUSTRIES LIMITED**

With

NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED

A. Definitions

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

"Transferor Company" means Polyolefins Industries Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at Mafatlal Centre, Nariman Point, Mumbai 400 021.

"Transferee Company" means National Organic Chemical Industries Limited, a Company incorporated under the Companies Act, 1956; having its Registered Office at Mafatlal Centre, Nariman Point, Mumbai 400 021.

"Act" means the Companies Act, 1956.

"Appointed Date" means the commencement of business on 1st April, 1993 or such other date as the High Court of Mumbai may direct.

"Effective Date" means the date on which certified copies of the High Court's orders sanctioning the Scheme of Amalgamation and vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Companies, Maharashtra after obtaining all the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary thereto,

"PIL Shareholders" means the persons who are registered as the holders of the Issued Equity Shares in the Capital of "the Transferor Company" on such date (after the Effective Date) as the Board of Directors of the Transferee Company may determine.

"Scheme" means this Scheme of Amalgamation in its present form or with any modifications approved or imposed or directed by the High Court at Mumbai.

"Undertaking of the Transferor Company" shall include all the assets, properties, rights, powers and claims and all the debts, liabilities, duties and obligations of the Transferor Company.

Without prejudice to the generality of the aforesaid, the Undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, tangible or intangible, movable or immovable of whatever nature and wheresoever situate and including in particular all licences and liberties, patents, trade marks, Designs, copyrights and import quotas and other rights held by the Transferor Company or to which the Transferor Company is entitled and all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind including

liability for payment of gratuity, pension benefits, provident fund dues and compensation in the event of loss of office and/or equipment.

B. Share Capital

- I. The Authorised Share Capital of the Transferor Company is Rs.20,00,00,000/- divided into 20,00,000 Equity Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Share Capital is Rs.19,30,28,500/- divided into 19,30,285 Equity Shares of Rs.100/- each.
2. The Authorised Share Capital of the Transferee Company is Rs.600,00,00,000/- divided into 6,00,00,000 Equity Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Share Capital is Rs.48,00,00,000/- divided into 48,00,000 Equity Shares of Rs.100/- each.

C. Transfer of Undertaking

1. With effect from the Appointed Date, the Undertaking of the Transferor Company shall, without any further act or deed stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act.
2. The excess of the value of the net assets of the Transferor Company as appearing in the Books of Accounts of the Transferor Company over the paid-up value of the shares of the Transferee Company to be issued and allotted pursuant to Section G below, shall be accounted for and dealt with in the books of the Transferee Company as under:

The amounts standing to the credit of the Debenture Redemption Reserve, Investment Allowance (Utilised) Reserve and the Export Profit Reserve accounts in the books of the Transferor Company on the 1st of April 1993 shall be credited respectively to the Debenture Redemption Reserve, Investment Allowance (Utilised) Reserve and the Export Profit Reserve accounts in the books of the Transferee Company and balance, if any shall be transferred to the Share Premium Account of the Transferee Company.

D. Legal Proceedings

All proceedings (legal and other, including any suits, appeals, revisions, petitions, arbitrations, execution proceedings, if any), by or against the Transferor Company, pending as on the Appointed Date, or commenced thereafter shall upon transfer of the Transferor Company Undertaking to the Transferee Company, shall be continued by or against the Transferee Company.

E. Contracts, Deeds, Bonds and other Instruments

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if the Transferee Company had been a party thereto instead of the Transferor Company.

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

F. Conduct of Business by Transferor Company till Effective Date

With effect from the Appointed Date and up to the Effective Date, the Transferor Company shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or included by it shall for all purposes be treated as the profits or losses of the Transferee Company as the case may be.

G. Issue of Shares by Transferee Company

Upon the transfer of the Undertaking of the Transferor Company pursuant to Section C hereof and the amalgamation becoming effective in terms of the Scheme the consideration in respect of such transfer shall subject to the provisions of the Scheme be paid and satisfied by the Transferee Company as follows:

1. The Transferee Company holds 6,00,000 equity shares of Rs.100 each in the Transferor Company. These 6,00,000 equity shares shall stand cancelled.
2. Subject to the foregoing, the Transferee Company shall (without further application) issue and allot to the PIL Shareholders one equity share in the Transferee Company of Rs.100 each credited as fully paid-up for every one equity share held by them in the Transferor Company on such date after the Effective Date as the Board of Directors of the Transferee Company may determine.
3. Except as otherwise specified in this Scheme the said equity shares in the Transferee Company to be issued to PIL Shareholders shall rank *pari passu* in all respects to the existing equity shares in the Transferee Company from the Effective Date.
4. Upon the new shares in the Transferee Company being issued and allotted to the PIL Shareholders whose names shall appear on the Register of Members of the Transferor Company on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall stand cancelled. All Certificates for the new shares shall be sent by the Transferee Company to the PIL Shareholders at their respective registered addresses as appearing in the said Register (or in the case of joint holders to the address of that joint holder whose name stands first in such Register in respect of such joint holder).
5. All mandates or other instructions in force at the close of business on the Effective Date relating to the payment of

dividends on the equity shares of the Transferor Company shall unless and until be revoked be deemed to be valid and subsisting mandates or Instructions to the Transferee Company in relation to the corresponding equity shares of the Transferee Company to be issued and allotted pursuant to the Scheme.

6. The Scheme of Amalgamation would result in the issue of 13,30,285 equity shares of Rs.100 each credited as fully paid-up by the Transferee Company to the PIL Shareholders as referred to in Clause 2 above. The aggregate Issued Subscribed and Paid-up Capital of the Transferee Company after implementation of the Scheme of Amalgamation would be Rs.61,30,28,500/- divided into 61,30,285 equity shares of Rs.100 each including 12,00,000 equity shares of Rs.100 each allotted by the Transferee Company on 20th September 1993 as fully paid-up bonus shares to its shareholders who were on its Register of Members as on 27th August, 1993. It is clarified that PIL Shareholders shall not be entitled to any additional allotment of shares consequent upon the said bonus issue.

H. Dividends, profits, bonus/rights shares

1. The Transferor Company shall not without the consent of the Transferee Company declare any dividend for the financial year commencing from 1st April, 1993 and subsequent financial years during which the Scheme has not become effective.
2. The Transferee Company will when declaring dividends (including interim dividend), if any, on its equity shares for the financial year commencing 1st April 1993 and subsequent financial years keep a provision for dividend at the same rate in respect of equity shares to be allotted under the present Scheme as provided in Clause G above and such dividend on such equity shares shall be deemed to be declared and payable if and when this Scheme becomes effective.
3. Subject to the provisions of this Scheme becoming effective, the profits of the Transferor Company for the period beginning from 1st April 1993 shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its year ending 31st March, 1994 or any year thereafter.
4. The Transferor Company shall not issue or allot any rights shares or bonus shares out of its authorised or issued Share Capital.

I. Employees of Transferor Company

All the staff, workmen and other employees in the service of the Transferor Company immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on the basis that their service shall have been continuous and shall not have been interrupted by reason of such transfer and

the terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer.

It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation or such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Schemes or Funds according to the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers, obligations of the Transferor Company in relation to such Schemes or Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Schemes or Funds.

J. Scheme conditional on Approvals/Sanctions

The Scheme is conditional upon and subject to the following approvals/permission and the amalgamation shall be deemed to be complete on the date on which the last of such approvals shall have been obtained.

1. The approval of the Reserve Bank of India pursuant to the provisions of the Foreign Exchange Regulation Act, 1973 to the extent necessary to issue and allot shares in the Transferee Company to the non-resident shareholders of the Transferor Company.
2. Approval by the requisite majorities required by Section 391 of the Act, and the sanction of the Scheme by the High Court at Mumbai under Section 391 of the Act and the appropriate orders being made by the said High Court pursuant to Section 394 of the Act for the amalgamation under the Scheme and filing of the certified copies of such Orders with the Registrar of Companies Maharashtra.

K. Expenses connected with the Scheme

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of the Scheme and of and incidental to the completion of amalgamation of the Transferor Company in pursuance of the Scheme shall be borne and paid by the Transferee Company and the Transferor Company in such proportion as may mutually be agreed between the respective Boards of the two Companies.

L. Effect of Non-receipt of Approvals/Sanctions

In case the Scheme is not sanctioned by the High Court at Mumbai for any reason whatsoever or for any other reason the Scheme cannot be implemented before 30th Jun 1995 or within such further period or periods as may be agreed upon between the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) the Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred *inter se* by the parties in terms of the Scheme.

M. Modifications/Amendments to the Scheme

The Transferor Company and the Transferee Company through their respective Boards of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Court and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

N. Dissolution of Transferor Company

Subject to an order being made by the High Court at Mumbai under Section 394 of the Act, the Transferor Company shall be dissolved without winding up on the Scheme becoming effective.

**HIGH COURT
O.O.C.J.
COMPANY PETITION NO. 370 OF 1994
CONNECTED WITH
COMPANY APPLICATION NO. 118 OF 1994**

In the matter of the Companies Act, 1956;

And

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

And

In the matter of Scheme of Amalgamation
of Polyolefins Industries Limited having its
Registered Office at Mafatlal Centre,
Nariman Point, Mumbai 400021 with the
Petitioners;

National Organic Chemical Industries Limited - Petitioners

ORDER SANCTIONING SCHEME OF AMALGAMATION

Dated this 10th day of November 1994.

Filed this 23rd day of November 1994.

M/s. GARGAT & CO.

ADVOCATES AND SOLICITORS FOR THE PETITIONERS

Ordinary/Special Resolutions passed at the Thirty Third Annual General Meeting of the Members of the Company held on 30th December, 1994

ORDINARY RESOLUTION

"RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased to Rs.1200 crores (Rupees one thousand two hundred crores only) divided into 12 crores (twelve crores) equity shares of Rs.100 (Rupees One Hundred only) each."

ORDINARY RESOLUTION

"RESOLVED THAT the Memorandum of Association of the Company be and is hereby altered as follows:

In Clause V of the Memorandum of Association the figures and words "Rs.600,00,00,000 (Rupees Six Hundred Crores only)" shall be substituted by the figures and words "Rs.1200,00,00,000 (Rupees One Thousand Two Hundred Crores only)"

and

the figures and words "6,00,00,000 (Six Crores)" shall be substituted by the figures and words "12,00,00,000 (Twelve Crores)",

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 370 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to give on behalf of the Company any guarantee or provide any security from time to time in connection with any loan or loans made by banks, financial institutions or any other person to or, to any other person by, any body corporate from time to time on such terms and conditions as the Board of Directors may deem fit and expedient, provided that the aggregate amount of all such guarantees given and securities provided shall not exceed Rs.250 crores at anyone time."

ORDINARY RESOLUTION

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and (d) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and/or movable properties of the Company wheresoever situate, present and future and the whole of the undertaking(s) of the Company, together with power to take over the management and business of the Company in certain events in favour of Banks and all or any of the following financial institutions viz. Industrial Development Bank of India, Industrial Finance Corporation of India, The Industrial Credit and Investment Corporation of India Limited, Life Insurance Corporation of India, Unit Trust of India, General Insurance Corporation of India, National Insurance Company Limited, The New India Assurance Company Limited, The Oriental Insurance Company Limited, United India Insurance Company Limited, Industrial Reconstruction Bank of India and any other financial institutions as may be declared to be a public financial institution under Section .4A of the Companies Act. 1956,

Trustees for the holders of Debentures/Global Depository Receipts and/or Convertibles issued/to be issued by the Company and other secured lenders (hereinafter collectively referred to as the "Financial Institutions") to secure loans and/or syndicated loans in rupees and/or foreign currencies, guarantees and/or any other financial assistance obtained/to be obtained from aforesaid Financial Institutions and/or debentures issued/to be issued to any person or body corporate, by way of rights or private placement by the Company up to an aggregate amount not exceeding Rs.5,000 crores (Rupees five thousand crores only) together with interest at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, Trustees' remuneration, costs, charges, expenses and all other monies, including any increase on account of revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to Bank and to all or any of the Financial Institutions and/or debenture holders in terms of their respective Loan Agreements/Heads of Agreements/Hypothecation Agreements/Trustees' Agreements/Letters of Sanction/Memorandum of terms and conditions, debenture certificates entered into/to be entered into/ issued/to be issued by the Company in respect of the said loans/debentures/ financial assistance.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalise and settle with the Banks/ financial Institution(s)/Trustees concerned all deeds, documents and writings for creating the aforesaid mortgage(s) and/or charge(s) and for reserving the aforesaid right in their favour and to do all such acts, deeds and things, in the manner as may be necessary or proper for giving effect to the aforesaid Resolution."

*Special Resolution passed at the 39th Annual General Meeting of the
Company held on 27th December 2000*

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, the Index of Members, Register and Index of Debenture holders in respect of shares and debentures as may be issued by the Company from time to time, and copies of all Annual Returns, prepared under sections 159 and 160, together with the copies of certificates and documents required to be annexed thereto under sections 160 and 161, shall be kept at the office of the Registrars and Share Transfer Agents of the Company viz. Sharepro Services at Satam Estate, Chakala, Andheri (East), Mumbai - 400 099 with effect from 1st January, 2001.

IN THE HIGH COURT OF JUDICATURE AT MUMBAI
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 104 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 446 OF 2004

In the matter of the Companies Act, 1956;
And

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

AND

In the matter of Scheme for Restructuring of National Organic Chemical Industries Limited having its Registered Office at Mafatlal House, H.T.Parekh Marg, Backbay Reclamation, Mumbai - 400 020 by (i) demerger of the specified assets and liabilities of the Petrochemicals and Polymers Division of National Organic Chemical Industries Limited and its vesting in RELENE PETROCHEMICALS PRIVATE LIMITED having its Registered Office at "Chitrakoot", Shree Ram Mills Premises, Ganapat Rao Kadam Marg, Worli, Mumbai - 400 013, (ii) demerger of the Plastics Products Division of National Organic Chemical Industries Ltd., as a going concern together with its employees and its vesting in NOCIL Petrochemicals Limited having its Registered Office at Plot No.5 TTC Industrial Area, Thane Belapur Road, Navi Mumbai 400 701, and (iii) compromise with the creditors and shareholders of National Organic Chemical Industries Limited.

National Organic Chemical Industries Limited,)
a Company registered under the provisions of the)
Companies Act, 1956 and having its Registered)
Office at Mafatlal House, H.T.Parekh Marg,)
Backbay Reclamation, Mumbai -400 020.) . . . Petitioners

Coram: S. U. Kamdar J.

Date: 8th June 2005.

Upon the Petition of National Organic Chemical Industries Limited, (hereinafter referred to as "the Transferor Company") the Petitioner Company abovenamed, declared on the 10th day of January 2005 and presented to this Honourable Court on the 10th day of January 2005 for sanction of arrangement embodied in the amended Scheme of Arrangement being Exhibit "K" to the Petition, involving (i) demerger of the specified

assets and liabilities of the Petrochemicals and Polymers Division of National Organic Chemical Industries Ltd. (hereinafter referred to as "the Petitioner Company" or "the Transferor Company") and its vesting in Relene Petrochemicals Pvt. Ltd. (hereinafter referred to as "the Transferee Company No.1"), (ii) demerger of the Plastics Products Division of the Transferor Company, as a going concern together with its employees and its vesting in NOCIL Petrochemicals Limited (hereinafter referred to as "the Transferee Company No.2"), and (iii) compromise with the creditors and shareholders of the Transferor Company AND for other incidental and consequential reliefs as mentioned in the petition AND the said Petition being this day called out for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Uday Madhusudan Karnik, Vice President Legal and Company Secretary of the Petitioner Company solemnly affirmed on the 10th day of January 2005 verifying the said Petition AND UPON READING the affidavit of Mr. Uday Madhusudan Karnik solemnly affirmed on 24th day of March 2005 proving publication of the notice of the date of hearing of the Petition in the issue of Free Press Journal (Mumbai edition) and in Navashakti (Mumbai edition) both dated 1st March 2005 AND UPON READING the affidavit of Mr. Navin Chandra Bhavsar, a clerk in the office of the then Advocates for the Petitioner dated 24th day of March 2005 proving service of the Notice of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai AND UPON READING the Order dated 15th day of October 2004 made by this Honourable Court in Company Application No. 446 of 2004 Petitioner Company was directed to convene and hold the meeting of the Secured Creditors (including Debenture holders), Unsecured Creditors and Equity Shareholders of the Petitioner Company for the purpose of considering and if thought fit approving with or without modification the arrangement embodied in the Scheme of Arrangement (which is a demerger) between the Petitioner Company, Transferee Company No.1 and Transferee Company No.2 and their respective shareholders and creditors AND UPON READING the Affidavit dated 29th November 2004 of Mr. Arvind N. Mafatlal, one of the Chairman appointed for the meetings of the Secured Creditors (including Debenture Holders), Unsecured Creditors and Equity Shareholders of the Petitioner Company proving publication of the notice convening meetings of the Secured Creditors (including Debenture holders), Unsecured Creditors and Equity Shareholders of the Petitioner Company in the issue of Free Press Journal and Navashakti both on 18th November, 2004 and proving despatch of notice convening the meetings to individual Secured Creditors (including Debenture holders), Unsecured Creditors whose outstanding is Rs.10,000/- and above and Equity Shareholders of the Petitioner Company AND UPON READING the Report, dated 17th December 2004 of Mr. Hrishikesh A. Mafatlal, Chairman appointed for the Meeting of the Secured Creditors (including Debenture holders) Unsecured Creditors and Equity Shareholders of the Petitioner Company as to the results of the said Meetings AND UPON READING the Affidavit dated 17th December 2004 of Mr. Hrishikesh A. Mafatlal, verifying the said Chairman's Report AND IT APPEARS from the Chairman's Report that the Scheme of Arrangement with amendment has been approved by the Majority in number of Secured

Creditors (including Debenture holders) Unsecured Creditors and Equity Shareholders representing more than 3/4th in value of the Secured Creditors (including Debenture holders), Unsecured Creditors and Equity Shareholders of the Petitioner Company present at the meeting and voting in favour of the Scheme of Arrangement with amendments AND UPON READING the Company Application No.176 of 2005 and UPON READING the Affidavit, dated 28th January 2005 of Shri Rajendra Dabre General Secretary of Rashtriya PIL Karmachari Sangh Union in support of Company Application No. 176 of 2005 AND UPON READING the Affidavit in Reply dated 28th April 2005 of Mr. U. M. Karnik the Vice-President - Legal and Company Secretary of the Petitioner Company to the said Company Application No. 176 of 2005 AND UPON READING the Affidavit of Mr. Shrikant G. Pangerkar the President of NOCIL Employees' Union dated 7th April 2005 praying for amendment of clause H-1 of the Scheme which does not take into consideration that part of the MOU dated 11th September 2004 which provides for the employment of desirous employees and their service conditions with Transferee Company No.1 AND UPON READING the Affidavit dated 13th April 2005 of Mr. Chakradhara Paik, Regional Director, Western Region, Ministry of Company Affairs, stating that no action has been initiated by BIFR on reference made by the Petitioner Company till the date of Petition and further stated that save and except as stated above, the scheme is not prejudicial to the interest of the Creditors and Shareholders of the Petitioner Company AND UPON HEARING Mr. Iqbal Chagla Senior counsel with Mr. D. D. Madon, Counsel instructed by M/s. Rustamji and Ginwala., Advocates for the Petitioner Company/Transferor Company, Mr. C. J. Joy with Mr. R.C. Master and Mr. M.M. Goswami Panel Counsel instructed by Dr. T.C. Kaushik for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, and Ms. Gayatri Singh, Advocate for Nocil Employees Union and Counsel Mr. Pankaj Patel, instructed by Ms. B.B. Dholakia for Rashtriya PIL Karmachari Sangh AND THIS COURT DOTH RECORD THAT Pursuant to the understanding arrived at between the intervenors i.e. Nocil Employees Union and the Petitioner Company, a draft amendment amending the Scheme by amending Clause H-1 of the Scheme is filed AND THIS COURT DOTH grant leave to amend the scheme in terms of the draft amendment AND THIS COURT DOTH FURTHER RECORD that in view of the said amendment being made, the NOCIL Employees Union' who were Intervenors do not have any objection to the present Scheme of demerger AND THIS COURT DOTH FURTHER RECORD that since there is no inconsistency between the provisions of Section 32 of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as "SICA") and the provisions of Section 391 and 394 of the Companies Act, 1956 there is no question of the provisions of Section 32 of the SICA being made applicable to the present case and THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the amended Scheme of Arrangement involving (i) demerger of the specified asset and liabilities of the Petrochemicals and Polymers Division of the Transferor Company/Petitioner Company and its vesting in Transferee Company No. 1, (ii) demerger of the Plastic Products Division of the Transferor Company/Petitioner Company as a going concern together

with its employees and its vesting in the Transferee Company No. 2 and (iii) Compromise with the creditors and shareholders of the Transferor Company, with amendment to clause H1 of the said Scheme as set forth in Exhibit K to the Petition and annexed as Schedule hereto AND THIS COURT DOTH HEREBY DECLARE THAT the said amended Scheme of Arrangement shall be binding on the Petitioner/Transferor Company, the Transferee Company No.1, the Transferee Company No.2 and their respective shareholders and creditors AND THIS COURT DOTH HEREBY ORDER THAT with effect from 30th day of September 2003 (hereinafter referred to as "the Appointed Date") the specified assets and rights of the Petrochemicals and Polymers Division of the Transferor/Petitioner Company to the extent and in the manner set out in the said amended Scheme of Arrangement being exhibit 'K' to the Petition and in the Schedule hereto shall without any further act or deed stand transferred to and vest in Transferee Company No.1 pursuant to the provisions of Section 394 of the Companies Act, 1956 so as to become the assets of the Transferee Company No.1 AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all the debts, liabilities, duties and obligations relating to the Petrochemicals and Polymer Division of the Petitioner Company shall without any further act or deed to the extent and in the manner as set out in the amended Scheme of Arrangement and pursuant to the provisions of Section 394 of the Companies Act, 1956 stand transferred to the Transferee Company No.1 so as to become the debts, liabilities, duties and obligations of the Transferee Company No. 1 AND THIS COURT DOTH FURTHER ORDER THAT all legal proceedings pertaining to the Petrochemicals and Polymer Division of the Transferor/Petitioner Company shall be continued by or against the Transferee Company. No.1 as set out in the said Scheme of Arrangement AND THIS COURT DOTH HEREBY ORDER THAT with effect from 30th day of September 2003 (herein referred to as "the Appointed Date") the entire Plastic Products Division (hereinafter referred to as "PPD") of the Transferor/Petitioner Company as a going concern together with its employees and all assets and rights to the extent and in the manner set out in the amended Scheme of Arrangement being Exhibit 'K' to the Petition and in the Schedule hereto shall without any further act or deed stand transferred to and vest in Transferee Company No.2 pursuant to the provisions of Section 394 of the Companies Act 1956 so as to become the assets of the transferee Company No. 2 AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date all the debts, liabilities, duties and obligations relating to the PPD of the Petitioner Company shall without any further act or deed and pursuant to the provisions of section 394 of the Companies Act, 1956 stand transferred to the Transferee Company No.2 so as to become the debts, liabilities, duties and obligations of the Transferee Company No.2 AND THIS COURT DOTH FURTHER ORDER THAT all legal proceedings pertaining to the PPD of the Petitioner/Transferor Company shall be continued by or against the Transferee Company No.2 as set out in the said Scheme of Arrangement AND THIS COURT DOTH FURTHER ORDER that the petitioner/Transferor Company do within 30 days of the sealing of this Order, cause a certified copy of this Order sanctioning the said Scheme of Arrangement

to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration AND THIS COURT DOTH FURTHER ORDER THAT liberty is reserved to the Petitioner Company and any other person or persons interested therein to apply to this Hon'ble Court as and when occasion arises for any direction that may be necessary in the above matter AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.2,500 (Rupees Two Thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra State, Mumbai towards the cost of the Petition WITNESS SHRI DALVEER BHANDARI, the Honourable Chief Justice at Mumbai, aforesaid this 8th day of June Two Thousand And Five.

BY THE COURT

For PROTHONOTARY AND SENIOR MASTER

ORDER sanctioning the Scheme of)
 Arrangement under Section 391)
 and 394 of the Companies Act ,1956)
 drawn on the application made by)
 M/s Rustamji & Ginwala, Advocates)
 for the Petitioner, having their Office)
 at 107, Mahatma Gandhi Road,)
 Mistry Mansion, 2nd floor, Fort,)
 Mumbai 400 001)

.....SCHEDULE...

SCHEDULE
SCHEME OF ARRANGEMENT
BETWEEN
NATIONAL ORGANIC CHEMICAL INDUSTRIES LIMITED
- TRANSFEROR COMPANY
RELENE PETROCHEMICALS PRIVATE LIMITED
- TRANSFEREE COMPANY
NOCIL PETROCHEMICALS LIMITED
- TRANSFEREE COMPANY
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

WHEREAS National Organic Chemical Industries limited ("NOCIL") is a company registered under the Companies Act, 1956, having its Registered Office at Mafatlal Chambers, "B" N. M. Joshi Marg, Lower Parel (E), Mumbai - 400 013 and its Administrative Office at Mafatlal, House, H.T. Parekh Road, Backbay Reclamation, Mumbai 400 020.

AND WHEREAS NOCIL comprises the following three Undertakings :

1. Petrochemicals Undertaking (hereinafter referred to as "PCD"),
2. Rubber Chemicals Undertaking (hereinafter referred to as "RCD"),
- and
3. Plastics Products Undertaking (hereinafter referred to as "PPD"),

AND WHEREAS the operations of PCD were suspended on 16th April 2002 due to financial problems and the manufacturing activities of the said undertaking have come to a standstill since 16th April, 2002 due to financial problems and the present Management of PCD has no means or plans of restarting the manufacturing operations of the said undertaking.

AND WHEREAS it is proposed to separate PCD and PPD from the existing NOCIL

AND WHEREAS by this Scheme certain specified assets and liabilities of NOCIL pertaining to PCD and PPD will be demerged \ hived off into two separate entities so as to achieve the objective of operational and financial restructuring.

AND WHEREAS it is proposed to implement the aforesaid restructuring proposal under a Scheme of Arrangement in terms of section 391/394 of the Companies Act 1956 with the approval of the shareholders and creditors of NOCIL and sanction of the Hon'ble High Court of Judicature at Mumbai.

B. DEFINITIONS

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

1. Act means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
2. Appointed Date means the 30th day of September 2003.
3. Effective Date means the date on which the certified copies of the separate orders passed under Section 391 and 394 of the Act by the High Court at Mumbai sanctioning this Scheme of Arrangement on the separate petitions by NOCIL, NPL and REPPL are filed with Registrar of Companies. References in this Scheme to the "coming into effect of this Scheme" or "effectiveness of this Scheme" shall be construed accordingly.
4. NOCIL means National Organic Chemical Industries Limited, a company incorporated under the Act having its Registered Office at Mafatlal Chambers, "B" N.M. Joshi Marg, lower Parel (E), Mumbai - 400 013.
5. NPL means NOCIL PETROCHEMICALS LIMITED a company incorporated under the Act having its Registered Office at Plot No. 5, Thane-Belapur Road, Navi Mumbai 400 701.
6. Petrochemicals Undertaking or Undertaking of PCD or PCD means the Petrochemicals business of NOCIL as a going concern and shall include :
 - (a) all movable and immovable properties more particularly specified in Annexure A hereto, and
 - (b) All permits, consents, quotas, rights, entitlements, industrial and other licenses, trade marks, patents, copy rights and other intellectual property, privileges and benefits of all contracts, agreements and all other rights including but not limited to rights, licenses, powers and facilities of every kind, nature and description whatsoever pertaining to the Petrochemicals and Polymers Business of NOCIL.
7. Plastics Products Undertaking or Undertaking of PPD or PPD means the undertaking of the Plastics Products business of NOCIL as a going concern and shall include:
 - (a) all movable and immovable properties more particularly specified in Annexure B hereto.
 - (b) All permits, consents, quotas, rights, entitlements, industrial, and other licenses, trade marks, patents, copy rights and other intellectual property, privileges and benefits of all contracts, agreements and all other rights including but not limited to rights, licenses, powers and facilities of every kind, nature and description whatsoever pertaining to the Plastics Products Business of NOCIL.
8. REPPL means Relene Petrochemicals Private Limited, a company incorporated under the Act and having its registered office at Chitrakoot, Shreeram Mills Premises, Ganapat Rao Kadam Marg, Worli, Mumbai 400 013.
9. Remaining Assets And liabilities means all other assets and liabilities of NOCIL which are not intended to be vested in REPPL and NPL under this Scheme.

10. Scheme means this scheme of arrangement between NOCIL, REPPL and NPL and their respective shareholders and creditors.

C. SHARE CAPITAL

1. The Authorised Share Capital of NOCIL is Rs.12,00,00,00,000 (Rupees twelve hundred crores) divided into 120,00,00,000 (One hundred and twenty crores) equity shares of Rs.10 (Rupees Ten) each. The Issued, Subscribed and Paid up Share Capital is Rs.122,60,57,000 (Rupees One hundred and twenty two crores sixty lakhs fifty seven thousand only) divided into 12,26,05,700 (Twelve crores twenty six lakhs five thousand and seven hundred) equity shares of Rs.10 (Rupees Ten) each.
2. The Authorised Share Capital of REPPL is Rs.1,00,000 (Rupees One lakh) divided into 10,000 (Ten thousand) equity shares of Rs.10 (Rupees Ten) each. The Issued, Subscribed and Paid up Share Capital is Rs.1,00,000 (Rupees One lakh), divided into 10,000 (Ten thousand) equity shares of Rs.10 (Rupees Ten) each.
3. The Authorised Share Capital of NPL is Rs.1,00,00,000 (Rupees One crore) divided into 10,00,000 (Ten lakhs) equity shares of Rs.10 (Rupees Ten) each. The Issued, Subscribed and Paid up Share Capital is Rs.5,00,000 (Rupees Five lakhs only) divided into 50,000 (Fifty thousand) equity shares of Rs.10 (Rupees Ten) each.

D. TRANSFER OF PETROCHEMICALS UNDERTAKING AND PLASTICS PRODUCTS UNDERTAKING OF NOCIL

1. With effect from the Appointed Date the undertaking of PCD as a going concern along with the assets of PCD as more particularly described in Annexure 'A' hereto along with certain liabilities of NOCIL as specified in column 5 of Annexure 'C' hereto shall pursuant to Section 394(2) of the Act and without any further act or deed, be demerged from NOCIL and transferred\vested in REPPL as a going concern as provided in this scheme.
2. With effect from the Appointed Date, the undertaking of PPD as a going concern along with all the assets of PPD as more particularly described in Annexure 'B' hereto together with all the employees of PPD shall pursuant to Section 394(2) of the Act and without any further act or deed, be demerged from NOCIL and transferred\vested in NPL as a going concern, as provided in this scheme.
3. REPPL agrees to pay to NOCIL a consideration of a sum of Rs.15 crores within seven days of the Effective Date either by way of equity shares and/or in such manner as may be mutually acceptable failing which in cash.
4. NPL agrees to pay to NOCIL a consideration of a sum of Rs. 4 crores within seven days of the Effective Date.
5. NPL agrees to pay to NOCIL the value of realisable net current assets of PPD as on the Effective Date within 7 days of the Effective Date. The values of current assets will be determined by M/s. C. C. Chokshi & Co, Chartered Accountants. If any current asset not intended to be transferred to NPL is realized by NPL then the value of such current asset will be paid by NPL to NOCIL within seven days of receipt thereof by NPL.

E. REMAINING ASSETS AND LIABILITIES

1. All the movable and immovable properties of NOCIL and any other Assets and the liabilities which are not vested in NPL \ REPPL under the Scheme shall continue to belong to and be vested in NOCIL.
2. With effect from the Appointed Date, all profits accruing to NOCIL including taxes thereon or losses arising from or incurred by it in relation to the Assets and Liabilities as stated in (1) above shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of NOCIL.

F. LEGAL PROCEEDINGS AND TAX MATTERS

1.
 - a. The legal and other proceedings by or against NOCIL which are pertaining to the immovable properties vested in REPPL and NPL under this Scheme after the Appointed Date shall be continued and enforced by or against REPPL and NPL respectively. Provided however the monetary claim, if any, against NOCIL upto the Effective Date on account of taxes rents or similar liabilities pertaining to such property shall be to the account of NOCIL.
 - b. All the legal and other proceedings relating to PCD and PPD by or against NOCIL (i) pending on the Effective Date (other than those referred to sub clause (a) above) or (ii) those filed after the Effective Date but pertaining to the period prior to Effective Date, shall be continued and enforced by or against NOCIL.
 - c. All the legal and other proceedings in respect of any rights or obligations which may be instituted in future against NOCIL in respect of any matter arising on or after the Effective Date and relating to PCD and PPD shall be continued against REPPL and NPL as the case may be and REPPL\NPL shall keep NOCIL fully indemnified with respect thereto.
2. (a) Notwithstanding anything contained in the foregoing paragraphs all rights/entitlement to refunds/liabilities of NOCIL (or its successors-in-business, other than NPL / REPPL) in respect of direct or indirect taxes (whether pertaining to the PCD, PPD, RCD or otherwise) relating to any period prior to the Effective Date (including any claims, appeals or other proceedings pending before any court, tribunal or authority or initiated subsequently) shall not be transferred to NPL \ REPPL and NOCIL (or its successors-in-business, other than NPL \ REPPL) shall continue to be entitled/liable in respect thereof and- In the event of any such liabilities falling on NPL \ REPPL, NOCIL shall discharge such liabilities immediately upon a demand being made on NPL \ REPPL (irrespective of the time at which such demand is made), and NOCIL shall keep NPL \ REPPL fully indemnified with respect thereto. This shall not prejudice the right of NOCIL to file any appeal, reference or petition or other legal proceedings challenging such assessment or demand including any proceeding to obtain any order to stay such demand or recovery proceedings. NPL \ REPPL shall promptly inform NOCIL of any such demand made to it. In case NPL or

REPPL receive any refund of any taxes or duties pertaining to the period prior to the Effective Date then they will pass on such refund to NOCIL.

- (b) No claim or demand in respect of (i) any tax liability of NOCIL referred to in sub-clause (a) above, or (ii) any tax liability of NOCIL (or its successors-in-business, other than NPL \ REPPL) (other than in respect of PCD and PPD) and the assets being transferred to NPL \ REPPL in terms of Clause D hereinabove in the case of NPL \ REPPL for the period commencing from the Effective Date, shall be maintainable against NPL \ REPPL as the case may be, and in the event for any reason NPL \ REPPL is required to make any payment in respect of the same, then NOCIL (or its successors-in-business, other than NPL \ REPPL) shall promptly reimburse NPL \ REPPL for such amount, and NOCIL (or its successors-in-business, other than NPL \ REPPL) shall keep NPL \ REPPL fully Indemnified and harmless in that behalf.

G. CONDUCT OF BUSINESS BY NOCIL

1. With effect from 1st April 2004 and up to and including the Effective Date :
 - a. NOCIL shall for and on account of and in trust for NPL carry on and be deemed to have been carrying on all business and activities relating to PPD and shall hold the PPD properties to be transferred to NPL in trust.
 - b. All profits accruing to or losses arising or incurred by, NOCIL relating to PPD from 1st April 2004 till the Effective Date or termination shall for all purposes be treated as the profits or losses, as the case may be, of NPL.
 - c. NOCIL shall hold the PCD property for and on account of and in trust for REPPL
 - d. Subject to the provisions of this Scheme, NOCIL shall not alienate, charge or otherwise deal with or dispose off the assets of PCD or PPD as mentioned in Annexures 'A' and 'B' or any part thereof (except in the usual course of business) or undertake substantial expansion of its existing business pertaining to the PCD or PPD, without the prior or written consent respectively of REPPL and NPL.

H. EMPLOYEES OF NOCIL

1. The workers of PCD have opted for voluntary retirement from the services of NOCIL in terms of Memorandum of Understanding dated 11th September 2004 entered into between NOCIL, REPPL, NOCIL Employees Union and PIL 'Employees Union and accordingly all workers of PCD have ceased to be the employees of NOCIL with effect from 23rd September, 2004 and have been paid their dues. Those of the employees who have opted to join REPPL shall be governed by the terms and conditions provided in the said MOU.
2. On and from the Effective Date, the permanent employees of PPD shall stand transferred to and be deemed to have become the

employees of NPL on the same terms and conditions on which they are employed with NOCIL, and their services with NOCIL prior to such date will not be treated as having been interrupted for the purpose of provident fund, or for gratuity, or for any other retirement benefits or for any other purposes, but will be reckoned for all such purposes from the date of their respective appointments with NOCIL. Accumulated leave (including in respect of services prior to the Appointed Date) shall be to the account of NPL. NOCIL shall not enter into any agreement or settlement in respect of any charter of demands with the PPD Employees Union after 1st April 2004.

I. COMMERCIAL CONTRACTS AND AGREEMENTS

1. Subject to the other provisions contained in this Scheme all commercial contracts and agreements of whatever nature relating to the manufacturing operations of PPD and to which NOCIL is a party or to the benefit of which it is entitled, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of NPL respectively and may be enforced as fully and effectually as if instead of NOCIL, NPL had been a party or beneficiary thereto.
2. NPL, REPPL and NOCIL may, at any time after the coming into effect of this Scheme, if so required under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements/novations with any party to any contract or arrangement to which NOCIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. NOCIL will, if necessary, also be a party to the above.

J. LIABILITIES

1. In so far as liabilities of NOCIL, which have been specified in Column 5 of Annexure 'C', are concerned, they shall, without any further act or deed, become the liabilities of REPPL with effect from the Effective Date, and shall stand transferred to and vested in and shall be exercised by or against REPPL.
2. All other liabilities of NOCIL shall continue to be the liabilities of NOCIL and shall continue to be the liabilities of NOCIL.

K. DEBT AND FINANCIAL RESTRUCTURING AND REORGANISATION OF CHARGES.

The liabilities and debts of NOCIL shall be settled in the manner specified hereunder:

1. Secured Creditors
 - a. The Principal amount of the outstanding dues of the Secured Creditors as on the Appointed Date will be bifurcated in the manner specified in Annexure 'C' hereto.
 - b. The entire overdue interest, penal interest, liquidated damages and other charges, if any, on the total dues of the existing secured creditors of NOCIL specified in Annexure 'C' upto the Effective Date shall stand waived.
 - c. The restructured dues of the Secured Creditors as mentioned in

Annexure 'C' shall be bifurcated and discharged by REPPL and NOCIL as per terms mentioned below:

1.1. REPPL

- i. The Principal amount of outstanding dues of Rs.351.09 crores specified in column 3 of Annexure 'D' shall vest pursuant to the Scheme in REPPL
- ii. Out of the above dues, Rs,229.09 crores of the Financial Institutions and Banks who are the Secured Creditors will be settled by REPPL either as per option 'A' or option 'B' as stated hereunder as may be selected by the Secured Creditors.

OPTION 'A'

- a) The part of the total outstanding dues as shown against each party in column 4 of Annexure 'D' shall be paid in cash to the respective party by REPPL within one month of the Effective Date.
- b) The part of the total outstanding dues as shown against each party in column 5 of Annexure 'D' shall be converted into equity share capital of REPPL and each party will be allotted equity shares at par of REPPL equivalent to its respective dues as specified in the said column on completion of all the formalities connected with allotment of shares. REPPL shall complete all the formalities connected with allotment of shares within 60 days from the Effective Date or such extended period as may be agreed by secured creditors.
- c) The shares of REPPL issued to the Secured Creditors in terms of this clause will be listed on the Mumbai Stock Exchange within three years from the date of issue of such shares subject to the regulatory and legal requirements prevailing at that point of time.
- d) The remaining part of the outstanding dues shown in column 6 of Annexure 'D' shall be converted into 'Zero Coupon Secured Debentures' (ZCD) to be allotted by REPPL within one month of the Effective Date. The ZCD's will be secured by creating a first charge in favour of the Debenture Trustees on the assets of PCD which are being transferred to REPPL in the manner specified in clause (d) hereunder. Such charge will be created by REPPL only after all the lenders vacate their existing charge on the assets of PCD. These debentures will be redeemable in the 13th year from the date of their issue. These Debentures will be issued to the parties mentioned in Annexure 'D' in proportion to their respective dues mentioned in column 6 of the said Annexure.
- e) On payment of the cash portion of the restructured dues as per Column 4 of Annexure 'D' and on allotment of equity shares and ZCDs for the amounts mentioned in column 5 and 6 of Annexure 'D' all the existing charges of the secured lenders who have opted for this option on the assets of NOCIL vested in REPPL in terms of this Scheme shall stand released. Thereafter, REPPL shall create charge on such of the assets in favour of the Debenture Trustees on pari-passu basis with respect to the ZCDs so as to give a coverage of 1.25 times the amount of ZCD.

OPTION 'B'

- a) The part of the total outstanding dues as shown against each party in column 4 of Annexure 'E' shall be paid in cash to the respective party by REPPL within one month of the Effective Date.
- b) The balance of the total outstanding dues as shown against each party in column 5 of Annexure 'E' shall be converted into equity share capital of REPPL and each party will be allotted equity shares at par of REPPL equivalent to its respective dues as specified in the said column on completion of all the formalities connected with allotment of shares. REPPL shall complete all the formalities connected with allotment of shares within 60 days from the Effective Date or such extended period as may be agreed by secured creditors.
- c) The shares of REPPL issued to the Secured Creditors in terms of this clause will be listed on the Mumbai Stock Exchange within three years from the date of issue of such shares subject to the regulatory and legal requirements prevailing at that point of time.
- d) On payment of the cash portion of the restructured dues as per column 4 of Annexure 'E' and on allotment of equity shares for the amounts mentioned in column 5 of Annexure 'E' all the existing charges of the secured lenders, who have opted for this option on the assets of NOCIL vested in REPPL in terms of this Scheme shall stand released.

1.2 NOCIL

- i. The Principal amount of Rs. 57.27 crores due and payable by NOCIL to the Secured Creditors and more particularly described in Column 4 of Annexure 'C' hereto shall be paid in the manner specified hereunder :
- ii. The said dues of each Secured Creditor will be settled by NOCIL either as per option 'A' or option 'B' as stated hereunder as may be selected by the Secured Creditors.

OPTION 'A'

- a) The part of the total outstanding dues as shown against each party in column 4 of Annexure 'F' shall be paid in cash to the respective party by NOCIL within one month of the Effective Date.
- b) The part of the total outstanding dues as shown against each party in column 5 of Annexure 'F' shall be converted into equity share capital of NOCIL and each party will be allotted equity shares at par of NOCIL equivalent to its respective dues as specified in the said column on completion of all the formalities connected with allotment of shares and subject to all the regulatory approvals being obtained in this behalf. NOCIL shall complete all the formalities connected with allotment of shares within 60 days from the Effective Date for such extended period as may be agreed by secured creditors.
- c) The remaining part of the outstanding dues shown in column 6 of Annexure 'F' shall be converted into 'Zero Coupon Secured Debentures' (ZCD) to be allotted by NOCIL within one month of the Effective Date. The ZCD's will be secured by creating a first charge in favour of the Debenture Trustees on the assets of RCD

which are being retained with NOCIL in the manner specified in clause (d) hereunder. These debentures will be redeemable in the 13th year from the date of their issue. These Debentures will be issued to the parties mentioned in Annexure 'F' in proportion to their respective dues mentioned in column 6 of the said Annexure.

- d) On the Effective Date and on payment of cash portion of the restructured dues as per column 4 of Annexure 'F' and on allotment of ZCD for the amounts mentioned in column 6 of Annexure 'F', NOCIL shall create charge on such of the assets of RCD in favour of the Debenture Trustees on pari passu basis with respect to the ZCD's so as to give a coverage of 1.25 times the amount of ZCD.

OPTION 'B'

- a) The part of the total outstanding dues as shown against each party in column 4 of Annexure 'G' shall be paid in cash to the respective party by NOCIL within one month of the Effective Date.
- b) The balance of the total outstanding dues as shown against each party in column 5 of Annexure 'G' shall be converted into equity share capital of NOCIL and each party will be allotted equity shares at par of NOCIL equivalent to its respective dues as specified in the said column on completion of all the formalities connected with allotment of shares and subject to all the regulatory approvals being obtained in this behalf. NOCIL shall complete all the formalities connected with allotment of shares within 60 days from the Effective Date for such extended period as may be agreed by secured creditors.

3. BPCL DUES

NOCIL owes a sum of Rs. 116.34 crores to Bharat Petroleum Corporation Limited (BPCL) towards supply of naphtha to its Petrochemicals undertaking. This liability stands transferred to REPPL. BPCL has agreed to accept Rs. 57 crores in full and final settlement of its dues on the following terms and conditions and REPPL has agreed to discharge its dues on the said terms:

- a. A sum of Rs. 5.70 crores to be paid upfront which, has already been paid.
- b. The balance amount of Rs. 51.30 crores to be paid within 30 days of the Effective Date.

N. GENERAL TERMS AND CONDITIONS

1. All liabilities / expenses towards payment of MIDC premium / transfer fees, and stamp duty, if any arising out of or incurred in carrying out and implementing this Scheme shall be borne and paid for by NPL / REPPL as the case may be.
2. The issue and allotment of shares under the provisions of this Scheme to the non resident shareholders will be made subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and on such terms and conditions as the Reserve Bank of India may impose.
3. NOCIL, NPL and REPPL shall make necessary applications before the Hon'ble High Court at Mumbai for the sanction of this Scheme

of Arrangement.

4. Upon the coming into effect of this Scheme, the borrowing limits of NPL and REPPL under the Act shall without any further act or deed stand enhanced by an amount equivalent to the aggregate liabilities of NOCIL which are being transferred to REPPL respectively pursuant to the Scheme, such limits being incremental to the existing limits of REPPL under section 293 of the Act.
5. NOCIL (by its Directors), NPL (by its Directors) and REPPL (by its Directors), may, in their sole and absolute discretion, assent to any alteration or modification to this Scheme which the High Court and/or any other authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith including any question or difficulty rising in connection with any deceased or insolvent shareholders or creditors of the respective companies.
8. The Scheme is conditional upon and subject to:
 - a. The vacation of the stay granted in terms of the order dated December 06, 2001 passed by the Industrial Court, Thane in ULP No. 543 of 2001
 - b. Such other sanctions and approvals as may be required by law in respect of the Scheme being obtained.

ANNEXURE - A.

ASSETS TO BE TRANSFERRED BY NOCIL TO REPPL.

1. Land bearing Plot No. 5 described under Part-I hereof, land bearing Plot No. 6, described under Part-II hereof and land bearing plot No.R-801, described under part-III hereof and areas all the aforesaid plots totaling about 500 acres, and NOCIL Housing Colony at Thane-Belapur Road, Navi Mumbai, described under Part-IV hereof (including buildings and structures along with furnitures, fixtures and fittings thereon).

- 1.1 Part-I: Land bearing Plot Nos. 5 described hereunder :

Description of Plot No. 5 immovable properties.

All that piece or parcel of land known as Plot No. 5 in Trans Thane Creek Industrial Area in the Villages of Ghansoli and Tetavali, Navi Mumbai (erstwhile Taluka - Thane, District-Thane) containing by admeasurement 11,75,059 sq.mtrs. or thereabouts which said piece of land bears the Gat Number and areas as follows :

Gat No.	Area A.G. As	Gat No.	Area A.G. As
Village Ghansoli			
367 pt.	0-6-0	372	2-10-8
368 pt.	1-20-0	373	0-31-4
369 pt.	2-29-0	374	3-37-8
370	0-24-0	375 pt.	2-6-12
371	0-3-0	376 pt.	1-19-12
377 pt.	4-2-0	411	0-1-0
378 pt.	5-21-4	412	0-37-4
382 pt.	0-2-0	413	1-30-8
383 pt.	0-22-0	414	0-30-0
384	0-7-0	415	2-2-8
385 pt.	0-26-0	416	0-2-0
386 pt.	5-12-12	417	1-39-12
387	0-37-4	418	2-5-12
388	0-4-8	419	10-24-8
389	1-3-4	420	0-15-0
390	3-14-0	421	0-15-4
391	0-8-12	422	0-6-12
392	0-25-4	423	18-19-4
393-A	1-6-12	424	1-15-4
393-B	0-14-12	434	2-23-12
394	1-16-4	425	0-32-8
395	0-19-8	426	1-34-12
396	0-20-12	427	1-4
397	1-11-8	428	1-23-4
398 pt.	0-32-0	429	0-4-0
399 pt.	0-6-0	430	0-16-8

Gat No.	Area A.G. As	Gat No.	Area A.G. As
406 pt.	2-20-8	431	1-0-0
407	0-35-12	432	0-22-4
408	2-20-12	433	3-10-12
409	1-21-12	434	2-23-12
410	0-1-0	435	0-2-4
		436	0-38-12
437	0-15-0	468	1-12-4
438	0-20-12	469	0-22-8
439	0-12-0	470 pt.	7-19-4
440	0-6-4	471 pt.	0-9-0
441	0-10-12	472 pt.	8-32-4
442	0-5-0	473	0-8-0
443	0-9-0	474 pt.	1-34-0
444	0-5-8	476 pt.	0-1-4
445	0-33-0	477 pt.	2-16-0
446	0-11-8	478	0-7-0
447	2-25-12	479	0-15-12
448	0-30-4	480	3-36-12
449	1-5-12	481	2-31-0
450	0-19-12	482	2-12-8
451	0-8-4	483	0-29-0
452	0-38-4	484	0-7-4
453	0-8-8	485	1-39-4
454	1-7-0	486	1-13-8
455	0-23-4	487	2-29-12
456	0-9-8	488	0-11-8
457 pt.	1-12-12	489	2-28-0
458 pt.	0-2-8	490	4-32-12
462 pt.	0-10-8	490	4-10-4
		491	1-10-4
464 pt.	0-5-0	492	0-34-12
465	1-15-4	493	0-21-0
467 pt.	11-16-0	494	1-23-4
495	1-11-0	523	1-27-8
496	7-28-0	524	1-27-4
497	0-38-0	525 pt.	0-34-0
498	0-8-0	526 pt.	0-32-0
499	3-5-8	527 pt.	0-36-0
500	2-38-0	548 pt.	0-2-0
501	0-6-0	549 pt.	0-18-12
502	3-30-8	550 pt.	1-34-8
503	0-14-4	551 pt.	5-6-0
504	0-16-0	552	1-21-0
505	2-39-12	553	0-16-0
506	0-9-8	554 pt.	0-3-0
507	0-25-8	555 pt.	0-30-0
508	1-16-8	556 pt.	1-20-0

Gat No.	Area A.G. As	Gat No.	Area A.G. As
509	1-9-12	593 pt.	0-25-8
510	0-8-124	594	1-12-4
511	1-37-12	595 pt.	0-37-4
512	0-26-12	596	0-2-0
513	0-19-4	597	0-23-12
514	0-19-8	598	1-31-4
515	0-30-8	599	0-6-0
516	2-22-0	600 pt.	0-37-0
517	2-27-4	614 pt.	0-23-4
518	0-17-12	615	0-20-0
519	0-14-4	616	1-24-0
520	0-6-4	617 pt.	5-26-12
521	1-35-0	628 pt.	0-16-0
522	0-20-0	629	0-11-4
			262-6-4
Village Tetavali			
16 pt.	1-39-0	122	0-24-0
112 pt.	2-15-0	123 pt.	0-26-0
115 pt.	0-13-0	126 pt.	0-19-0
116-A pt.	1-2-0	132 pt.	3-33-0
116-B pt.	1-18-0	133 pt.	2-17-0
117 pt.	1-1-4	151 pt.	0-25-4
118	0-23-4	162	0-7-12
119	0-25-0	163	0-12-4
120-A pt.	8-8-8	Nala pt.	0-10-0
120-B	1-3-4		
121	0-7-0		
			28-9-8
Total			290-15-12
=			11,75,059 sq.mts.

1.2 PART-II : Land bearing Plot No. 6 described hereunder :

Description of Plot No. 6 immovable properties.

All that piece and parcel of land known as Plot No. 6 in Trans Thana Creek Industrial Area in the Villages of Talavali, Tetavali, Ghansoli and Rabale, Navi Mumbai (erstwhile Taluka and Registration Sub-District Thana, District Thana) containing by admeasurement 4,97,454 sq.mts or thereabouts which said piece of land bears the Gat Numbers and areas as follows :

Village Ghansoli			
Gat No.	Area		
	A.	G.	As.
375 pt.	0	2	0
376 pt.	0	11	0

Village Ghansoli			
Gat No.	Area		
	A.	G.	As.
377 pt.	0	23	8
378 pt	3	5	0
379 pt	2	14	8
Village Tetavli			
1 pt.	1	20	0
2 pt.	0	20	8
4 pt.	0	10	0
5 pt.	0	10	12
6	0	20	12
7	0	15	0
8	1	37	0
9	0	23	0
10	1	25	9
11	0	4	0
12	1	32	0
13	0	9	0
14	0	6	0
15	0	17	0
16 pt.	5	21	0
17	2	9	8
18	1	21	0
19	2	29	0
20	1	15	8
21	0	2	0
22	0	12	0
23 pt	0	37	4
24 pt	0	11	0
25 pt	1	2	0
29 pt	0	22	0
30 pt	4	14	8
38 pt	3	16	0
100 pt	0	32	0
101	0	23	0
102 pt	0	32	0
105 pt	0	30	0
106	0	31	8
107	1	2	0
108	1	10	1
109	0	24	4
110	6	10	0
111	1	0	8
112 pt	5	9	0
113	1	2	0

Gat No.	Area		
	A.	G.	As.
114	0	14	0
115 pt	0	16	8
116A pt	0	7	4
117 pt	0	28	0
120A pt	2	0	0
123 pt	1	3	8
124	0	28	4
125	0	25	0
126 pt	0	16	8
127	2	6	8
128	0	17	0
129	0	23	8
130	0	3	0
131	3	8	0
132	3	11	12
133 pt	0	9	8
134	0	11	4
135	4	10	4
136	1	13	0
137	3	5	8
138	0	26	0
139	0	15	8
140	1	31	8
141	0	23	8
142 pt	0	4	0
143	0	8	12
144	0	2	0
145 pt	4	4	0
149	3	26	0
150	1	10	0
151 pt	0	17	4
153	2	22	12
154	0	37	12
155	2	4	4
156	0	22	4
157	1	3	0
158	0	19	8
159	0	21	4
160	0	5	0
161	2	0	4
164	0	30	8
165	0	31	0
166 pt	0	25	0
167 pt	0	20	4

Gat No.	Area		
	A.	G.	As.
178	0	25	8
Nala pt	1	10	0
Village Rabale			
41 pt	0	2	12
42 pt	4	0	0
43 pt	1	8	0
248 pt	0	4	0
Nala pt	1	0	0
Village Talavli			
84 pt	1	0	12
Nala pt	0	30	0
Total	122	36	0
Total Area - 4,97,454 Sq. Metres.			

1.3 Part - III Additional Plot of Land comprising Plot No. R-801, TTC Industrial Area :

Description of Plot No. R-801 Land :

All that piece of land known as Plot No. R-801 in the Trans Thane Creek Industrial Area, within the village limits of Tetavali and Ghansoli and within the limits of Navi Mumbai (erstwhile Taluka Thane, District Thane) containing by admeasurement 4,36,122 square metres or thereabouts and bounded as follows, that is to say :

On or towards the North by : MIDC LAND, Forest Land and MIDC Road
On or towards the South by : Forest Land, Plot No. R-802 and MIDC Road
On or towards the East by : Forest Land and MIDC Road
On or towards the West by : Plot Nos. 22,4,5 and 6.

1.4 Part-IV : NOCIL Housing Colony at Thane Belapur Road, Navi Mumbai (including buildings and structures along with furnitures, fixtures and fittings thereon).

Description of the Housing Colony land at Thane Belapur Road, Navi Mumbai.

All that piece and parcel of land in the village of Gothivali and Talavali in Turbhe, Navi Mumbai containing by admeasurement in the aggregate 1,02,828 square meters or thereabouts on which the residential Colony for the employees of NOCIL is situated and which bears the following Survey Nos :

At Village Gothivali			
Survey No.	Hissa No.	Survey No.	Hissa No.
33	2	34	1
100	2	32	2
100	3	45	-

Survey No.	Hissa No.	Survey No.	Hissa No.
100	4	31	3
100	5	20	5
		32	1
99	13B	99	6
99	12A	99	7
99	13A	17	2
99	10A	99	5A
99	1B	34	4
99	11		
99	12B		
99	1A		
99	9C		
99	10C		
30	1		
34	2		
34	3		
17	5A		
17	6		
34	7		
48	-		
33	1		
33	3		
99	4		
99	10A		
99	2		
34	6		
99	10B		
99	5B		
17	7A		
17	7C		
17	8B		
32	3		
35	2		
29	2		
34	5		
100	1		
29	7		
99	5B		
99	10B		
At Village Talavali :			
Survey No.		Hissa No.	
49		3 (Part)	
Total Area = 1,02,828 Sq. Metres (approx.)			

2. Part-V, Other Assets :

- 2.1 Naphtha pipeline from Bharat Petroleum Corporation Limited (BPCL), Mumbai Refinery to the Petrochemicals Division.

- 2.2 Ethylene Pipeline from IPCL, Nagothane to the Petrochemicals Division.
- 2.3 All plants, buildings, warehouses movables, immovable articles, fixtures, fittings of all nature and the Research and Development facility (including pilot plant) located, lying and situated on the above mentioned plots.
- 2.4 The engineering workshops located on the plots mentioned above.
- 2.5 Tank farm, boiler, pumps, compressors, Diesel Generating set and other utility equipments at the Petrochemicals Division.
- 2.6 Stores and spares at the Petrochemicals Division.
- 2.7 MSEB deposits aggregating to approximately Rs. 6 crores (Rupees six crores only) and any other deposits related to the division that may be with MIDC.
- 2.8 All intangible assets including technology other than HTPB.

ANNEXURE - B

ASSETS TO BE TRANSFERRED BY NOCIL TO NPL.

All tangible Fixed Assets (including the land on which the Plastic Products Division's (PPD) factory, office and the housing colony are situate at Akola, Maharashtra, the descriptions whereof are given hereunder) including all realisable current assets as on 1st April 2004.

DESCRIPTION OF FACTORY PROPERTY OF PPD AT AKOLA

All that piece or parcel of land known as Plot No. C-1 in the Akola Industrial Area, within the Village limits of Shivar, and within the limits of Akola Municipal Council, Taluka and Registration Sub District Akola, District and Registration District Akola containing by admeasurement 1,62,590=00 square metres or thereabouts, that is to say :

- | | | |
|----------------------------|---|--|
| On or towards the North by | : | Estate Road. |
| On or towards the South by | : | Plot No. C-20, Open space and Plot No. C-10/3 and MIDC Land. |
| On or towards the East by | : | Plot No. C-3, C-4, C-5, C-6, C-7/2, C-2/1 and C-7/1. |
| On or towards the West by | : | Estate Road, MIDC Land, Plot No. C-16 to C-19. |

DESCRIPTION OF THE PPD'S HOUSING COLONY AT KULKHED, AKOLA

All that piece and parcel of land admeasuring 45,037.64 square metres or thereabouts covered under the Akola Municipal Corporation and registered as House No. 1, Ward No. 42/2 with the Akola Municipal Corporation, lying and situate as follows :

- On or towards the North by : Plot of land bearing Municipal House No. 42/2-532 known as Bharatiya's Farm.
- On or towards the South by : Ring Road running East to West (to the East by Sant Tukaram Hospital and to the West towards Kulkhed).
- On or towards the West by : Vacant Plot belonging to Sawatram Dairy products bearing Municipal House No. 42/2B-457.
- On or towards the East by : Plots of Residential Houses comprising Municipal House No. 42/2-2 of Mr. Swamy and others called Samata Colony.

ANNEXURE - C

DEBT TO BE TRANSFERRED TO REPPL BY NOCIL

(Rs. Crores)

Sr. No.	Institution/Bank	Principal outstanding as on 30-09-01	To be retained by NOCIL	To be transferred to REPPL
1	2	3	4	5
A. Institutions				
1	ICICI	21.00	4.20	16.80
2	IDBI - Loan	1.13	0.23	0.90
3	IDBI - Debentures	3.40	0.68	2.72
4	IIBI	17.68	3.54	14.14
5	IL & FS	14.00	2.80	11.20
	Total (A)	57.21	11.44	45.77
B. Banks				
1	State Bank of India	73.76	14.75	59.01
2	Union Bank of India	49.18	9.84	39.34
3	Bank of Baroda	15.54	3.11	12.43
4	Standard Chartered Bank	3.26	0.65	2.61
5	ABN Amro Bank	17.43	3.49	13.94
6	Bank of India	17.69	3.54	14.15
7	Corporation Bank	16.25	3.25	13.00
8	Central Bank of India	19.03	3.81	15.22
9	Canara Bank	8.44	1.69	6.75
10	State Bank of Indore	5.26	1.05	4.21
11	Barclays Bank PLC	3.31	0.66	2.65
	Total (B)	229.15	45.83	183.32
C. Others				
1	BPCL	110.00		110.00
2	MSEB/MIDC	12.00		12.00
	Total (C)	122.00	0.00	122.00
	Total (A+B+C)	408.36	57.27	351.09

ANNEXURE - D
(OPTION 'A')

**ONE TIME SETTLEMENT OF THE LIABILITIES TO BE
TRANSFERRED TO REPPL BY NOCIL**

(Rs. Crores)

Sr. No.	Institution/Bank	Principal Debt to be transferred to REPPL	One Time Settlement		
			Cash	Equity	13 Year ZCB
1	2	3	4	5	6
A. Institutions					
1	ICICI	16.80	5.60	5.60	5.60
2	IDBI - Loan	0.90	0.30	0.30	0.30
3	IDBI - Debentures	2.72	0.91	0.91	0.91
4	IIBI	14.14	4.71	4.71	4.71
5	IL & FS	11.20	3.73	3.73	3.73
	Total (A)	45.77	15.26	15.26	15.26
B. Banks					
1	State Bank of India	59.01	19.67	19.67	19.67
2	Union Bank of India	39.34	13.11	13.11	13.11
3	Bank of Baroda	12.43	4.14	4.14	4.14
4	Standard Chartered Bank	2.61	0.87	0.87	0.87
5	ABN Amro Bank	13.94	4.65	4.65	4.65
6	Bank of India	14.15	4.72	4.72	4.72
7	Corporation Bank	13.00	4.33	4.33	4.33
8	Central Bank of India	15.22	5.07	5.07	5.07
9	Canara Bank	6.75	2.25	2.25	2.25
10	State Bank of Indore	4.21	1.40	1.40	1.40
11	Barclays Bank PLC	2.65	0.88	0.88	0.88
	Total (B)	183.32	61.11	61.11	61.11
C. Others					
1	BPCL	110.00	57.00	-	-
2	MSEB/MIDC	12.00	12.00	-	-
	Total (C)	122.00	69.00	0.00	0.00
	Total (A+B+C)	351.09	145.36	76.36	76.36

ANNEXURE - E
(OPTION 'B')

**ONE TIME SETTLEMENT OF THE LIABILITIES TO BE
TRANSFERRED TO REPPL BY NOCIL**

(Rs. Crores)

Sr. No.	Institution/Bank	Principal Debt to be transferred to REPPL	One Time Settlement	
			Cash	Equity
1	2	3	4	5
A. Institutions				
1	ICICI	16.80	5.60	11.20
2	IDBI - Loan	0.90	0.30	0.60
3	IDBI - Debentures	2.72	0.91	1.82
4	IIBI	14.14	4.71	9.42
5	IL & FS	11.20	3.73	7.46
	Total (A)	45.77	15.26	30.50
B. Banks				
1	State Bank of India	59.01	19.67	39.34
2	Union Bank of India	39.34	13.11	26.22
3	Bank of Baroda	12.43	4.14	8.28
4	Standard Chartered Bank	2.61	0.87	1.74
5	ABN Amro Bank	13.94	4.65	9.30
6	Bank of India	14.15	4.72	9.44
7	Corporation Bank	13.00	4.33	8.66
8	Central Bank of India	15.22	5.07	10.14
9	Canara Bank	6.75	2.25	4.50
10	State Bank of Indore	4.21	1.40	2.80
11	Barclays Bank PLC	2.65	0.88	1.76
	Total (B)	183.32	61.11	122.18
C. Others				
1	BPCL	110.00	57.00	-
2	MSEB/MIDC	12.00	12.00	-
	Total (C)	122.00	69.00	0.00
	Total (A+B+C)	351.09	145.37	152.68

ANNEXURE - F
(OPTION 'A')

**ONE TIME SETTLEMENT OF THE LIABILITIES TO BE RETAINED
BY NOCIL**

(Rs. Crores)

Sr. No.	Institution/Bank	To be retained by NOCIL	One Time Settlement		
			Cash	Equity	13 Year ZCB
1	2	3	4	5	6
A. Institutions					
1	ICICI	4.20	1.40	1.40	1.40
2	IDBI - Loan	0.23	0.08	0.08	0.08
3	IDBI - Debentures	0.68	0.23	0.23	0.23
4	IIBI	3.54	1.18	1.18	1.18
5	IL & FS	2.80	0.93	0.93	0.93
	Total (A)	11.44	3.81	3.81	3.81
B. Banks					
1	State Bank of India	14.75	4.92	4.92	4.92
2	Union Bank of India	9.84	3.28	3.28	3.28
3	Bank of Baroda	3.11	1.04	1.04	1.04
4	Standard Chartered Bank	0.65	0.22	0.22	0.22
5	ABN Amro Bank	3.49	1.16	1.16	1.16
6	Bank of India	3.54	1.18	1.18	1.18
7	Corporation Bank	3.25	1.08	1.08	1.08
8	Central Bank of India	3.81	1.27	1.27	1.27
9	Canara Bank	1.69	0.56	0.56	0.56
10	State Bank of Indore	1.05	0.35	0.35	0.35
11	Barclays Bank PLC	0.66	0.22	0.22	0.22
	Total (B)	45.83	15.28	15.28	15.28
	Total (A+B+C)	57.27	19.09	19.09	19.09

ANNEXURE - G
(OPTION 'B')

**ONE TIME SETTLEMENT OF THE LIABILITIES
TO BE RETAINED BY NOCIL**

(Rs. Crores)

Sr. No.	Institution/Bank	To be retained to NOCIL	One Time Settlement	
			Cash	Equity
1	2	3	4	5
A.	Institutions			
1	ICICI	4.20	1.40	2.80
2	IDBI - Loan	0.23	0.08	0.16
3	IDBI - Debentures	0.68	0.23	0.46
4	IIBI	3.54	1.18	2.36
5	IL & FS	2.80	0.93	1.86
	Total (A)	11.44	3.81	7.64
B.	Banks			
1	State Bank of India	14.75	4.92	9.84
2	Union Bank of India	9.84	3.28	6.56
3	Bank of Baroda	3.11	1.04	2.08
4	Standard Chartered Bank	0.65	0.22	0.44
5	ABN Amro Bank	3.49	1.16	2.35
6	Bank of India	3.54	1.18	1.86
7	Corporation Bank	3.25	1.08	2.16
8	Central Bank of India	3.81	1.27	2.54
9	Canara Bank	1.69	0.57	1.12
10	State Bank of Indore	1.05	0.35	0.70
11	Barclays Bank PLC	0.66	0.22	0.44
	Total (B)	45.83	15.28	30.56
	Total (A+B)	57.29	19.09	38.20

***Special/Ordinary Resolutions Passed at the 43rd Annual General Meeting of the
Company held on 15th September 2005***

ORDINARY RESOLUTION

"RESOLVED THAT pursuant to Clause 49 of the Listing Agreement entered with the various Stock Exchange(s), the Board of Directors of the Company be and are hereby authorised to fix and pay sitting fees for attending meetings of the Board of Directors and /or Committees thereof to the Non-Executive Directors (including Independent Directors) within the limits prescribed by the Central Government under provision of section 310 and other applicable provisions of the Companies Act, 1956, if any, as amended from time to time."

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Clause 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded for the voluntarily delisting of the equity shares of the Company from The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association Limited, Kolkatta."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take such steps as may be necessary to give effect to this resolution."

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of section 309 (7) and other applicable provisions, if any, of the Companies Act, 1956, the Company in the General Meeting do hereby renew the Special Resolution authorising the payment of commission at the rate of up to 1% of the net profits of the Company computed in the manner as laid down under sections 198, 349 and 350 of the Companies Act, 1956, in each year to the Directors of the Company other than the Managing Director and Whole-time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee (s) thereof) for a further period of five years from 1st September, 2004, and that such commission as may be divided by the Board of Directors of the Company amongst such Director or Directors and / or any ex-Director(s) including Alternate Directors and in such manner or proportion and on such basis as they may in their discretion decide."

**Board Resolution regarding the Terms of appointment and remuneration
of Mr. C.R. Gupte as Managing Director of the Company passed at the
Meeting of the Board of Directors held on 30th January 2006**

"IT WAS RESOLVED THAT subject to the approval of the Central Government being obtained in terms of the provisions of Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956 and further subject to the approval of the Shareholders being obtained in the General Meeting to be held next hereafter, approval be and is hereby given for payment of revised remuneration to Mr. CR. Gupte, Managing Director of the Company for a period of three years with effect from 1st April 2006 as per the following details:

- I) (a) Salary of Rs.2,50,000/- (Rupees Two Lac Fifty Thousand only) per month including Dearness Allowance.
- (b) Perquisites and Allowances the aggregate monetary value of which shall not exceed Rs.9,00,000 /- (Rupees Nine Lakhs only) per annum or as may be decided by the Board from time to time. These perquisites and other allowances will be in addition to items mentioned in Clause No.: III below.
- (c) The salary and perquisites as mentioned under (a) and (b) above will be exclusive of:
 - (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity at the rate of one month's salary for every completed year of service or part thereof in excess of six months on the basis of the last drawn salary.
 - (iii) Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- II) Performance Bonus not exceeding a sum of Rs.90 lakhs per annum as may be fixed by the Board from time to time on the basis of the performance of the Company.
- III) Apart from the above mentioned remuneration, he shall be entitled to:
 - (a) Furnished Residential Accommodation. In case no accommodation is provided by the Company he will be entitled to a suitable House Rent Allowance.
 - (b) Leave as per the Rules of the Company.
 - (c) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalisation.
 - (d) Expenses actually and properly incurred by him in the course of legitimate business of the Company.
 - (e) Long Service benefits at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.
 - (f) Club Membership Fees subject to a maximum of two Clubs.
 - (g) Personal Accident Insurance Policy.

- (h) Provision for use of Motor Car with Driver for both official and personal use and reimbursement of Telephone, Gas and Electricity expenses at residence.
- (i) Life Insurance as per the rules of the Company."

"IT WAS FURTHER RESOLVED THAT Mr. U.M. Karnik, Company Secretary be and is hereby authorized to take effective steps to submit the necessary application to the Central Government and to place a suitable Resolution as a Special Resolution at the General Meeting to be held next hereafter for obtaining the approval of the Central Government and the shareholders for payment of the revised remuneration to Mr. C.R. Gupte".

Special/Ordinary Resolutions Passed at the 44th Annual General Meeting of the Company held on 31st July 2006

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to sections 198,269 and 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and the shareholders of the Company being obtained, approval be and is hereby given for increase in the remuneration of Mr. C.R. Gupte, Managing Director of the company, with effect from 1st April 2006 for a period of three years, on the revised terms and conditions as set out in the Explanatory Statement annexed to the Notice of this Meeting and in the absence or inadequacy of profits in any of the said three years, the said remuneration may be paid to him as minimum remuneration with the liberty to the Board of Directors to alter and vary the said terms and conditions in such a manner as may be agreed to between the Board of Directors and Mr. C.R. Gupte."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to take such steps as may be necessary to give effect to this Resolution."

ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 293(1) (e) and other applicable provision, if any, of the Companies Act, 1956, the Company in General Meeting hereby accords its consent to the Board of Directors contributing, from time to time, to charitable and other funds or institutions not directly relating to the business of the Company or the welfare of the Company notwithstanding, that the moneys to be contributed together with the moneys already contributed by the Company in any financial year will or may in aggregate exceed Rupees Fifty Thousand or five per cent of the average net profits of the Company as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceeding, whichever is greater, but so that the aggregate amount of such contributions by the Board of Directors shall not exceed a sum of Rs.10 lakhs in each of the financial year from 1st April 2006."

*Special Resolutions Passed at the 45th Annual General Meeting of the
Company held on 27th August 2007*

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (the Act), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") or any statutory modification(s) or re-enactment of the Act or the SEBI guidelines, provisions of any other applicable laws or regulations and listing agreement (s) entered into by the Company with the stock exchanges where the securities of the Company are listed and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof, including the Remuneration Committee to whom the Board has vested the necessary powers, including the powers, conferred by this resolution), the consent of the Company be and is hereby accorded to introduction of the "Employee Stock Option Scheme-2007" (hereinafter referred to as the "ESOS-2007" or the "Scheme"), the salient features of which are furnished in the Explanatory Statement to the Notice and the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, grant, offer, issue and allot at any time to or to the benefit of such person(s) as may be determined by the Remuneration Committee and who are in permanent employment of the Company in the management cadre, including any Managing Director and Whole time Director(s) of the Company (hereinafter collectively referred to as the "designated employees") as are proposed to be covered under the Scheme, options exercisable into not more than 80,00,000 equity shares of Rs.10/- each of the Company being approximately 5% of the paid-up equity share capital of the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board or the Remuneration Committee in accordance with the provisions of the law, SEBI guidelines or guidelines issued by the relevant Authority(ies)."

"RESOLVED FURTHER THAT without prejudice to the generality of the above the Board be and is hereby authorized to formulate the Scheme (including terms relating to eligibility of the said designate employees under the Scheme), to grant the options under the Scheme (detailing the terms of the option) at such time or times as it may decide in its absolute discretion."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any additional equity shares are required to be issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 80,00,000 equity shares of

Rs.10/- each shall be deemed to be increased proportionately to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the Scheme and such equity shares shall rank *pari passu* in all respect with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the Scheme on the stock exchanges where the securities of the Company are listed as per the provisions of the listing agreement(s) with the concerned stock exchanges, the SEBI guidelines and other applicable laws and regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the Securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said Scheme as it may deem fit, from time to time in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

SPECIAL RESOLUTION

"RESOLVED THAT the name of the Company be changed from "National Organic Chemical Industries Limited" to "NOCIL Limited".

*Special/ Ordinary Resolutions passed at 47th Annual General Meeting
held on 29th July, 2009*

ORDINARY RESOLUTION

Re-appointment of Mr. C.R. Gupte as Managing Director

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals, as may be necessary, the consent of the Company be and is hereby accorded for re-appointment of Mr. C.R.Gupte as Managing Director for five years w.e.f. 1 August 2010 on such terms and conditions as may be decided by the Board of Directors.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable and expedient to give effect to this resolution."

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Re-appointment of Mr. C.R. Gupte as Managing Director:

Mr. C.R. Gupte has been responsible for leading the Rubber Chemical business of the company successfully and has been instrumental in achieving substantial growth for the company both as Chief Executive and thereafter as Managing Director effective from 1 August 2005. The Company has made considerable progress in the area of Exports, Research & Development (R & D) and Technology. Further, under his guidance, the Company managed to get protection by levying anti-dumping duties on some of its products against continued dumping by its global competitors.

Presently the Company is also in a transitional phase, pending implementation of its expansion project at Dahej. The Board of Directors, considering the contribution made by Mr. C.R. Gupte, thought it fit in the interest of the Company to retain and avail the continuity of his expertise by re-appointing Mr. C.R. Gupte as Managing Director for a further period of five years w.e.f. 1 August 2010 to achieve the desired goals of the Company.

The draft agreement for appointment of and payment of remuneration to Mr. C.R. Gupte is available for inspection during business hours of the Company at its Registered Office

The Directors recommend this resolution as an Ordinary Resolution for approval of the Members.

None of the Directors other than Mr. C.R. Gupte and Mr. V.R. Gupte being related to Mr. C.R. Gupte is deemed to be concerned or interested in this resolution.

SPECIAL RESOLUTION

Payment of Remuneration to Mr. C.R. Gupte as Managing Director:

"RESOLVED THAT pursuant to Section 198 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary the consent of the company be and is hereby accorded for payment of remuneration and perquisites to Mr. C.R.Gupte, Managing Director w.e.f. 1 April 2009 as set

out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr.C.R.Gupte, Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable and expedient to give effect to this resolution.

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Payment of Remuneration to Mr. C.R. Gupte as Managing Director:

The approval of Central Government for existing remuneration of Mr. C.R. Gupte as Managing Director is valid only till 31 March 2009. On the recommendation of the Remuneration Committee and in view of the overall progress and performance of the Company under the leadership of Mr. C R Gupte as Managing Director, the Board of Directors in their meeting held on 9 June 2009, approved the revised remuneration payable to Mr.C.R.Gupte as Managing Director with effect from 1 April 2009.

- A i) Salary of Rs.4,50,000/- (Rupees Four Lakhs Fifty thousand only) per month including Dearness Allowance.
- ii) Perquisites & Allowances and other reimbursements the aggregate monetary value of which shall not exceed Rs.20,17,000/- (Rupees Twenty Lakhs Seventeen thousand only) per annum or as may be decided by the Board from time to time. These perquisites and other allowances will be in addition to items mentioned in Clause(B) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- ♦ Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- ♦ Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- ♦ Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.

B) Apart from the above mentioned remuneration, he shall be entitled to:

- i) Furnished Residential Accommodation. In case no accommodation is provided by the Company he will be entitled to a suitable House Rent Allowance.
- ii) Leave as per the rules of the Company.
- iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization

- iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - v) Long Service benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.
 - vi) Club Membership Fees subject to a maximum of two Clubs.
 - vii) Personal Accident Insurance Policy.
 - viii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
 - ix) Life Insurance as per the rules of the Company.
- C) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of the Company subject to a maximum of Rs.90,00,000/- (Rupees Ninety lakhs only) per annum.

The above may be treated as an abstract of the terms of revised remuneration in compliance with the requirements of Section 302(2) of the Companies Act, 1956.

The draft agreement for appointment of and payment of remuneration to Mr. C.R. Gupte is available for inspection during business hours of the Company at its Registered Office.

The Directors recommend this resolution as a Special Resolution for approval of the Members.

None of the Directors other than Mr. C.R. Gupte and Mr. V.R. Gupte being related to Mr. C.R. Gupte is deemed to be concerned or interested in this resolution.

SPECIAL RESOLUTION

Payment of Commission to Directors:

"RESOLVED THAT pursuant to the provisions of section 309(7) and other applicable provisions, if any, of the Companies Act, 1956, the Company in the General Meeting do hereby renew the Special Resolution authorising the payment of commission at the rate of up to 1% of the net profits of the Company computed in the manner as laid down under sections 198, 349 and 350 of the Companies Act, 1956, in each year to the Directors of the Company other than the Managing Director and Whole-time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years from 1 September 2009 and that such commission as may be divided by the Board of Directors of the Company amongst such Director or Directors and/ or any ex-Director(s) including Alternate Directors and in such manner or proportion and on such basis as they may in their discretion decide".

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

A commission up to one per cent of the net profits of the Company computed in the manner as laid down under section 198 of the Companies Act, 1956, in each year was sanctioned for payment to the Directors of the Company by a Special Resolution passed at the Annual General Meeting held on 30 November 1964. Under the provisions of section 309(7) of the Companies Act, 1956, the aforesaid Special Resolution is effective for a period of five years but the same

can be renewed from time to time by a Special Resolution for a further period of not more than five years. The said resolution has been renewed from time to time and it was last renewed for a period of 5 years up to 31 August 2009 at the Annual General Meeting of the Company held on 15 September 2005.

It is, therefore, proposed to renew the said Special Resolution pursuant to section 309(7) of the Companies Act, 1956, authorizing the payment of commission up to one per cent of the net profits of the Company as computed in the manner laid down in section 198 of the Companies Act, 1956, in each year to the Directors of the Company including ex-Directors and Alternate Directors, other than the Managing Directors and the whole-time Directors of the Company for a further period of five years from 1 September 2009, in terms of section 309(7) of the Companies Act, 1956.

All Directors of the Company, (including Mr. C.R. Gupte, Managing Director being related to Mr. V.R. Gupte) may be deemed to be concerned or interested in the resolution to the extent of their respective payment of commission.

SPECIAL RESOLUTION

Modification to Employees Stock Option Scheme – 2007:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in supersession of the resolution passed in the Annual General Meeting of the members held on 27 August 2007 approving Employees Stock Option Scheme – 2007 the consent of the Company be and is hereby accorded to the Board of Directors to modify the first para of clause 6 of item no. 9 of Explanatory Statement u/s 173(2) of the Companies Act, 1956, in respect of resolution no. 9 as follows :

The exercise period would commence one year from the date of grant and will expire on completion of ten years from the date of grant of options.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

There was a small typographical / printing error in the Annual Report 2006-07 on first para of clause 6 of item no.9 of Explanatory Statement u/s 173(2) of the Companies Act, 1956, in respect of resolution no.9 for obtaining consent of Members of the Company for ESOS-2007 and should have been correctly printed / read as :

“The exercise period would commence one year from the date of grant and will expire on completion of ten years from the date of grant of options” instead of date of vesting as appeared in the Explanatory Statement of the resolution.

The Board of Director was informed about this typographical error in the Board Meeting held on 27 January 2009. The Board noted and was of the opinion that although the typographical error was minor, after consulting Merchant Bankers / Legal Advisors, necessary formal approval be obtained for modification from the members of the Company in order to clarify the intention of the Committee / Board that the designated employees can exercise the entire 80,00,000 Stock Options as and when granted by the Remuneration Committee after one year from the date of grant. Although the date of grant of the option was 27 August 2007 and date

of exercise of the option was 27 August 2008, none of the eligible employees of Company has exercised the options.

The Directors recommend this resolution as a Special Resolution for approval of the Members.

None of the Directors of the Company shall be deemed to be concerned or interested in the proposed resolution, except Mr. C.R. Gupte, Managing Director and Mr. V.R. Gupte, Director both being related to the extent of Equity Stock Options allotted to Mr.C.R. Gupte under ESOP.

SPECIAL RESOLUTION

Records of Members to be kept at the premises of RTA, M/s.Sharepro Services (India) Pvt.Ltd.:

“RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members and other related books be kept at the premises of the Company’s Registrar and Transfer Agents Viz. Sharepro Services (India) Private Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai- 400 021.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Under the provisions of the Companies Act, 1956, certain documents such as the Register of Members and Index of Members and other related documents etc. are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of the Company is situated, with the approval of the Members to be accorded by a Special Resolution.

M/s Sharepro Services (India) Private Limited, Mumbai is our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 163(1) of the Companies Act, 1956, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

The Board of Directors recommends this resolution as a Special Resolution for the approval of the Members.

None of the Directors of the Company shall be deemed to be concerned or interested in the proposed resolution.

*Special/ Ordinary Resolutions passed at 52nd Annual General Meeting
held on 30th June, 2014*

ORDINARY RESOLUTION

Appointment of Mr. S.R. Deo as Executive Director:

“RESOLVED THAT pursuant to Sections 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (erstwhile Sections 269, 198, 309, 310, 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956) or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr. S. R. Deo (holding DIN 01122338) as Executive Director and President (Technical) for a period of 5 (five) years with effect from 1 January 2014 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. S.R. Deo, Executive Director and President (Technical), the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

The Board of Directors of the Company at its meeting held on 18 December 2013, appointed Mr. S.R. Deo as Additional Director pursuant to Section 161 of the Companies Act, 2013 (erstwhile Section 260 of the Companies Act, 1956), designated as Executive Director and President (Technical) on the remuneration and perquisites mentioned herein below. As per the provisions of said section Mr. Deo holds office as Additional Director up to the date of the forthcoming Annual General Meeting.

The Company has received Notice under Section 160 of the Companies Act, 2013 (erstwhile Section 257 of the Companies Act, 1956) from a member of the Company along with requisite deposit signifying his intention to propose Mr. Deo as a Director of the Company.

Mr. Deo is associated with Arvind Mafatlal Group (AMG) since last 35 years. Mr. Deo joined the AMG, after completing his M. Tech in Chemical Engineering from IIT Kanpur, as Management Trainee in erstwhile Polyolefins Industries Limited.

The grassroots new project at Dahej was successfully completed and commissioned under his leadership.

The Remuneration Committee and the Board of Directors at their respective Meetings held on 18 December 2013 approved payment of remuneration and perquisites subject to the approval of members of the Company and the Central Government, if required.

The terms of remuneration and perquisites payable to Mr. Deo are as follows:

A) i) Salary: Rs. 2,50,000/- (Rupees two lakhs fifty thousand only) per month.

ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs. 48,65,000/- (Rupees Forty Eight Lakhs Sixty Five thousand only) per annum or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- Long Service benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.

B) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. Deo and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.

C) Apart from the above mentioned remuneration, he shall be entitled to:

- i) Furnished Residential Accommodation or House Rent Allowance of Rs. 1,00,000/- (Rupees one lakh only) per month.
- ii) Leave as per the rules of the Company.
- iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediciam Policy for hospitalization.
- iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
- v) Club Membership Fees subject to a maximum of one Club.
- vi) Personal Accident Insurance Policy.
- vii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.

viii) Life Insurance as per the rules of the Company.

The copy of Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013.

(Further, the above may be treated as an abstract of the terms of remuneration in compliance with the requirements of erstwhile Section 302 of the Companies Act, 1956)

Except Mr. Deo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Your Directors recommend these two resolutions for approval of the Members.

SPECIAL RESOLUTION

Renewal of Special Resolution for payment of Commission to Directors:

“RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (erstwhile section 309 and other applicable provisions, if any, of the Companies Act 1956), the Company in the General Meeting do hereby renew the Special Resolution authorizing the payment of commission at the rate of up to 1% of the net profits of the Company computed in the manner as laid down under sections 197 and 198 of the Companies Act, 2013 (erstwhile sections 198, 349 and 350 of the Companies Act, 1956), in each year to the Directors of the Company other than the Managing Director and Executive / Whole Time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years from 1 September 2014 and that such commission as may be divided by the Board of Directors of the Company amongst such Director or Directors and/ or any ex-Director(s) including Alternate Directors and in such manner or proportion and on such basis as they may in their discretion decide”.

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

A commission up to one per cent of the net profits of the Company computed in the manner as laid down under section 198 of the Companies Act, 1956, in each year was sanctioned for payment to the Directors of the Company by a Special Resolution passed at the Annual General Meeting held on 30 November 1964. Under the existing provisions of section 309(7) of the Companies Act, 1956, the aforesaid Special Resolution is effective for a period of five years but the same can be renewed from time to time by a Special Resolution for a further period of not more than five years. The said resolution has been renewed from time to time and it was last renewed for a period of 5 years up to 31 August 2014 at the Annual General Meeting of the Company held on 29 July 2009. It is, therefore, proposed to pass the said Special Resolution pursuant to section 197 (1) of the Companies Act, 2013 (erstwhile Section 309 (7) of the Companies Act, 1956), authorizing the payment of commission up to one per cent of the net profits of the Company as computed in the manner laid down in section 198 of the Companies Act, 2013, in each year to the Directors of the Company including ex-Directors and Alternate Directors, other than the Managing Directors and the whole-time Directors of the Company for a further period of five years from 1 September 2014.

Except Mr. S.R.Deo, all other Directors of the Company, (including Mr. C.R. Gupte, Managing Director, being related to Mr. V.R. Gupte) may be deemed to be concerned or interested in the resolution to the extent of their respective payment of commission.

*Special/ Ordinary Resolutions passed at 53rd Annual General Meeting
held on 23rd July, 2015*

SPECIAL RESOLUTION

Re-appointment of Mr. C.R. Gupte as Managing Director:

“RESOLVED THAT pursuant to Section 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the re-appointment of Mr. C.R. Gupte (holding DIN 00009815) as Managing Director for a period of 2 (two) years with effect from 1 August 2015 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. C.R. Gupte, Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Mr. C.R. Gupte has been overall responsible for leading the Rubber Chemical business of the company successfully and has been instrumental in achieving substantial growth for the company both as Chief Executive and thereafter as Managing Director effective from 1 August 2005. Mr. Gupte is B.Sc. and member of the Institute of Chartered Accountants of India.

The Board of Directors, on recommendation of Nomination and Remuneration Committee and considering the contribution made by Mr. Gupte, thought it fit in the interest of the Company to retain and avail the continuity of his expertise by re-appointing Mr. Gupte as Managing Director for a further period of two years w.e.f. 1 August 2015 to achieve the desired goals of the Company.

The re-appointment and payment of remuneration and perquisites are subject to the approval of members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mr. C.R. Gupte are as follows:

- A i) Salary: Rs. 8,00,000/- (Rupees Eight Lakhs only) per month
- ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed ` 67,500/- (Rupees Sixty Seven thousand five hundred only) per month or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- Long Service Benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.

B) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. C.R. Gupte and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.

C) Apart from the above mentioned remuneration, he shall be entitled to:

- i) Furnished Residential Accommodation. In case no accommodation is provided by the Company, he will be entitled to a suitable House Rent Allowance.
- ii) Leave as per the rules of the Company.
- iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
- iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
- v) Club Membership Fees subject to a maximum of two Clubs.
- vi) Personal Accident Insurance Policy.
- vii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
- viii) Life Insurance as per the rules of the Company.

The copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013.

Other particulars pertaining to the Company, which are required to be disclosed as per section II of Part II of the Schedule V of the Companies Act, 2013 and also Clause 49 of the Listing Agreement with the Stock Exchanges, are given in Annexure A to this Explanatory Statement.

Except Mr. C.R. Gupte, being an appointee and Mr. Vilas R. Gupte, Director, being relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Your Directors recommend this resolution for approval of the Members.

SPECIAL RESOLUTION

Appointment of Mr. S.R. Deo as Deputy Managing Director:

“RESOLVED THAT pursuant to Section 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr. S.R. Deo (holding DIN 01122338) as Deputy Managing Director for a period of 4 (four) years with effect from 1 April 2015 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. S.R. Deo, Deputy Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Mr. S.R. Deo, is associated with Arvind Mafatlal Group (AMG) since last 36 years. Mr. Deo joined the AMG Group after completing his M. Tech in Chemical Engineering from IIT, Kanpur.

Prior to his appointment as Deputy Managing Director, he was Executive Director and President – Technical of the Company and has contributed to improve the plant efficiencies, product quality, Health, Safety and Environment (HSE) standards in the company, Human Resources strategy to meet the future business challenges, creating strong technical team of Research and Technology for indigenous development of technologies and its implementation.

The Board of Directors, on recommendation of Nomination and Remuneration Committee and considering the contribution made by Mr. Deo, thought it fit in the interest of the Company to appoint Mr. Deo as Deputy Managing Director for a period of 4 years w. e. f. 1 April 2015.

The appointment and payment of remuneration and perquisites of Mr. Deo as Deputy Managing Director are subject to the approval of members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mr. Deo are as follows:

A i) Salary: Rs. 4,00,000/- (Rupees Four Lakhs only) per month

ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs.2,08,700/- (Rupees Two Lakhs Eight thousand Seven hundred only) per month or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- ☐ Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- ☐ Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- ☐ Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- ☐ Long Service Benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.

B) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. S.R. Deo and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.

C) Apart from the above mentioned remuneration, he shall be entitled to:

- i) Furnished Residential Accommodation or House Rent Allowance of Rs.2,00,000/- (Rupees Two Lakhs only) per month.
- ii) Leave as per the rules of the Company.
- iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
- iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
- v) Club Membership Fees subject to a maximum of one Club.
- vi) Personal Accident Insurance Policy.
- vii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
- viii) Life Insurance as per the rules of the Company.

The copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013.

Other particulars pertaining to the Company, which are required to be disclosed as per section II of Part II of the Schedule V of the Companies Act, 2013 and also Clause 49 of the Listing Agreement with the Stock Exchanges, are given in Annexure A to this Explanatory Statement.

Except Mr. S.R. Deo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Your Directors recommend this resolution for approval of the Members.

*Special/ Ordinary Resolutions passed at 54th Annual General Meeting
held on 27th July, 2016*

SPECIAL RESOLUTION

Records of Members to be kept at the premises of RTA, M/s. Karvy Computershare Pvt. Ltd.:

“RESOLVED THAT pursuant to Section 94(1) of the Companies Act, 2013, (‘the Act’), the registers required to be kept and maintained by a Company under Section 88 of the Act such as the Register of Members and Index of Members and other related documents including copies of the annual return filed under Section 92 of the Act, shall be kept at the premises of the Company’s Registrar and Transfer Agents (RTA) viz., Karvy Computershare Private Limited, at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai - 400 023, Maharashtra.

FURTHER RESOLVED THAT the Register of Members and Index of Members and other related documents including copies of the annual return etc. shall be kept at the premises of the RTA so long as they continue to act as the RTA of the Company.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Pursuant to Section 94(1) of the Companies Act, 2013, (‘the Act’) the registers required to be kept and maintained by a Company under Section 88 of the Act, such as the Register of Members and Index of Members and other related documents including copies of the annual return filed under Section 92 of the Act shall be kept at the Registered Office of the Company.

Such registers or copies of annual return may also be kept at any other place in India if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

M/s Karvy Computershare Private Limited (Karvy) were appointed as the Company’s Registrar and Share Transfer Agent (RTA), having their office at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai - 400 023, Maharashtra in place of M/s Sharepro Services (India) Private Limited, Mumbai. Karvy is our RTA, who has been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 94 (1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

The Board of Directors recommends this resolution as a Special Resolution for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and / or their relatives is deemed to be concerned or interested in the resolution.

*Special Resolution passed by Postal Ballot including remote e-voting on
20th December 2016.*

SPECIAL RESOLUTION

Appointment and payment of remuneration to Mr. H. A. Mafatlal as the Executive Chairman of the Company with effect from 19th August 2016 for a period of 5 years.

“RESOLVED THAT pursuant to Section 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the Central Government and such other approvals, -permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr. H. A. Mafatlal (holding DIN : 00009872) as Executive Chairman for a period of 5 (Five) years with effect from 19th August 2016 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to this Notice.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. H. A. Mafatlal, Executive Chairman, the Company has no profits or its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and hereby authorised to alter, vary the terms of the remuneration, in such manner as may be deemed fit and acceptable to Mr. H. A. Mafatlal.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

Explanatory Statement as required under Section 102 of the Companies Act, 2013:

Mr. H. A. Mafatlal and Mr. Vishad P. Mafatlal, their family members and the entities controlled by them as well as Mafatlal Industries Limited (MIL) and Navin Fluorine International Limited (NFIL) hold shares in the Company.

Mr. H. A. Mafatlal, his family members and the entities owned and controlled by them and Mr. Vishad P. Mafatlal, his family members and the entities owned and controlled by them, have entered into an Agreement to amicably restructure their shareholding in MIL, NFIL, the Company and other group companies such that the management of MIL and the Company would reside with Mr. H. A. Mafatlal and that of NFIL would be with Mr. Vishad P. Mafatlal.

Mr. H.A. Mafatlal was Chairman - Non -Executive Promoter Group of the Company. Pursuant to the above mentioned Agreement, it was proposed to appoint and pay remuneration to Mr. H. A. Mafatlal as the Executive Chairman.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, thought it fit and in the interest of the Company to appoint Mr. H. A. Mafatlal as the Executive Chairman w.e.f. 19th August 2016 for a period of 5 (five) years.

The appointment and payment of remuneration and perquisites to Mr. Mafatlal are subject to the approval of the Members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mr. H. A. Mafatlal are as follows:

- A
- i) Salary : Rs. 1,20,00,000 /- (Rupees One Crore Twenty Lakh only) p.a.
 - ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs. 15,60,000 /- (Rupees Fifteen Lakh Sixty Thousand only) p.a. or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - Gratuity as per the prevailing rules of the Company.
 - Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- B) Performance Bonus/Commission as may be decided by the Board from time to time on the basis of the performance of Mr. H. A. Mafatlal and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.
- C) Apart from the above mentioned remuneration, he shall be entitled to:
- i. Leave as per the rules of the Company.
 - ii. Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
 - iii. Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - iv. Club Membership Fees subject to a maximum of two Clubs.
 - v. Personal Accident Insurance Policy.
 - vi. Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.

- vii. Life Insurance as per the rules of the Company.

The copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013.

Where in any financial year during the currency of the tenure of the Mr. H. A. Mafatlal, Executive Chairman, the Company has no profits or its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals as may be applicable.

The Board may alter or vary the above referred terms of appointment, salary, commission, performance bonus and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. H. A. Mafatlal provided that such alterations are within the limits specified in Schedule V of the Companies Act, 2013 or any amendments, modifications or re-enactments made thereof from time to time.

Mr. H.A. Mafatlal shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Mr. H.A. Mafatlal shall not be liable to retire by rotation.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of the Schedule V of the Companies Act, 2013 and also Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, are given in Annexure A to this Explanatory Statement.

Except Mr. H.A. Mafatlal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Your Directors recommend this resolution for approval of the Members.

Annexure A to the Explanatory Statement

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment of Mr. H. A. Mafatlal as Executive Chairman.

I. General Information:

a) Nature of Industry:

The Company is engaged in the business of manufacture and sale of Rubber Chemicals. It has manufacturing facilities at TTC Industrial Area in Thane, Maharashtra and Dahej, Gujarat and Regional Sales Offices at Mumbai, Delhi, Chennai and Kolkatta.

b) Date of commencement of Commercial Production:

The Company started its commercial production in the year 1976.

c) **Financial Performance:**

	(Rs.in Lakhs)	
	Current Year	Previous Year
Turnover	78860.88	78533.40
Profit Before Tax	11813.02	8564.54
Profit after Tax	7774.03	5674.84

d) **Export Performance:**

	(Rs.in Lakhs)	
	Current Year	Previous Year
FOB Value of Exports	19883.87	23004.30
Net Foreign Exchange Earnings	8314.94	4054.10

e) **Foreign Investments or Collaborators:**

The Company does not have any foreign investment or collaborators.

II. Information about the appointee:a) **Background details:**

Mr. H. A. Mafatlal is B.Com. (Hons.) and has attended the Advanced Management Programme at the Harvard Business School, USA. Mr. Mafatlal is past president and is presently a Managing Committee member of the Mill owners' Association, Mumbai. He was a Member on the Board of Governors of IIM Ahmedabad for 12 years and Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL)

b) **Past remuneration:**

Mr. H. A. Mafatlal was Chairman – Non –Executive Promoter Group who was paid sitting fees for attending the meetings of the Board of Directors and the Committees thereof and Profit based Commission. The remuneration paid to Mr. Mafatlal in the Financial Year 2015-16 is as under:

Particulars	Amount (Rs. In Lakh)
Sittings fees	1.60
Commission	12.00
Total	13.60

c) **Recognition or award: Nil**

d) Job Profile and his suitability:

Mr. H.A. Mafatlal is a Promoter-Director and overall in-charge of the affairs of the Company. Looking at the overall business exposure and rich experience of Mr. H. A. Mafatlal in diversified areas and responsibilities to be shouldered by him, it is in the interest of the Company to avail his business expertise and hence his suitability for the position.

e) Proposed Remuneration :

As mentioned in Explanatory Statement.

f) Comparative Remuneration:

Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration payable to Mr. H. A. Mafatlal is commensurate with the remuneration paid to similar appointee in other companies.

g) Pecuniary Relationship:

Except for the proposed remuneration, Mr. H.A. Mafatlal does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the company.

III. Other information:

- a) Reasons for inadequacy of profits : Not Applicable
- b) Steps taken or proposed to be taken for improvement : Not Applicable
- c) Expected increase in productivity and profits in measurable terms : Not Applicable

Particulars of the Director seeking appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 (SS-2) .

Name	Mr. H. A. Mafatlal
Brief Resume - Qualification	B.Com. (Hons.) and has attended the Advanced Management Programme at the Harvard Business School, USA
Age	62 years
Experience	Mr. H. A. Mafatlal has diversified experience of more than 35 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services.

Terms and Conditions of Appointment	Refer Explanatory Statement
Date of Appointment	19 th August 2016
Expertise in Specific Functional Areas	<p>Mr. H.A. Mafatlal is the Chairman and Chief Executive of the Arvind Mafatlal Group of Companies (AMG). AMG has major interests in Textiles & Denims (Mafatlal Industries Limited) and Rubber Chemicals (NOCIL Ltd.).</p> <p>He is a past President and now a Managing Committee Member of the Millowners' Association, Mumbai (MOA).</p> <p>He was a Member on the Board of Governors of IIM Ahmedabad for 12 years (1995-2007), and a Vice-Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).</p> <p>He is a Trustee of Shri Sadguru Seva Sangh Trust and Chairman of BAIF Development Research Foundation.</p>
Directorship held in other listed entities	Mafatlal Industries Limited
Other Directorship	<ol style="list-style-type: none"> 1. Tropical Clothing Company Private Limited 2. Mafatlal Services Limited 3. BAIF Institute for Sustainable Livelihoods & Development 4. HPA Sports Private Limited 5. Cebon Apparel Private Limited
Membership / Chairmanship of Committees	<p>Mafatlal Industries Limited</p> <p>Member - Share Transfer Committee</p> <ul style="list-style-type: none"> - Stakeholders Relationship Committee - Corporate Social Responsibility Committee
Disclosure of relationship	Mr. H.A. Mafatlal is neither related to any of the Director nor Key Managerial Personnel of the Company
Shareholding in the Company	1,77,900 Equity Shares
Number of Board meetings Attended	4 (held upto 19 th August, 2016 during F. Y. 2016-17)

*Special/ Ordinary Resolutions passed at 55th Annual General Meeting
held on 27th July, 2017*

SPECIAL RESOLUTION

Appointment of Mr. S.R. Deo as Managing Director:

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr. S.R. Deo (holding DIN 01122338) as Managing Director for a period of 5 (Five) years with effect from 1 August, 2017 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. S.R. Deo, Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under section 173 of the Companies Act, 1956)

Mr. S.R. Deo, is associated with Arvind Mafatlal Group (AMG) since last 37 years. Mr. Deo joined the AMG Group after completing his M. Tech in Chemical Engineering from IIT Kanpur. Prior to his appointment as Managing Director, he was Deputy Managing Director of the Company. Mr. Deo has contributed to improve the plant efficiencies, product quality, Health, Safety and Environment (HSE) standards in the company, Human Resources strategy to meet the future business challenges, Mr. Deo has created a strong technical team of Research and Technology for indigenous development of technologies and its implementation.

Mr. Deo was instrumental for setting up greenfield project with in house developed technology at Dahej, in the state of Gujarat which has successfully contributed significantly in terms of volume and value for the Company.

The Board of Directors, on recommendation of Nomination and Remuneration Committee and considering the contribution made by Mr. S.R. Deo, thought it fit in the interest of the Company to appoint Mr. S.R. Deo as Managing Director for a period of 5 (five) years w. e. f. 1 August 2017.

The appointment and payment of remuneration and perquisites of Mr. S.R. Deo as Managing Director are subject to the approval of members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mr. S.R. Deo are as follows:

- A) i) Salary : Rs.6,00,000/- (Rupees Six Lakhs only) per month
 ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs.4,00,000/- (Rupees Four lakhs only) per month or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- ♦ Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - ♦ Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
 - ♦ Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
 - ♦ Long Service benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.
- B) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. S.R. Deo and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.
- C) Apart from the above mentioned remuneration, he shall be entitled to:
- i) Furnished Residential Accommodation or House Rent Allowance of Rs. 2,50,000/- (Rupees Two lakhs fifty thousand only) per month
 - ii) Leave as per the rules of the Company.
 - iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
 - iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - v) Club Membership Fees subject to a maximum of one Club.
 - vi) Personal Accident Insurance Policy.

- vii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
- viii) Life Insurance as per the rules of the Company.

The copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013.

Other particulars pertaining to the Company, which are required to be disclosed as per section II of Part II of the Schedule V of the Companies Act, 2013 and also Clause 49 of the Listing Agreement with the Stock Exchanges, are given in Annexure A to this Explanatory Statement.

Except Mr. S.R. Deo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Your Directors recommend this resolution for approval of the Members.

Special/ Ordinary Resolution passed at 57th Annual General Meeting held on 30th July 2019

ORDINARY RESOLUTION

“RESOLVED THAT pursuant to provisions of Sections 149,150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any amendments, statutory modifications or reenactment thereof for the time being in force), read with Schedule IV of the Companies Act, 2013, as amended, Mr. Debnarayan Bhattacharya (holding DIN: 00033553), who was appointed as an Additional Director of the Company w. e. f. 10 May, 2019 by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting pursuant to Section 161 (1) of the Companies Act, 2013, as amended be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years hereon”.

SPECIAL RESOLUTION

Continuation of Mr. Debnarayan Bhattacharya as an Independent Director notwithstanding he attains the age of 75 years during the tenure of 5 years

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Mr. Debnarayan Bhattacharya (holding DIN: 00033553) be continued as an Independent Director of the Company for the term of 5 years effective from 30 July 2019 to 29 July 2024, notwithstanding that on 13 September 2023 he attains the age of 75 years during the aforesaid tenure.

(Explanatory Statement as required under Section 102 of the Companies Act, 2013)

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10 May 2019, had appointed Mr. Debnarayan Bhattacharya as an Additional Director – Independent, pursuant to Section 161 of the Companies Act, 2013. As per the provisions of said section, Mr. Bhattacharya holds office as Additional Director up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to five years.

The Company has received a declaration of independence from Mr. Bhattacharya as per the provisions of the Companies (Amendment) Act, 2017 as well as the SEBI (Listing Obligations and Disclosure Requirements), (Amendment), Regulations, 2018. In the opinion of the Board, Mr. Bhattacharya fulfils the conditions specified in the Companies Act, 2013 read with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), for his appointment as an Independent Director of the Company.

Mr. Bhattacharya, is aged 70 years. Mr. Bhattacharya would be attaining the age of 75 years on 13 September 2023. In view of the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. D. Bhattacharya as a Non- Executive Independent Director from 13 September 2023 to 29 July 2024, consent of the Members is required by way of a Special Resolution.

The Company has received Notice under Section 160 of the Companies Act, 2013 from a member proposing Mr. Bhattacharya as a candidate for office of Director of the Company. A brief profile of Mr. Bhattacharya as required under Regulations 36(3) of the Listing Regulations with the Stock Exchanges, is given in Annexure A to this Explanatory Statement.

Having regard to his qualifications, knowledge and rich experience, his appointment on the Board of the Company as an Independent Director will be in the interest of the Company. Except Mr. Bhattacharya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested (financially or otherwise) in the resolution.

Copy of draft letter for appointment of Mr. Bhattacharya as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the company during normal business hours on any working day, excluding Saturday and Sunday.

The Board recommends the resolutions for the approval of the Members.

Through Videoconference

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT No. - I

C.P. (CAA) 1025/MB-I/2020

Connected with

C.A. (CAA) 1011/MB-I/2020

In the matter of

Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of

Scheme of Amalgamation of Suremi Trading Private Limited (First Transferor Company) and Sushripada Investments Private Limited (Second Transferor Company) with NOCIL Limited (Transferee Company) and their respective Shareholders.

Suremi Trading Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at D1 Sindhu House, Nanabhat Lane, Mumbai – 400 023

CIN: U65990MH1978PTC020335

... *First Petitioner Company*

Sushripada Investments Private Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at Mafatlal House, Backbay Reclamation Mumbai – 400 020

CIN: U65990MH1974PTC017275

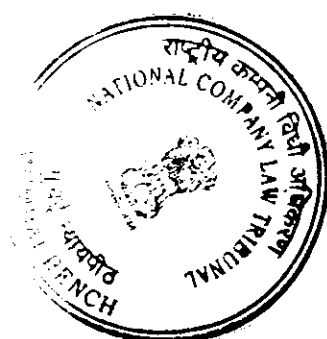
... *Second Petitioner Company*

NOCIL Limited, a Company incorporated under the Companies Act, 1956 and having its Registered office at Mafatlal House, H.T. Parekh Marg, Backbay Reclamation, Mumbai - 400020

CIN: L99999MH1961PLC012003

... *Third Petitioner Company*

Date of Order: 3rd March 2021



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

CORAM:

Hon'ble Janab Mohammed Ajmal, Member (Judicial)

Hon'ble Shri V. Nallasenapathy, Member (Technical)

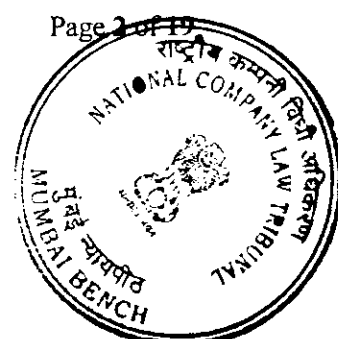
Appearance:

For the Petitioners : Mr. Hemant Sethi, i/b. Hemant Sethi & Co., Advocates
For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director Office of Regional Director (WR), Ministry of Corporate Affairs

Per: Janab Mohammed Ajmal, Member (Judicial)

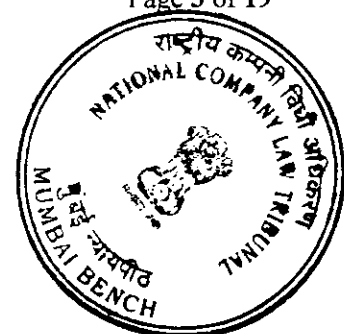
ORDER

1. This Petition seeks sanction of the Tribunal under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the Act) to the Scheme of Amalgamation (the Scheme) of Suremi Trading Private Limited and Sushripada Investments Private Limited with NOCIL Limited and their respective shareholders.
2. We have heard the learned counsel for the Petitioner Companies and the representative of the Regional Director (Western Region), MCA, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
3. The learned counsel for the Petitioner Companies submitted that the First Petitioner Company and the Second Petitioner Company are promoters, respectively holding 12.54% & 5.41% shares of the Third Petitioner Company, as on 31st March, 2020. They are engaged in the business of trading of fabrics and hold investments in securities. The Third Petitioner Company is engaged in the business of manufacture of rubber chemicals.



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

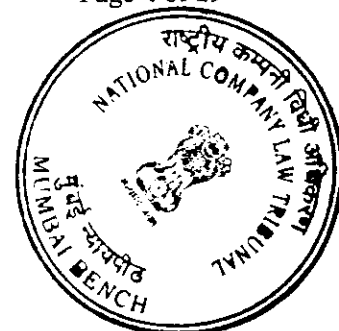
4. The Board of Directors of the Petitioner Companies approved the Scheme in their respective meetings held on 30th January, 2020. The Appointed Date fixed under the Scheme is 1st October 2020.
5. The learned counsel for the Petitioner Companies further highlighted the following rationale for the Scheme:
 - a. *Ensuring a streamlined group structure by reducing the number of legal entities in the group structure;*
 - b. *Reducing the multiplicity of legal and regulatory compliances required at present;*
 - c. *Eliminating duplicative communication and coordination efforts across multiple entities;*
 - d. *Rationalizing costs by eliminating multiple record keeping and administrative functions;*
6. The Company Petition is filed in consonance with sections 230 to 232 of the Act along with the Order dated 07.07.2020 passed in C.A. (CAA) No. 1011/MB/2020 by this Tribunal.
7. Learned counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and have filed necessary affidavits of compliance with the Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Act and the Rules made thereunder. The undertaking given by the Petitioner Companies is accepted.
8. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed his Report dated 27th October 2020, *inter-alia* stating therein that save and except as stated in para IV (a) to (n) of the Report, the Scheme is



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

not prejudicial to the interest of shareholders and public. In response to the observations made by the Regional Director, the Petitioner Companies have also given necessary clarifications and undertakings *vide* their rejoinder affidavit dated 18th November 2020. In response to the rejoinder affidavit, the Regional Director has filed his Supplementary Report dated 24th December 2020. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies and the observations of the Regional Director in the Supplementary Report and the response of the Petitioner Companies is summarized in the table below:

Sr. No. Para No. (IV)	RD Report /observations Dated 27 th October, 2020	Response of the Petitioner Companies.	Observation of Regional director in Supplementary Report dated 24 th December, 2020	Response of the petitioner Companies to the Supplementary Report
(a)	That it is seen that both the Transferor Companies are belonging to the Promoter, which are holding shares in the Transferee Company. The Scheme proposes at para No. 8 of Part-B of the scheme about issue of 207,72,170 equity shares of face value of Rs.10/- each as fully paid up to the equity shareholders of the Transferor Company No.1 and Compulsory Convertible Preference Shareholders of Transferor Company No.1 in proportion to their holding in Transferor Company No.1. Similarly, the Scheme proposes at para	As far as the observation of the Regional Director, as stated in IV(a) of the report is concerned, the Counsel for the Petitioner Companies states that the tax implications would arise, if the shares of the Transferee Company are deemed as sale of shares by the Transferor Companies. In this regard, Counsel of the Petitioner Companies submits as under: a. The Scheme of Amalgamation is for the merger of Suremi and Sushripada into NOCIL. The intention is to streamline the promoter group structure, to ensure a transparent shareholding pattern for the public to demonstrate the promoter group's direct commitment and engagement with NOCIL by having direct ownership in NOCIL. The Scheme clearly provides that the shareholders of the Transferor Companies will be issued identical number of shares of NOCIL held by the Transferor Companies. It has been clearly highlighted and disclosed in all the filings made by the	Based on the observations by this Directorate and the reply thereon by the Petitioner, Hon'ble Tribunal may pass order as deem fit and proper.	Further to the response referred to in the Rejoinder of the Petitioner Companies and several judgements cited therein, the Counsel for the Petitioner Company humbly submits that notice has been served to the Income Tax Department 21 st July 2020 and 19 th October 2020 by the Transferor Companies and on 13 th August



NCLT, MUMBAI BENCH, COURT No. - I,

C.P. (CAA) 1025/MB-I/2020

In C.A. (CAA) 1011/MB-I/2020

<p>No.8 of Part-B of the scheme about issue of 89,60,880 equity shares of face value of Rs.10/- each as fully paid up to the equity shareholders of the Transferor Company No.2 and Compulsory Convertible Preference Shareholders of Transferor Company No.2 in proportion to their holding in Transferor Company No.2.</p> <p>In this regard, it is seen that the Transferor Company No.1 is holding 207,72,170 number of equity shares in the Transferee Company and similarly Transferor Company No.2 is holding 89,60,880 number of equity shares in the Transferee Company. This reflects that the Promoters/Share holders of the Transferor Company No.1 & 2, in the guise of present scheme, proposes to transfer the identical number of shares of Transferee Company (being a listed company) held in the name of the respective Transferor Companies, into their personal names and transfer the shareholding under the shelter of the scheme which may result in loss of revenue by way of Income Tax. If the</p>	<p>Petitioner Companies to the relevant authorities as well as in the Notice and Explanatory Statement issued to the shareholders. Adequate disclosures have been made in the Scheme and to the stakeholders and there is nothing done in disguise. As per the direction of this Bench, notices have been issued to the Income Tax Department on 21st July 2020 and 19th October 2020 by the Transferor Companies and on 13th August 2020 and 19th October 2020 by the Transferee Company respectively. No observation of the Income Tax department on the same has been received by the Petitioner Companies.</p> <p>Further, Counsel for the Petitioner Companies submits that the shares held by the Transferor Companies in NOCIL represents the strategic promoter holding and there is no intention to divest the shares of NOCIL held by the Transferor Companies or the Promoters. The Scheme envisages the restructuring of the group entities resulting into realignment of the shareholding.</p> <p>The Income Tax Act, 1961 provides specific tax exemption u/s 47 of the Income Tax Act, 1961 for corporate restructuring, such as for amalgamation and demerger, to the companies involved in such restructuring and the shareholders of such companies. Had such exemptions not been provided all such corporate restructuring would be taxable for the concerned parties. Hence, in any amalgamation or demerger, transfer of assets by the companies and exchange of shares for the shareholders would become taxable if such exemptions are not granted. The reason for providing such exemption is to carry out such restructuring exercise in a tax and cash neutral manner.</p> <p>There are judicial precedents affirming that the Petitioner's choice of opting any one of the available methods cannot be disputed.</p>	<p>2020 and 19th October 2020 by the Transferee Company respectively.</p> <p>There is no representation received so far from the Income Tax Department. Further, Section 230(5) of the Companies Act, 2013 provides that in case no representation is made within a period of 30 days from receipt of notice by the authorities, then it shall be presumed that they have no representations to make on the proposals.</p> <p>Petitioner Companies through their Counsel further say and submit that the tax implications, if any, arising out of the Scheme shall be decided in accordance with the Income Tax Law.</p>
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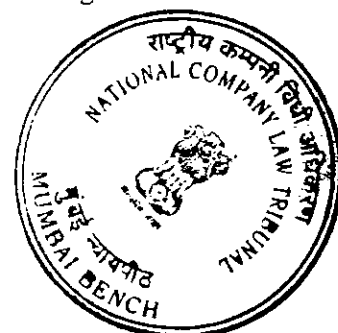


NCLT, MUMBAI BENCH, COURT No. - I,

C.P. (CAA) 1025/MB-I/2020

In C.A. (CAA) 1011/MB-I/2020

<p>Transferor Companies transfer the shares of the listed company into the name of the respective shareholders, then it will attract the relevant Income Tax/Corporate Tax. The present value of the shares of the listed company comes to approximately Rs.416 Crores (207,72,170 shares + 89,60,880 shares at Rs.140 per shares, the quoted price as on 27.10.2020). Therefore, the Petitioner Company be directed to place on record the relevant facts.</p>	<p>Also, if the Petitioner Company chooses a more elaborate route, they cannot be faulted for the same. Certain rulings of the High Court affirming the aforesaid finding are as under:</p> <ul style="list-style-type: none"> • In AVM Capital Private Limited (CSP No. 670-675 of the Bombay High Court by order dated July 12, 2012 issued by Justice S.J. Kathawalla J.) Hon'ble Court at para 23 of the order has held that <i>"It would be in the interest of the Transferee Company to merge the five Transferor Companies with the Transferee Company and to enable the Promoter thereof to hold shares directly in the Transferee Company rather than indirectly. The object of the Scheme is not to avoid any tax. Even today the shares are owned/controlled by the same Promoter albeit through the Transferor Companies. Under the Scheme the only difference is that the Promoter will now hold shares directly in the Transferee Company."</i> <p>The Counsel for the Petitioner Companies submitted that the view taken by the Hon'ble Bombay High Court in AVM Capital Private Limited has been followed by the NCLT Delhi Bench in case of NIIT Ltd (CSP No. 347 of 2017) in the similar facts and circumstances.</p> <p>The Counsel for the Petitioner Company further relied upon the order passed by the Hon'ble Bombay High Court in case of Tata Services Limited and Tatanet services Limited (Company Petition No.758 of 2005 of the Bombay High Court), wherein it has been held that: <i>"If the Petitioners have chosen a more elaborate route, they cannot be faulted for the same."</i></p> <p>The above view has also been followed in the case of Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Balkrishna Synthetics Limited (Company</p>	
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NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

		Petition No.713 of 2007 of the Bombay High Court) b. Petitioner Companies through their Counsel further say and submit that the tax implications, if any, arising out the Scheme shall be decided in accordance with the Income Tax Law.		
(b)	As stated herein above both the Transferor Company No.1 & 2 are holding equity shares in the Transferee Company and they have no other business in the respective companies. Hence, when the shares of the Transferee Company are issued to the individual shareholders of both the Transferor Companies and the investments in their books are written off, there will be nothing left in the company to merge or amalgamate into the Transferee Company. This contradicts with para II of the Rational of the Scheme.	As far as the observation of the Regional Director, as stated in IV(b) of the report is concerned, the Counsel for the Petitioner Companies submit that on issue and allotment of share pursuant to Clause 8 of the Scheme and as on the Effective Date the Transferor Companies shall be dissolved without winding up. Therefore, the contention of the Regional Director that there will be nothing left in the Transferor Companies has no relevance. Therefore, the question of contradiction with Para II of the Scheme does not arise. Further, the Counsel for the Petitioner Companies submitted that Section 232 of the Companies Act 2013 clearly envisages that a company can transfer whole or any part of the undertaking. The reliance is placed upon order passed by Mumbai Bench of NCLT in case of Spectra Motors Ltd (Company Scheme Petition No. 33 of 2017) which held that " <i>as per section 232 (1)(b) of the Act, the scheme is permissible even when the whole of the undertaking is hived and transferred to two or more resulting companies, therefore, this Bench having seen the objection raised by the Regional Director is not supported by any provision of law, hereby allowed the company to proceed with the demerger proposed.</i> " Further, rationale mentioned under the Scheme envisages that it will result in promoters holding shares of NOCIL directly and eliminate the holding companies, thereby streamline the group structure; it will benefit by reducing the multiplicity of legal and regulatory compliances such as year on year statutory and tax audits, filing of tax returns, its assessment procedures, secretarial and other	Based on the observations by this Directorate and the reply thereon by the Petitioner, Hon'ble Tribunal may pass order as deem fit and proper.	Counsel for the Petitioner Companies submits that response to the observation has been dealt with in detail in the Rejoinder citing several precedents and the contention of the Regional Director that there will be nothing left in the Transferor Companies has no relevance. Therefore, the question of contradiction with Para II of the Scheme does not arise.



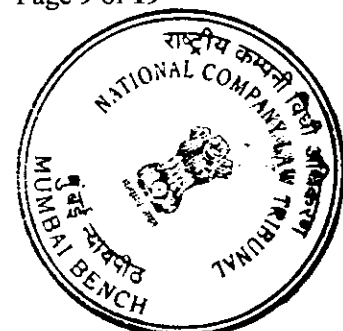
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

		<p>legal compliance required at present for the Transferor Companies. Also, on account of merger of two entities, the coordination and communication efforts will reduce. All this would result in savings in administrative and other costs required to be incurred for the Transferor Companies. Similar scheme of merger of promoter companies with its investee company has been approved in many other cases. Some of them being Welspun India Limited [CP (CAA) 34 of 2019 by Ahmedabad Bench of NCLT] , Welspun Corp Ltd [CP (CAA) 33 of 2019 by Ahmedabad Bench of NCLT], Welspun Enterprises Limited [CP (CAA) 46 of 2019 by Ahmedabad Bench of NCLT], Godrej Industries Limited [CP (CAA) 2716 /MB/ 2018 by Mumbai Bench of NCLT], Apcotex Industries Limited [CSP No. 1086 of 2017 by Mumbai Bench of NCLT], Piramal Enterprises Limited [Company Scheme Petition No. 278 of 2013 by Hon'ble Bombay High Court], Borosil Limited [CP (CAA) 2018/MB/2019 by Mumbai Bench of NCLT], NIIT Technologies Limited [Company Petition CA-347/ND/ 2017 by Delhi Bench of NCLT], Hero MotorCorp Limited [Co. Pet. No.547 of 2012 by Hon'ble Delhi High Court], Eicher Motors Limited [Company Petition No. 292/2009 by Hon'ble Delhi High Court], Sunteck Realty Limited [Company Scheme Petition No. 710 of 2014 by Hon'ble Bombay High Court] , Navneet Publications(I) Ltd [Company Scheme Petition No. 839 of 2012 by Hon'ble Bombay High Court], Kirloskar Oil Engines Limited [Company Scheme Petition No. 159 of 2015 by Hon'ble Bombay High Court] and PVR Limited [Company Petition No. 243 of 2016 by Hon'ble Delhi High Court]</p> <p>Lastly, the Counsel for the Petitioner Companies rely upon the order of the Hon'ble Supreme Court in Civil Appeal No. 984 of 2006 where the Hon'ble Supreme Court referred to the full bench judgement of the Hon'ble Allahabad High Court, wherein it was</p>		
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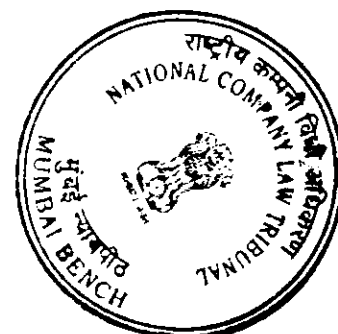
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

		observed: <i>"Courts are not to act upon the principle that every procedure is to be taken as prohibited unless it is expressly provided for by the Code, but on the converse principle that every procedure is to be understood as permissible till it is shown to be prohibited by the law. As a matter of general principle, prohibition cannot be presumed."</i>		
(c)	Since, the Transferee Company is a listed company and the Promoters/ Promoter group are to be issued shares as per the Scheme, the Petitioner Company be directed to place on record whether necessary approval from SEBI and the concerned Stock Exchanges have been obtained and whether the meeting of the shareholders/class of shareholders have been convened, as per the listing/SEBI guidelines.	As far as the observation of the Regional Director, as stated in IV(c) of the report is concerned, the Counsel for the Petitioner Companies submits that the BSE Limited and the National Stock Exchange of India Limited, in consultation with the Securities Exchange Board of India has given their no objection letter to the proposed Scheme. The Observation letter of the BSE and NSE is Annexed as Exhibit I1 and I2 to the Petition on page nos. 556-559. Further, the meeting of equity shareholders of the Third Petitioner Company for approving the Scheme was held on 15th September 2020 as directed by this Tribunal vide its order dated 7th July 2020. The Scheme was approved by 99.99% shareholders (including Promoters) and 99.95% of non promoter shareholders at the Tribunal convened meeting and was in compliant of the applicable SEBI guidelines and provisions of the Companies Act, 2013. The result of the meeting of the equity shareholders of the Third Petitioner Company is a part of the Chairman's Report and Scrutinizer's Report annexed to the Petition at page nos. 871 to 883 as 'Exhibit O.'	Reply of the Company appears satisfactory.	
(d)	As stated herein above, the present scheme appears to have been devised for evasion of Income/Corporate Tax and Dividend Distribution Tax, hence, the Income Tax Department requires to be heard in the matter for	As far as the observation of the Regional Director, as stated in IV(d) of the report is concerned, the Petitioner Companies submit that the proposed Scheme does not envisage evasion of income tax for reasons as mentioned under reply to observation IV(a) of the RD Report. Further, there is no question of evasion of Dividend Distribution Tax as the same has been abolished by the amendment introduced vide Finance Act, 2020. Further,	Based on the observations by this Directorate and the reply thereon by the Petitioner, Hon'ble Tribunal may pass order as deem fit and	Further to the response referred to in the Rejoinder of the Petitioner Companies, the Counsel for the Petitioner Company humbly submits



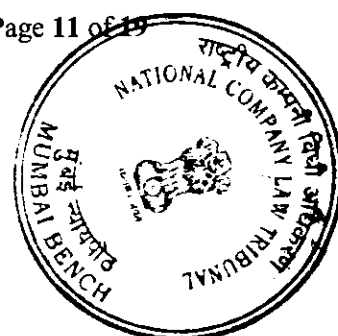
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	<p>submission of their views.</p>	<p>due to the amendment introduced vide Finance Act, 2020, the dividend income will be taxed at 35.88% in case of individual promoters which is higher than tax on the companies i.e.25.17%. Hence in the present situation, the dividend income will be taxed at higher rate for individual promoters post the Scheme getting implemented as compared to the existing company shareholder. Also, as directed by this Bench, notices have been sent to the Income-Tax Department on 21st July 2020 and 19th October 2020 by the Transferor Companies and on 13th August 2020 and 19th October 2020 by the Transferee Company respectively. However, no observations have been received by the Petitioner Companies till date.</p>	<p>proper, after hearing the Income Tax Department.</p>	<p>that notice has been served to the Income Tax Department 21st July 2020 and 19th October 2020 by the Transferor Companies and on 13th August 2020 and 19th October 2020 by the Transferee Company respectively. There is no representation received so far from Income Tax Department. Further, Section 230(5) of the Companies Act, 2013 provides that in case no representation is made within a period of 30 days from receipt of notice by the authorities, then it shall be presumed that they have no representations to make on the proposals. Petitioner Companies through their Counsel further say and submit that the tax implications, if any, arising out</p>
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NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

				the Scheme shall be decided in accordance with the Income Tax Law.
(e)	Transferor Companies are Investment Companies and hence the Petitioner Companies be directed to place on record, whether the NOC from RBI is required to be obtained or not and whether RBI has been issued any notice, if so details of the same be placed on record.	As far as the observation of the Regional Director, as stated in IV(e) of the report is concerned, the Counsel for the Petitioner Companies submits that the First Petitioner Company is a non-deposit taking Core Investment Company, which has more than 90% assets as investment in group companies and has not accessed public funds. Hence it is exempt from registration with the Reserve Bank of India('RBI') based on Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016. The Second Petitioner Company is not involved in the business of non-banking finance activity since its financial income is less than 50% of the total income. Accordingly, approval or No Objection Certificate from RBI is not required.	Hon'ble Tribunal may kindly direct the petitioner companies to submit an undertaking that the NOC of RBI is not required and the Company has not received any notice from RBI	The Counsel on behalf of the Petitioner Transferee Company undertakes that NOC of RBI is not required and that the Transferor Companies as well as the Transferee Company has not received any notice from RBI.
(f)	In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.	As far as the observation of the Regional Director, as stated in IV(f) of the report is concerned, the Transferee Company undertakes that it shall pass such accounting entries as may be necessary in connection with the Scheme to comply with all the applicable Indian Accounting Standards (IND AS).	Reply of the Company appears satisfactory.	
(g)	As per Definition of the Scheme, "Appointed Date" means October 1, 2020 Effective Date" means the date on which the certified copy of the order of NCLT sanctioning this Scheme of Amalgamation, is filed by the Transferor Company	As far as the observation of the Regional Director, as stated in IV(g) of the report is concerned, the Petitioner Companies submit as under: a. The Ministry of Corporate Affairs ('MCA') Circular F.No.7112/2019/CL -I ('Circular') dated August 21, 2019 provided for certain clarifications on Appointed Date under section 232(6) of the Companies Act, 2013. The purpose and intent of the MCA circular was to provide clarification on	Based on the observations by this Directorate and the reply thereon by the Petitioner, Hon'ble Tribunal may pass order as deem fit and proper.	Further to the detailed submission in the Rejoinder and placing reliance on the orders passed by the NCLT, the Counsel for the Petitioner Companies state



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

<p>I, the Transferor Company 2 and the Transferee Company with the Registrar of Companies, Mumbai In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers. Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs. In the present case the appointed date is proposed to be 01.10.2020, which is a prospective date from the date of filing the petition as well as the convening the meeting of Shareholders, Creditors etc. The exchange ratio should be relating to the particular date of valuation and the appointed date shall be subsequent to the</p>	<p>appointed date and acquisition date. Accordingly, the Circular clarifies that appointed date needs to be a specific calendar date but does not restrict it to be a prospective date from the date of the Board Meeting or filing of application with the Hon'ble NCLT. In the present case it is a specific date of 1st October 2020 and hence in compliance with the Circular.</p> <p>b. Also in case of KPIT Technologies Limited (Company Petition CA -3607/MB/2018 NCLT Mumbai Bench), on the objection of the Regional Director on Appointed Date being the Effective Date, the Hon'ble NCLT has approved the Scheme with the prospective Appointed Date of 1st January 2019 whilst the order sanctioning the Scheme was 29th November 2018.</p> <p>c. Further, reliance is also placed on Atlas Copco (India) Limited (Company Scheme Petition No. 976 of 2017 by NCLT Mumbai Bench) approved by Hon'ble NCLT sanctioning the scheme having a prospective appointed date. The relevant extracts of the explanations made by the Petitioner Companies on the observations made by the Regional Director in the said matter of Atlas Copco (India) Limited are reproduced as under:</p> <p><i>"The Companies Act, 2013 does not prohibit a prospective Appointed Date and Section 232(6) of the Companies Act, 2013 merely provides that the Scheme shall be deemed to be effective only from the Appointed Date specified in the Scheme and not from a date subsequent to such Appointed Date...</i></p> <p><i>...Further, the value of the assets and liabilities as on the Appointed Date is immaterial in the present case as the Scheme intends to mirror the shareholding of the Transferor Company and Transferee Company by prescribing a share exchange ratio of 1:1...</i></p> <p><i>...The Valuation report issued by Thadani</i></p>	<p>that the purpose and intent of the MCA circular was to provide clarification on appointed date and acquisition date.</p> <p>Accordingly, the Circular clarifies that appointed date needs to be a specific calendar date but does not restrict it to be a prospective date. In the present case it is a specific date of 1st October 2020 and hence in compliance with the Circular.</p>
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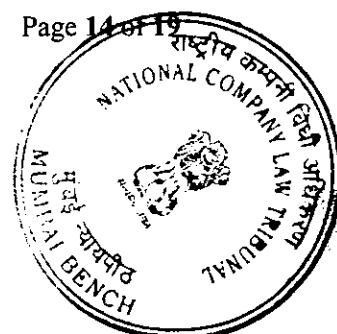
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	<p>appointed date. Whereas, in the present case it is prospective date. Therefore, the proposed appointed date is against the spirit of the Ministry's Circular as stated above and not to be allowed.</p>	<p><i>& Company, Chartered Accountants for this purpose also states that the proposed share exchange ratio is fair and reasonable...</i></p> <p><i>...Further, the share swap ratio has been unanimously approved by the shareholders of the Transferor Company and the Transferee Company. The Counsel for the Petitioners submit that even in a given situation where the appointed date was retrospective, the swap ratio would have been the same."</i></p> <p>d. In the present Scheme, the share entitlement ratio would be the same irrespective of the appointed date being retrospective or prospective as the Scheme envisage issuance of exactly the same number of shares held by the Transferor Company in the Transferee Company to the shareholders of the Transferor Company in proportion of their shareholding in the Transferor Company</p> <p>e. Hence, the valuation of the Transferor Company 1 and the Transferor Company 2 is derived only from its holding in the Transferee Company and it shall not be affected by appointed date being prospective or retrospective.</p> <p>Accordingly, the Counsel for the Petitioner Companies submits that the appointed date can be a prospective date in the present situation.</p>		
(h)	<p>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the</p>	<p>As far as the observation of the Regional Director, as stated in IV(h) of the report is concerned, the Third Petitioner Company states that the Scheme does not provide for combination of authorised Share capital and accordingly, no additional fees would be payable.</p>	<p>Reply of the Company appears satisfactory.</p>	



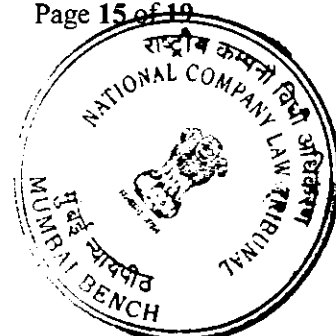
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.													
(i)	In view of the observations and comments made by the ROC, Mumbai in its Report dated 16.09.2020 mentioned on para No. 12 in the table above, the Petitioner Company may be directed to submit clarification regarding the difference in paid up Share Capital of Transferee Company and/or on the basis of comments/observations of ROC, Mumbai	<p>As far as the observation of the Regional Director, as stated in IV(i) of the report and the report of ROC dated 16th September 2020, the Petitioner Companies submit that the paid-up share capital of the Third Petitioner Company mentioned in Clause 3.3 of the Scheme relates to the paid-up share capital of the Third Petitioner Company as on date on the approval of the Scheme by the Board of Directors of the Third Petitioner Company on 30th January 2020. After the approval of the Scheme by the Board of Directors, the Third Petitioner Company has allotted 9,250 equity shares, 69,550 equity shares and 2,59,550 equity shares on 10th February 2020, 16th July 2020 and 21st September 2020 respectively pursuant to NOCIL Limited – Employee Stock Grant Scheme. After considering the said allotment, the paid-up capital of the Third Petitioner Company is matching with MCA Master Data. A reconciliation of the paid up capital of the Third Petitioner Company is summarized below:</p> <table><tr><td>Particulars</td><td>Amount in Rs.</td></tr><tr><td>Share Capital as on 30.01.2020</td><td>1,65,59,67,050</td></tr><tr><td>Share Capital as on 10.02.2020</td><td>1,65,60,59,550</td></tr><tr><td>Share Capital as on 30.08.2020</td><td>1,65,67,55,050</td></tr><tr><td>Share Capital as on 30.10.2020</td><td>1,65,93,50,550</td></tr></table>	Particulars	Amount in Rs.	Share Capital as on 30.01.2020	1,65,59,67,050	Share Capital as on 10.02.2020	1,65,60,59,550	Share Capital as on 30.08.2020	1,65,67,55,050	Share Capital as on 30.10.2020	1,65,93,50,550	Reply of the Company appears satisfactory.	
Particulars	Amount in Rs.													
Share Capital as on 30.01.2020	1,65,59,67,050													
Share Capital as on 10.02.2020	1,65,60,59,550													
Share Capital as on 30.08.2020	1,65,67,55,050													
Share Capital as on 30.10.2020	1,65,93,50,550													
(j)	That in view of provisions of proviso to Section 66(3) of the Companies Act, 2013, Hon'ble Tribunal may kindly direct the Company to submit certificate from the	As far as the observation of the Regional Director, as stated in IV(j) of the report is concerned, it is submitted that the reduction of capital provided under the Scheme is undertaken pursuant to provisions of section 230-232 of the Companies Act and accordingly, provisions of section 66 are not required to be complied with separately. The	Reply of the Company appears satisfactory.											



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	auditor of the Company that "the accounting treatment proposed by the company for such reduction is in conformity with the Accounting Standards specified in Section 133 or any other provisions of the Companies Act, 2013.	<p>accounting treatment as provided in Clause 11 of the Scheme provides for cancellation of shares of Transferee Company held by the Transferor Companies and the same is reproduced as under:</p> <p>"11.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books as per the applicable accounting principles prescribed under Indian Accounting Standards (Ind AS). It would inter alia include the following;</p> <p>11.2 The shares of the Transferee Company held by the Transferor Companies shall stand cancelled.</p> <p>11.3 The inter-company deposits/ inter-company loans and advances, if any, in the books of accounts of the Transferee Company and the Transferor Companies shall stand cancelled.</p> <p>11.4 The face value of New Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to Clause 8.1 above shall be credited to the Equity Share Capital Account of the Transferee Company.</p> <p>11.5 Other assets and liabilities of the Transferor Companies transferred to and vested in the Transferee Company shall be recorded at their respective fair values as appearing in the books of accounts of the Transferor Companies and in accordance with requirements of Ind AS.</p> <p>11.6 The difference, if any, being excess or deficit arising pursuant to the Scheme, after giving effect to the above adjustments, shall be accounted based on generally accepted accounting principles under Ind AS."</p> <p>The Third Petitioner Company has obtained the Certificate from its Auditor certifying the entire Accounting Treatment provided in the Scheme and accordingly, covers the accounting treatment on capital reduction as well.</p>		
(k)	The Hon'ble Tribunal may kindly seek the	As far as the observation of the Regional Director, IV(k) of the report is concerned, the	Reply of the Company	



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.	Counsel for the Petitioner Companies submits that in lieu of the consent affidavits of the shareholders of the Transferor Companies, the meeting of the shareholders of Transferor Companies was dispensed of with by this Bench vide order dated 7 th July 2020. Further, the Scheme was approved by requisite majority of members as required under section 230(6) of the Companies Act, 2013 and the meetings convened of the Transferee Company vide Hon'ble Tribunal Order dated 7 th July 2020 in terms of section 230(1) read with subsection (3) to (5) of Section 230 of the Companies Act, 2013. The minutes thereof are duly placed before this Hon'ble Tribunal. Further, the Scheme has also been approved by the requisite majority of the public shareholders of the Transferee Company in compliance with the SEBI Circular date 10 th March 2017. This Bench of NCLT had dispensed with the requirement to hold the meetings for the creditors of the Petitioner Companies vide the order dated 7 th July 2020, with a direction that notices be sent to the creditors above INR 10 lakhs to the creditors of NOCIL and all the creditors of the Transferor Companies intimating them regarding the Scheme. The Petitioner Companies have served notices to the creditors as per the direction and till date, no representations have been received from any of the creditors.	appears satisfactory.	
(l)	The Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy/any change/changes are made.	As far as the observation of the Regional Director, IV(l) of the report is concerned, the Petitioner Companies confirm that the Scheme enclosed to the Company Scheme Application No. 1011 of 2020 and the Company Scheme Petition No. 1025 of 2020 are one and the same and there is no discrepancy or change in the Scheme.	Reply of the Company appears satisfactory.	
(m)	It is observed that the Petitioner companies have not submitted a admitted copy of the	As far as the observation of the Regional Director, IV(m) of the report is concerned, the Petitioner Companies have submitted the admitted copy of the Petition and Minutes of	Reply of the Company appears satisfactory.	



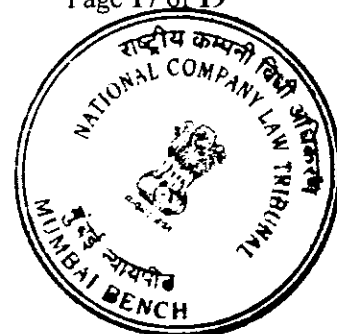
NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

	Petition, and Minutes of Order for admission of the Petition. In this regard, the Petitioner has to submit the same for the record of Regional Director.	Order for admission of the Petition to the Regional Director on 29 th October 2020.		
(n)	Complaints as mentioned in para-10 of above table, Petitioner may ask to submit clarification regarding the various complaints and ensure resolution of the same.	As far as the observation of the Regional Director, IV(n) of the report and observation of ROC Mumbai is concerned, the complaint against the Third Petitioner Company relates to a matter unconnected with the Scheme. Further, the Scheme does not envisage any compromise to the public shareholders of the Third Petitioner Company and hence the interest of the shareholders would not be adversely affected pursuant to the Scheme. Further, the Petitioner Companies respectfully submit that the Third Petitioner Company shall continue to remain in existence post the approval of the Scheme and the complainant shall continue to have his rights of redressal and claims, if any, against the Third Petitioner Company in the appropriate forum.	The Petitioner Transferee Company to give an undertaking that it shall be accountable for the complaint redressal.	The Counsel on behalf of the Petitioner Transferee Company undertakes that it shall be accountable for the complaint redressal and shall be dealt with as per the Law.

9. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies have been verified and accepted.

10. The Official Liquidator has filed his report dated 17th August 2020 *inter alia*, stating therein that the affairs of the First Petitioner Company and the Second Petitioner Company have been conducted in a proper manner.

11. From the material on record, the Scheme appears to be fair and reasonable and so far not in violation of any provisions of law, nor contrary to public interest.



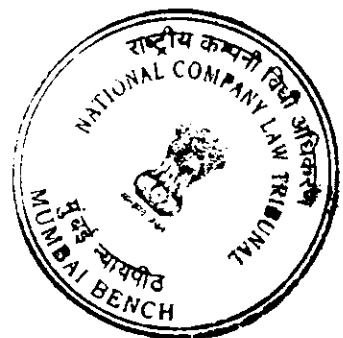
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C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

12. Since all the requisite statutory compliances have been made, the C.P. (CAA) 1025/MB-I/2020 is made absolute in terms of prayer made in the Petition. Hence ordered.

ORDER

The Petition be and the same is allowed subject to the following:

- i. The Scheme, with the Appointed Date fixed as 1st October, 2020 placed at page nos. 534 to 555 (Exhibit H) of the Company Petition, is hereby sanctioned. It shall be binding on the Petitioner Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees.
- ii. The First Petitioner Company and the Second Petitioner Company be dissolved without being wound up.
- iii. The Registrar of this Tribunal shall issue the certified copy of this Order along with the Scheme forthwith. The Petitioner Companies are directed to file a certified copy of this Order along with a copy of the Scheme with the Registrar of Companies concerned, electronically in E-form INC-28 within 30 days from the date of receipt of the Order from the Registry.
- iv. The Petitioner Companies shall lodge a copy of this Order and the Scheme duly authenticated by the Registrar of this Tribunal with the Superintendent of Stamps concerned, within 60 days from the date of the receipt of the Order, for the purpose of adjudication of stamp duty, if any, payable.
- v. The Petitioner Companies shall comply with all the undertakings given by them.



NCLT, MUMBAI BENCH, COURT No. - I,
C.P. (CAA) 1025/MB-I/2020
In C.A. (CAA) 1011/MB-I/2020

- vi. The Petitioner Companies shall, within 15 days of receipt of this order, issue newspaper publications with respect to approval of the Scheme, in the same newspapers in which previous publications were issued.
- vii. The Petitioner Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.
- viii. All concerned authorities to act on a copy of this Order duly authenticated by the Deputy/Assistant Registrar of this Tribunal along with the Scheme.
- ix. Any person interested in the above matter shall be at liberty to apply to the Tribunal for any directions that may be necessary.

Sd/-

V. NALLASENAPATHY
MEMBER (TECHNICAL)

Sd/-

JANAB MOHAMMED AJMAL
MEMBER (JUDICIAL)

Certified True Copy

Date of Application 03/03/2021

Number of Pages 19

Fee Paid Rs 95

Applicant called for collection copy on 16/03/2021

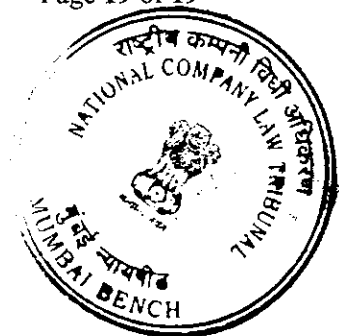
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Copy issued on 16/03/2021

Joint Registrar

National Company Law Tribunal Mumbai Bench

Page 19 of 19



**SCHEME OF AMALGAMATION
OF
SUREMI TRADING PRIVATE LIMITED
("SUREMI" or "THE TRANSFEROR COMPANY 1")
AND
SUSHRIPADA INVESTMENTS PRIVATE LIMITED
("SUSHRIPADA" or "THE TRANSFEROR COMPANY 2")
WITH
NOCIL LIMITED
("NOCIL" or "THE TRANSFEREE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013**

I. PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable, for amalgamation of Suremi Trading Private Limited ("Suremi" or "The Transferor Company 1") and Sushripada Investments Private Limited ("Sushripada" or "The Transferor Company 2") collectively referred to as the Transferor Companies with NOCIL Limited ("NOCIL" or "The Transferee Company"). The Scheme of Amalgamation also provides for various other matters consequential or otherwise integrally connected herewith.

II. RATIONALE OF THE SCHEME

The amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company would include the following benefits:

- Ensuring a streamlined group structure by reducing the number of legal entities in the group structure;
- Reducing the multiplicity of legal and regulatory compliances required at present;
- Eliminating duplicative communication and coordination efforts across multiple entities;



- Rationalizing costs by eliminating multiple record keeping and administrative functions;

III. PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- Part A** - Deals with Definitions, Interpretation and Share Capital;
- Part B** - Deals with the amalgamation of Suremi and Sushripada with NOCIL;
- Part C** - Deals with the general terms and conditions applicable to this Scheme.

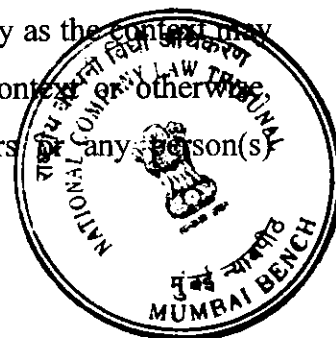
PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

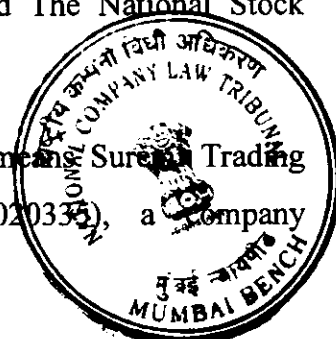
In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 2013 and the rules and regulations made thereunder as the case may be, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2 **“Appointed Date”** means October 1, 2020.
- 1.3 **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Regional Director, Registrar of Companies, Securities and Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and National Company Law Tribunal;
- 1.4 **“Board of Directors” or “Board”** means the Board of Directors of the Transferor Companies or of the Transferee Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a duly constituted committee of directors or any person(s)



authorised by the Board of Directors or such committee of directors;

- 1.5 **“Effective Date”** means the date on which the certified copy of the order of NCLT sanctioning this Scheme of Amalgamation, is filed by the Transferor Company 1, the Transferor Company 2 and the Transferee Company with the Registrar of Companies, Mumbai
- 1.6 **“NCLT”** means the Mumbai Bench of National Company Law Tribunal and the National Company Law Appellate Tribunal or any other competent authority as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 and other applicable provisions of the Companies Act, 2013;
- 1.7 **“NOCIL” or “Transferee Company”** means NOCIL Limited (CIN: L99999MH1961PLC012003), a company incorporated under the Companies Act, 1956, having its registered office at Mafatlal House, H.T Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400020;
- 1.8 **“Record Date”** means the date fixed by the Board of Directors or a committee thereof, if any, of the Transferee Company for the purpose of determining the members of the Transferor Companies to whom New Equity Shares will be allotted pursuant to the Scheme;
- 1.9 **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.10 **“Scheme” or “the Scheme of Amalgamation” or “this Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 17 of this Scheme as approved or directed by the Tribunal;
- 1.11 **“Stock Exchange(s)”** means BSE Limited and The National Stock Exchange of India Limited;
- 1.12 **“Suremi” or “the Transferor Company 1”** means Suremi Trading Private Limited (CIN: U65990MH1978PTC020335), a company



incorporated under the Companies Act, 1956 and having its registered office at D1 Sindhu House, Nanabhat Lane, Mumbai – 400023;

- 1.13 **"Sushripada" or "the Transferor Company 2"** means Sushripada Investments Private Limited (CIN: U65990MH1974PTC017275), a company incorporated under the Companies Act, 1956 and having its registered office at Mafatlal House, Backbay Reclamation, Mumbai - 400020;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

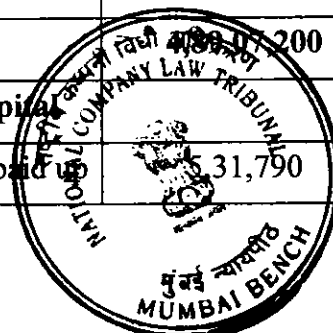
2. DATE OF TAKING EFFECT

The Scheme in its present form or with any modification(s) approved or directed by the NCLT or any amendment(s) made under Clause 17 of this Scheme shall be deemed to be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 1 as on December 31, 2019 is as under:

Share Capital	
Authorised Capital	
10,00,000 Equity Shares of Rs. 10/- each	100,00,000
1,87,200 Preference Shares of Rs. 100/- each	1,87,20,000
1,87,200 Preference Shares of Rs. 1/- each	1,87,200
20,00,000 Preference Shares of Rs. 10/- each	2,00,00,000
TOTAL	4,89,07,200
Issued, Subscribed and Paid-up Share Capital	
53,179 Equity Shares of Rs. 10/- each fully paid up	5,31,790



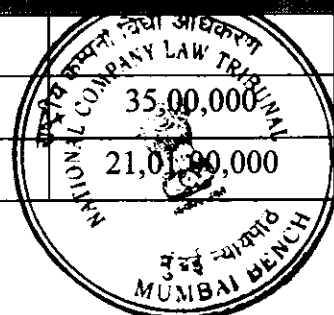
1,87,200 6% Cumulative Redeemable Non - Convertible Preference Shares of Rs. 1/- each fully paid up	1,87,200
9,84,000 0.01% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 10/- each fully paid up	98,40,000
TOTAL	1,05,58,990

Subsequent to December 31, 2019 and as on date the Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 1 is as under:

Share Capital	
Authorised Capital	
10,00,000 Equity Shares of Rs. 10/- each	100,00,000
1,87,200 Preference Shares of Rs. 100/- each	1,87,20,000
1,87,200 Preference Shares of Rs. 1/- each	1,87,200
20,00,000 Preference Shares of Rs. 10/- each	2,00,00,000
TOTAL	4,89,07,200
Issued, Subscribed and Paid-up Share Capital	
53,179 Equity Shares of Rs. 10/- each fully paid up	5,31,790
9,84,000 0.01% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 10/- each fully paid up	98,40,000
TOTAL	1,03,71,790

3.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 2 as on December 31, 2019 is as under:

Share Capital	
Authorised Capital	
35,000 Equity Shares of Rs. 100/- each	35,00,000
21,01,000 Preference Shares of Rs. 100/- each	21,01,00,000



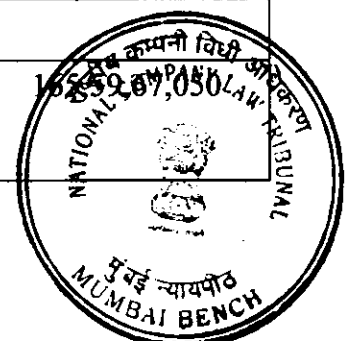
TOTAL	21,36,00,000
Issued, Subscribed and Paid-up Share Capital	
30,644 Equity Shares of Rs. 100/- each fully paid up	30,64,400
TOTAL	30,64,400

Subsequent to December 31, 2019 and as on date the Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company 2 is as under:

Share Capital	
Authorised Capital	
35,000 Equity Shares of Rs. 100/- each	35,00,000
21,01,000 Preference Shares of Rs. 100/- each	21,01,00,000
TOTAL	21,36,00,000
Issued, Subscribed and Paid-up Share Capital	
30,644 Equity Shares of Rs. 100/- each fully paid up	30,64,400
6,99,998 0.01% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100/- each fully paid up	6,99,99,800
TOTAL	7,30,64,200

3.3 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on December 31, 2019 is as under:

Share Capital	
Authorised Capital	
1200,00,00,00 Equity Shares of Rs. 10/- each	1200,00,00,000
TOTAL	1200,00,00,000
Issued, Subscribed and Paid-up Share Capital	
16,55,96,705 Equity Shares of Rs. 10/- each fully paid up	16,55,96,70,500



TOTAL	165,59,67,050
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Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up capital of the Transferee Company.

2,07,72,170 Equity Shares constituting 12.54% of the total Paid-up Equity Share Capital of the Transferee Company is held by the Transferor Company 1.

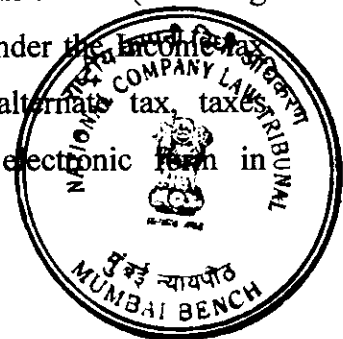
89,60,880 Equity Shares constituting 5.41% of the total Paid-up Equity Share Capital of the Transferee Company is held by the Transferor Company 2.

PART B

AMALGAMATION OF SUREMI AND SUSHRIPADA WITH NOCIL

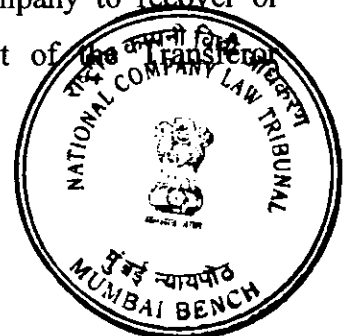
4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 With effect from the Appointed Date, the whole of the undertaking of the Transferor Companies as a going concern, including its business, all the assets, investments, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, provisions, funds, statutory licenses, registrations, all intangible assets and intellectual property rights of any kind and nature, tenancy rights, premise, hire purchase and lease arrangements, lending arrangements, all plant and machinery and office equipment, contracts, powers, authorities, permits, benefit and advantage, deposits, advances, receivables, funds, cash, bank balances, accounts (including demat accounts with depository participants) and all other rights, benefits of all agreements, assets held in trust, subsidies, grants, tax credits (including but not limited to benefits of tax relief including under the Income Tax Act such as credit for advance tax, minimum alternate tax, taxes deducted at source, etc.) whether in physical, electronic form in



connection/relating to the Transferor Companies and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies, all debts, liabilities and obligations of every kind, nature and description of the Transferor Companies, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company so as to become as from the Appointed Date the undertaking of the Transferee Company and to vest in the Transferee Company with all the rights, title, interest or obligations of the Transferor Companies therein.

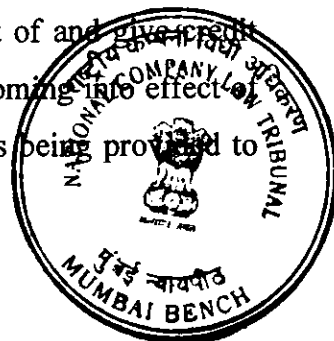
- 4.2 Without prejudice to the generality of Clause 4.1 above, it is expressly provided that such of the assets of the Transferor Companies that are tangible and movable including cash on hand, etc., shall with effect from the Appointed Date and subject to the provisions of this Scheme, be transferred by physical delivery and/or endorsement and delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company upon such delivery.
- 4.3 Without prejudice to the generality of Clause 4.1 above, movable assets, other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits of the Transferor Companies shall with effect from the Appointed Date and subject to provisions of this Scheme, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors and the debtors shall be obliged to make payment to the Transferee Company. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Companies.



- 4.4 All the assets, investments and properties which are acquired by the Transferor Companies on or after the Appointed Date shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Sections 230 to 232 and all other applicable provisions if any of the Act, without any further act or execution of any instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.5 With effect from the Appointed Date, any statutory licenses, permissions, approvals, quotas or consents to carry on the operations and business of the Transferor Companies 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. The benefit of all statutory and regulatory permissions registrations or other licenses and consents shall vest in and shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Companies, the Transferee Company had been the party thereto or the beneficiary or obligee thereof pursuant to this Scheme.
- 4.6 With effect from the Appointed Date, all debts, liabilities (including contingent liabilities), duties and obligations (including obligations to hold assets in trust) of every kind, nature and description of the Transferor Companies, shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Scheme becoming effective shall, without any further act, deed, matter or thing be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which undertakes to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.



- 4.7 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of the Transferor Companies as on the Appointed Date, deemed to be transferred to the Transferee Company has been discharged by the Transferor Companies, after the Appointed Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.8 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall execute all such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Mumbai to give formal effect to the above provisions, if required.
- 4.9 Upon the Scheme being sanctioned and taking effect, the Transferee Company shall be entitled to operate all bank accounts (including demat accounts) related to the Transferor Companies and all cheques, drafts, pay orders, instruction slips, direct and indirect tax balance and/or payment advices of any kind or description issued in favour of the Transferor Companies, either before or after the Appointed Date, or in future, may be deposited with the bank / depository participant of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.
- 4.10 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Companies to any statutory authorities such as Income Tax, Minimum Alternate Tax, tax on distributed profits (i.e. Dividend Distribution Tax), tax on distributed income (i.e. Buy-back Tax), Equalisation Levy, Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the coming into effect of this Scheme and upon relevant proof and documents being provided to

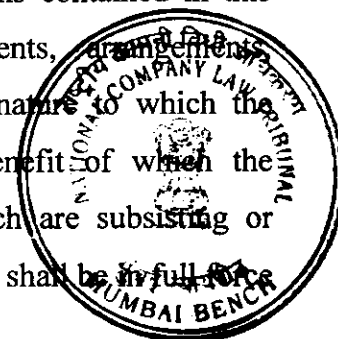


the said authorities.

- 4.11 The Transferee Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, goods and service tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credits of all taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

5. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect against or in favour of Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Companies, Transferee Company had been the party thereof
- 5.2 Without prejudice to Clause 5.1 above, 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 Companies shall, 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 Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.
- 5.3 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date shall be in full force



and effect against or in favour of Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Companies, Transferee Company had been the party thereof

6. LEGAL PROCEEDINGS

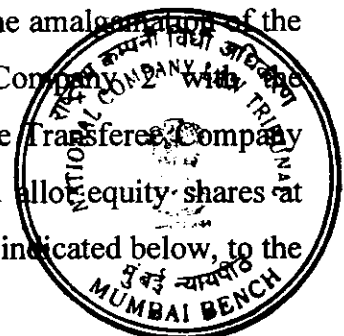
- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/ or arising on or after the Appointed Date and relating to the Transferor Companies shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies if this Scheme had not been made
- 6.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 6.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against the Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

7. STAFF & EMPLOYEES

Upon this Scheme becoming effective, all employees of the Transferor Companies shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date without any break, discontinuance 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 favorable than those applicable to them with reference to the Transferor Companies on the date on which scheme becomes effective.

8. CONSIDERATION

- 8.1 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company in terms of this Scheme, the Transferee Company shall without any application or deed, issue and allot equity shares at face value, credited as fully paid up, to the extent indicated below, to the

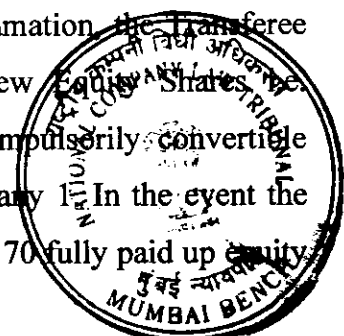


equity shareholders holding fully paid up equity shares of the Transferor Companies and to the compulsorily convertible preference shareholders of the Transferor Companies holding fully paid up compulsorily convertible preference shares of the Transferor Companies and whose name appear in the register of members of the Transferor Companies on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Companies / the Transferee Company in the following proportion, subject to the Clause 8.4 and Clause 8.5 of the Scheme:

"2,07,72,170 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company 1 and compulsorily convertible preference shareholders of the Transferor Company 1 in the proportion of their holding in the Transferor Company 1."

"89,60,880 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company 2 and compulsorily convertible preference shareholders of the Transferor Company 2 in the proportion of their holding in the Transferor Company 2."

- 8.2 It is clarified that any positive net assets of the Transferor Companies as on the Appointed Date, other than the investment in the shares of the Transferee Company, will not affect/alter the share exchange ratio.
- 8.3 The equity shares issued and allotted pursuant to Scheme of Amalgamation shall be hereinafter referred to as "New Equity Shares".
- 8.4 The Transferor Company 1 holds 2,07,72,170 equity shares of the Transferee Company and pursuant to the amalgamation the Transferee Company shall issue the same number of New Equity Shares 2,07,72,170 to the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company 1. In the event the Transferor Company 1 holds more than 2,07,72,170 fully paid up equity

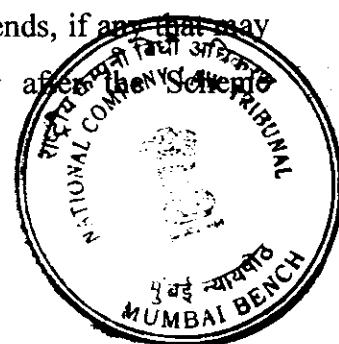


shares of the Transferee Company (without incurring any additional liability) on the Record Date, New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company 1 shall stand increased by such additional number of equity shares held by the Transferor Company 1

8.5 The Transferor Company 2 holds 89,60,880 equity shares of the Transferee Company and pursuant to the amalgamation, the Transferee Company shall issue the same number of New Equity Shares i.e. 89,60,880 to the equity shareholders and compulsorily convertible preference shareholders of the Transferor Company 2. In the event the Transferor Company 2 holds more than 89,60,880 fully paid up equity shares of the Transferee Company (without incurring any additional liability) on the Record Date, New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company 2 shall stand increased by such additional number of equity shares held by the Transferor Company 2

8.6 The New Equity Shares to be issued to the members of the Transferor Companies shall be in multiples of 1 (One) and, in case of any fractional entitlement, the same shall be rounded to the nearest integer. However, in no event shall the number of New Equity Shares to be allotted by the Transferee Company to the shareholders of the Transferor Companies exceed the number of equity shares held by the Transferor Companies in the Transferee Company on the Record Date and the Board of Directors shall be authorised to make necessary adjustment for the same in the allotment of shares to the shareholders of Suremi and / or Sushripada pursuant to clause 8.1 of this Scheme.

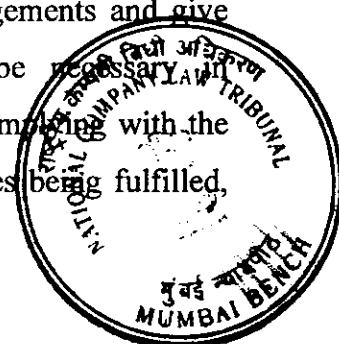
8.7 The New Equity Shares to be issued to the members of the Transferor Companies as above shall be subject to the Memorandum and Articles of Association of the Transferee Company. Further, the New Equity Shares issued shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividends, if any that may be declared by the Transferee Company on or after the Scheme becoming effective, as the case may be.



- 8.8 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Companies as provided in Clause 8.1 of this Scheme, is an integral part of the Scheme thereof, and shall be deemed to be have carried out without requiring any further act on the part of the Transferee Company or its shareholders as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, were duly complied with.
- 8.9 The New Equity Shares to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall be issued in dematerialized form
- 8.10 Upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company in terms of this Scheme, the investment held by the Transferor Company 2 in the equity share capital and preference share capital of the Transferor Company 1 shall, without any further application, act, instrument or deed stand cancelled.
- 8.11 The investment held by the Transferor Companies in the equity share capital of the Transferee Company shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by the Transferor Companies shall be of no effect and the shares held by the Transferor Companies in dematerialized form shall be extinguished on and from such issue and allotment of New Equity Shares.

9. LISTING OF NEW EQUITY SHARES OF THE TRANSFEE COMPANY

- 9.1 The New Equity Shares to be issued and allotted in terms of Clause 8.1 above, shall, in compliance with the requirement of applicable regulations, be listed and/or admitted to trading on the Stock Exchange where the existing equity shares of the Transferee Company are listed. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the Stock Exchange. On such formalities being fulfilled,



the Stock Exchange shall list and/or admit the New Equity Shares for the purpose of trading.

- 9.2 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Transferee Company of New Equity Shares to the members of the Transferor Companies under the Scheme and listing thereof.

10. REDUCTION OF SHARE CAPITAL

- 10.1 Upon the Scheme becoming effective and simultaneous to the New Equity Shares being issued by the Transferee Company, the equity shares of the Transferee Company held by the Transferor Companies on Scheme becoming effective shall be cancelled without any further act or deed. Accordingly, the share capital of the Transferee Company shall stand reduced to the extent of face value of shares held by the Transferor Companies as on the Effective Date.

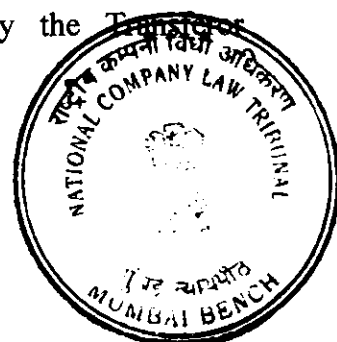
- 10.2 Such reduction of the aforesaid equity share capital of the Transferee Company shall be effected as an integral part of the scheme itself and not in accordance with section 66 of the Act and no separate compliance and sanction under section 66 of the Companies Act, 2013 will be necessary.

Notwithstanding the reduction of capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.

11. ACCOUNTING TREATMENT

- 11.1 Upon the coming into effect of this Scheme, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books as per the applicable accounting principles prescribed under Indian Accounting Standards (Ind AS). It would inter alia include the following;

- 11.2 The shares of the Transferee Company held by the Transferor Companies shall stand cancelled.



11.3 The inter-company deposits/ inter-company loans and advances, if any, in the books of accounts of the Transferee Company and the Transferor Companies shall stand cancelled.

11.4 The face value of New Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company pursuant to Clause 8.1 above shall be credited to the Equity Share Capital Account of the Transferee Company.

11.5 Other assets and liabilities of the Transferor Companies transferred to and vested in the Transferee Company shall be recorded at their respective fair values as appearing in the books of accounts of the Transferor Companies and in accordance with requirements of Ind AS.

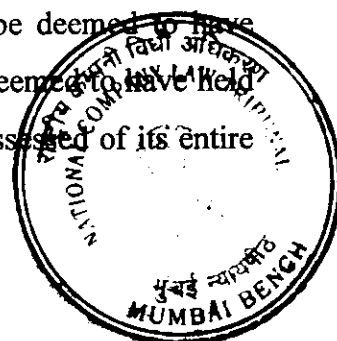
11.6 The difference, if any, being excess or deficit arising pursuant to the Scheme, after giving effect to the above adjustments, shall be accounted based on generally accepted accounting principles under Ind AS.

12. CONDUCT OF BUSINESS UNTIL THE SCHEME BECOMES EFFECTIVE

12.1 With effect from the Appointed Date and upto and including the Effective Date, Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for Transferee Company. Further, all the profits or income accruing or arising to Transferor Companies or expenditure or losses arising to or incurred by Transferor Companies, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of Transferee Company, as the case may be.

12.2 With effect from the date of approval of this Scheme by the Board of Directors of Transferee Company upto and including the Effective Date:

- a. The Transferor Companies shall (i) carry on and be deemed to have carried on its businesses and activities; and (ii) be deemed to have held and stood possessed of and shall hold and stand possessed of its entire

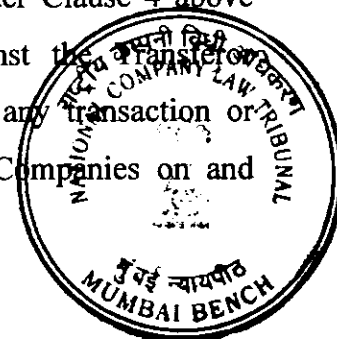


businesses and undertakings, including assets for and on account of and in trust for the Transferee Company.

- b. The Transferor Companies shall carry on its businesses and activities in the ordinary course of business with reasonable diligence and business prudence and shall not make borrowings or undertake financial commitments either for itself or on behalf of group companies or any third party or sell, transfer, alienate, mortgage, charge, or encumber or otherwise deal with or dispose of its assets, business or undertaking or any part thereof, save and except in the ordinary course of business or with the prior written consent of the Transferee Company.
- c. The Transferee Company shall be entitled to apply to the Central Government and any other Government or statutory authorities/agencies/body concerned as are necessary under any law for such consents, approvals, licenses, registrations and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.
- d. Any income, profits or other funds of the Transferor Companies will first be utilized to meet any current or expected liabilities of the Transferor Companies, including any tax liabilities or costs in relation to the amalgamation of the Transferor Companies with the Transferee Company, before they are utilized for other purposes.
- e. During the pendency of this Scheme, in the event the Transferee Company distributes dividend (including interim dividend) or issues bonus shares or offers rights shares to its shareholders, the Transferor Companies shall be entitled to receive such dividend and bonus shares, and subscribe to such rights shares offered by the Transferee Company or make distribution of profits/reserves to its Shareholders.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 6 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on and



after the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.

14. INDEMNITY BY SHAREHOLDERS OF THE TRANSFEROR COMPANIES

The shareholders of the Transferor Companies shall indemnify and hold harmless the Transferee Company and its directors, officers, representatives, employees and agents (collectively the "Indemnified Persons") for losses, liabilities, costs, charges, expenses whether or not resulting from third party claims, including those paid or suffered pursuant to any actions, proceedings, claims and including interest and penalties discharged by the Indemnified Persons, which may devolve on the Indemnified Persons on account of amalgamation of the Transferor Companies into the Transferee Company but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst the Transferee Company and shareholders of the Transferor Companies.

15. DISSOLUTION OF THE TRANSFEROR COMPANIES

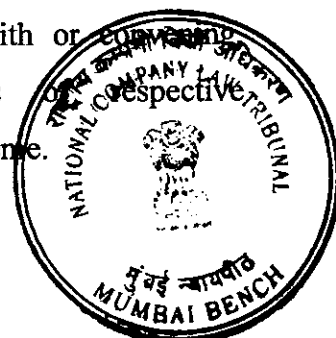
Upon filing of the certified copies of order of the Hon'ble NCLT sanctioning the Scheme by the Transferor Companies and the Transferee Company with the jurisdictional Registrar of the Company, the Transferor Companies shall stand dissolved without being wound-up.

PART C

GENERAL TERMS AND CONDITIONS

16. APPLICATION

The Transferor Companies and the Transferee Company shall make necessary applications before the NCLT for the sanction of this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and for seeking orders for dispensing with or condoning holding and/or conducting of the meetings of the respective shareholders/creditors and for sanctioning of this Scheme.

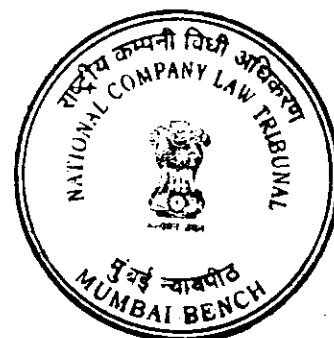


17. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 17.1 The Transferor Companies and the Transferee Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT 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).
- 17.2 The term “any other authority” referred to in Clause 17.1 above, shall specifically include the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other Government authority.
- 17.3 Any modification or amendment to the Scheme shall be subject to the approval of Hon’ble NCLT.
- 17.4 The Transferor Companies and the Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, 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.
- 17.5 The Transferor Companies and the Transferee Company in their full and absolute discretion, may withdraw this Scheme prior to the Scheme becoming effective at any time.

18. CONDITIONALITY OF THE SCHEME

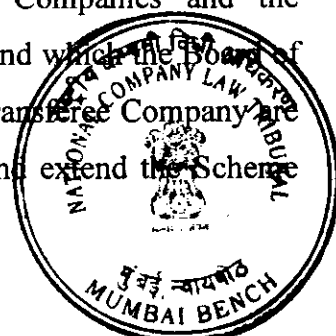
This Scheme is conditional upon and subject to the following:



- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors, if required, of the Transferor Companies and the Transferee Company, as may be directed by the NCLT or any other appropriate authority as may be applicable;
- 18.2 The Transferee Company complying with other provisions of the SEBI circular, including seeking approval of its shareholders through e-voting. The Scheme shall be acted upon only if the number of votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it, in accordance with the circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017 by SEBI, subject to modification, if any, in accordance with any subsequent circulars and amendments that may be issued by SEBI from time to time. The term "public" shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- 18.3 The requisite sanctions and approvals of Appropriate Authority, as may be required by law, in respect of the Scheme being obtained;
- 18.4 The sanction of this Scheme by the NCLT under Sections 230 to 232 of the Act, and other applicable provisions, if any of the Act in favour of the Transferor Companies and the Transferee Company; and
- 18.5 Requisite form along with Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Transferor Company 1, the Transferor Company 2, and the Transferee Company as may be applicable.

19. EFFECT OF NON-RECIPT OF APPROVALS

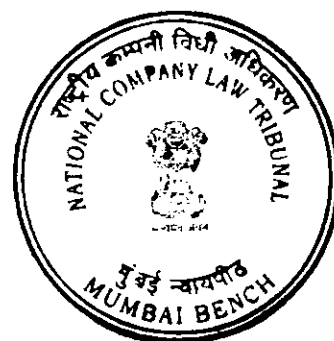
In the event of any of the said sanctions and approvals referred to in the Clause 18 not being obtained or for any other reason, the Scheme cannot be implemented on or before December 31, 2021 or within such further period(s) that the Boards of the Transferor Companies and the Transferee Company may mutually agree upon (and which the Board of Directors of the Transferor Companies and the Transferee Company are hereby empowered and authorized to agree to and extend the Scheme



from time to time without any limitation), or the Transferor Companies and the Transferee Company withdraw from this Scheme pursuant to Clause 17 above, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by the Transferor Companies and the Transferee Company or their shareholders or creditors or employees or any other person.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferor Companies. Any surplus assets of the Transferor Companies available after the Effective Date to the Transferee Company to pay the cost, charges and expense of this Scheme shall be deemed to be sufficient discharge of the obligations by the Transferor Companies under this clause.



Special/ Ordinary Resolution passed at 59th Annual General Meeting held on 3rd August 2021

SPECIAL RESOLUTION

Re-appointment of Mr. Hrishikesh A. Mafatlal as the Executive Chairman for a period of five (5) years w.e.f August 19,2021 to August 18,2026

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and in accordance with the approval of the Board of Directors based on the recommendations of the Nomination Remuneration Committee of the Board , approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Hrishikesh A Mafatlal(Holding DIN : 00009872) as the Executive Chairman of the Board for further period of five (5) years from with effect from 19th August 2021 and ending on 18th August, 2026 , on such terms and conditions including remuneration and perquisites (hereinafter referred to as “remuneration”) as set out in the Explanatory Statement annexed to this notice

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of Mr. Hrishikesh . A. Mafatlal, Executive Chairman, the Company has no profits, or its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals , as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to alter, vary the terms of the remuneration, in such manner as may be deemed fit and acceptable to Mr. Hrishikesh . A. Mafatlal.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under Section 102 of the Companies Act, 2013)

Mr. Hrishikesh A Mafatlal was appointed as the Executive Chairman of the Company for a period of five (5) years w. e. f. 19th August, 2016 to 18th August ,2021 by a Special Resolution passed by the Members through the Postal Ballot process on 20th December,2016. The tenure of Mr. Hrishikesh A Mafatlal as the Executive Chairman thus expires on 18th August, 2021.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, thought it fit and in the interest of the Company to reappoint Mafatlal as the Executive Chairman for a further period of 5 years w.e.f 19th August 2021 to 18th August 2026. During the aforesaid tenure, Mr. Mafatlal attains the age of 70 years on 24th November 2024 and hence the Board has proposed to seek consent of the members by means of a Special Resolution at the ensuing Annual General Meeting.

The appointment and payment of remuneration and perquisites to Mafatlal are subject to the approval of the Members of the Company and other statutory approvals as may be required.

The terms of remuneration and perquisites payable to Mafatlal are as follows:

- A. i) Salary : Rs. 138/-Lakhs (Rupees One Hundred and Thirty Eight Lakhs only) p.a.
- ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs. 36/- Lakhs (Rupees Thirty-Six Lakhs only) p.a. or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - Gratuity as per the prevailing rules of the Company.
 - Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- B. Performance Bonus/Commission as may be decided by the Board from time to time on the basis of the performance of Hrishikesh A Mafatlal and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.
- C. Apart from the above mentioned remuneration, he shall be entitled to:
- i. Leave as per the rules of the Company.
 - ii. Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
 - iii. Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - iv. Club Membership Fees subject to a maximum of two Clubs.
 - v. Personal Accident Insurance Policy.
 - vi. Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
 - vii. Life Insurance as per the rules of the Company.

A copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190 (2) of the Companies Act, 2013 at the Registered office of the Company on any working day (excluding Saturday and Sunday) during business hours.

Where in any financial year during the currency of the tenure of Mr. Hrishikesh A Mafatlal, Executive Chairman, the Company has no profits or if its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals as may be applicable.

The Board may alter or vary the above referred terms of appointment, salary, commission, performance bonus and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. Hrishikesh A Mafatlal provided that such alterations are within the limits specified in Schedule V of the Companies Act, 2013 or any amendments, modifications or re-enactments made thereof from time to time.

Mr. Hrishikesh A Mafatlal shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Mr. Hrishikesh A Mafatlal shall not be liable to retire by rotation.

Other particulars pertaining to the Company, which are required to be disclosed as per Section II of Part II of the Schedule V of the Companies Act, 2013 and also Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, are given in Annexure A to this Explanatory Statement.

Except Hrishikesh Arvind Mafatlal (being an appointee) and Mr. Priyavrata H. Mafatlal (being a relative of appointee) , none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Annexure A to the Explanatory Statement

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment of Mr. Hrishikesh A. Mafatlal as the Executive Chairman.

I. General Information:

a) Nature of Industry:

The Company is engaged in the business of manufacture and sale of Rubber Chemicals. It has manufacturing facilities at TTC Industrial Area in Thane, Maharashtra and Dahej, Gujarat and Regional Sales Offices at Mumbai, Delhi, Chennai and Kolkatta.

b) Date of commencement of Commercial Production:

The Company started its commercial production in the year 1976.

c) Financial Performance

(Rs.in Lakhs)

	Financial year ended 31st March 2021	Financial year ended 31st March 2020
Total Revenue	93,894	85,599
Profit Before Tax	10,418	15,241
Profit after Tax	8,649	13,098

d) Export Performance:

(Rs.in Lakhs)

	Financial year ended 31st March 2021	Financial year ended 31st March 2020
FOB Value of Exports	30,244	28,652
Net Foreign Exchange Earnings	15,084	13,444

e) Foreign Investments or Collaborators:

The Company does not have any foreign investment or collaborators.

II. Information about the appointee:**a) Background details:**

Mr. Hrishikesh Arvind Mafatlal is a commerce graduate { B.Com. (Hons.)} and has attended the Advanced Management Programme at the Harvard Business School, USA.

Mr. Mafatlal is the past president and is presently a Managing Committee member of the Mill owners' Association, Mumbai. He was a Member on the Board of Governors of IIM Ahmedabad for 12 years and Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL)

b) Past remuneration:

The remuneration paid to Mr. Hrishikesh Arvind Mafatlal in the Financial Year 2020-21 is as under

Particulars	Amount (Rs. In Lakhs)
Salary, Allowances / Perquisites & Performance Bonus, ESOPs	327.40
Contribution to Funds	28.06
Total	355.46

c) Recognition or award: Nil**d) Job Profile and his suitability:**

Mr. Hrishikesh A. Mafatlal is a Promoter-Director and overall, in-charge of the affairs of the Company. Looking at the overall business exposure and rich experience of Mr. Hrishikesh A. Mafatlal in diversified areas and responsibilities to be shouldered by him, it is in the interest of the Company to avail his business expertise and hence his suitability for the position.

e) Proposed Remuneration :

As mentioned in Explanatory Statement.

f) Comparative Remuneration:

Considering the size of the Company, the industry benchmarks, experience of and the responsibilities shouldered by the appointee, the proposed remuneration payable to Mr. H. A. Mafatlal is commensurate with the remuneration paid to similar appointee in other companies.

g) Pecuniary Relationship:

Except for the proposed remuneration, Mr. Hrishikesh Arvind Mafatlal does not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the company.

III. Other information:

- a) Reasons for inadequacy of profits : Not Applicable

- | | | |
|----|---|----------------|
| b) | Steps taken or proposed to be taken for improvement : | Not Applicable |
| c) | Expected increase in productivity and profits in measurable terms : | Not Applicable |

IV. The following disclosures are mentioned in the Directors' Report under the heading "Corporate Governance":

- (i) all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees and
- (iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

SPECIAL RESOLUTION

Re-designation of Mr. Vilas R Gupte as an Independent Director for a period of five(5) years with effect from May 27,2021 to May 26,2026

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), as amended from time to time and in accordance with the approval of the Board of Directors based on the recommendation of the Nomination & Remuneration Committee , approval of the Members of the Company be and is hereby accorded for the re-designation of Mr. Vilas R Gupte (holding DIN: 00011330), Director , as an Independent Director for a period of 5 years commencing from 27th May ,2021 to 26th May 2026"

(Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013)

Mr. Vilas R. Gupte has been holding office as a Non -Executive Non-Independent Director on the Board of the Company since 29th July 2005, after superannuating as the Chief Executive Officer of the Company.

Mr. Vilas R. Gupte , a Chartered Accountant, has more than 40 years of experience at Senior Management levels in various Companies. Mr. Gupte was also a Chief Executive Officer of a Business Solution Consultancy for four years in the recent past.

Mr Gupte now meets with the criteria of ‘Independence’ as stipulated by section 149(6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations , 2015 , as amended, and hence the Nomination & Remuneration Committee of the Board has recommended and based on the said recommendation-the Board of Directors have approved (subject to approval of the members) the re-designation of Mr. Vilas R. Gupte as an Independent Director for a period of 5 years commencing from 27th May 2021 to 26th May 2026.

The Company has received a declaration of independence from Mr. Vilas R. Gupte as per the provisions of the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A brief profile of Mr. Vilas R. Gupte as required under Regulations 36(3) of the Listing Regulations with the Stock Exchanges, is given in Annexure A to this Explanatory Statement.

The Board recommends the resolution for the approval of the Members.

Except Mr. Vilas R. Gupte, none of the Directors and Key Managerial Personnel of the Company and /or their relatives is deemed to be concerned or interested (financially or otherwise) in the said resolution.

A Copy of draft letter for appointment of Mr. Gupte as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the company during normal business hours on any working day, excluding Saturday and Sunday.

Ordinary Resolution passed by Postal Ballot including remote e-voting on 20th April 2022

ORDINARY RESOLUTION

Appointment of Mr. Anand V.S as the Deputy Managing Director of the Company

“RESOLVED THAT pursuant to the provisions of Sections 161, 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and in accordance with the approval of the Board of Directors based on the recommendations of the Nomination & Remuneration Committee of the Board, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Anand V.S. (holding DIN : 07918665) as Deputy Managing Director of the Company for a period of five (5) years with effect from 2nd March , 2022 to 1st March , 2027, on such terms and conditions including remuneration and perquisites (hereinafter referred to as “remuneration”) as set out in the Explanatory Statement annexed to this notice and in respect of whom the Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Anand V.S. for the office of Director .

FURTHER RESOLVED THAT where the Company has no profits, or if its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013, be considered as minimum remuneration payable to Mr. Anand V.S as Deputy Managing Director subject to such statutory approvals, as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to alter, vary the terms of the remuneration, in such manner as may be deemed fit and acceptable to Mr. Anand V.S.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

(Explanatory Statement as required under Section 102 of the Companies Act, 2013)

Appointment of Mr. Anand V.S. as Deputy Managing Director

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at its meeting held on 4th February, 2022 approved the appointment of Mr. Anand V.S. as Additional Director designated as Deputy Managing Director of the Company for a period of 5 years with effect from 2nd March, 2022 to 1st March, 2027 on terms and conditions as specified in the resolution at item no. 1 of the notice. There was modification in date of joining the Company from 2nd March 2022 instead of 3rd March 2022, the Board has accordingly approved the modification in the date of joining viz 2nd March 2022 for a term of 5 years upto 1st March 2027 (instead of 2nd March 2027 approved earlier) on 28th February, 2022.

The Company has received Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director .

Mr. Anand V.S. is BE in Chemical Engineering from Siddaganga Institute of Technology , Bangalore and PGDM in Marketing from MDI Gurgaon.

Prior to joining NOCIL , Mr. Anand was Managing Director of Chemetall India (BASF Company). Mr. Anand was associated with BASF from 1997 till February 2022. He has over two decades of diverse experience across Textile Chemicals, Care Chemicals , Surfactant Chemicals etc. During his career he has led various leadership roles.

The terms of remuneration and perquisites payable to Mr. Anand V.S. are as follows:

- A. i) Salary : Rs. 84,00,000/-(Rupees Eighty-Four Lakhs) p.a.

- ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs.77,95,000/-(Rupees Seventy-Seven Lakh Ninety-Five Thousand Only) p.a. or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - Gratuity and Superannuation Fund as per the prevailing rules of the Company.
 - Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- B. Performance Bonus as may be decided by the Board from time to time (subject to a minimum of Rs. 37,50,000 /- (Thirty-Seven Lakh Fifty Thousand p.a.)) on the basis of the performance of Mr. Anand V.S. and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.
- C. Apart from the above-mentioned remuneration, he shall be entitled to:
- i. Leave as per the rules of the Company.
 - ii. Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
 - iii. Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - iv. Club Membership Fees subject to a maximum of one Clubs.
 - v. Personal Accident Insurance Policy.
 - vi. Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
 - vii. Life Insurance as per the rules of the Company.

A copy of draft Letter of Appointment under Section 190 (2) is available for inspection electronically. Members seeking inspection may send an email to investorcare@nocil.com.

Where in any financial year during the currency of the tenure of Mr. Anand V.S. , the Company has no profits or if its profits are inadequate, the remuneration determined as per Schedule V of the Companies Act, 2013 be considered as minimum remuneration, subject to such statutory approvals as may be applicable.

The Board may alter or vary the above referred terms of appointment, salary, commission, performance bonus and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. Anand V.S. provided that such alterations are within the limits specified in Schedule V of the Companies Act, 2013 or any amendments, modifications or re-enactments made thereof from time to time.

Except Mr. Anand V.S. , being an appointee , none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Particulars of the Directorship seeking appointment to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 (SS-2).

Name	Mr. Anand V.S. (DIN: 07918665)
Brief Resume	<p>Mr. Anand V.S , 48, is BE in Chemical Engineering from Siddaganga Institute of Technology , Bangalore and PGDM in Marketing from MDI Gurgaon.</p> <p>Prior to joining NOCIL , Mr. Anand was Managing Director of Chemetall India (BASF Company). Mr. Anand was associated with BASF from 1997 till February 2022. He has over two decades of diverse experience across Textile Chemicals, Care Chemicals , Surfactant Chemicals etc. During his career he has led various leadership role.</p>
Age	48 years.
Qualifications	<ul style="list-style-type: none"> • BE in Chemical Engineering from Siddaganga Institute of Technology , Bangalore. • PGDM in Marketing from MDI Gurgaon.
Date of Appointment/Reappointment	2 nd March,2022

Date of first appointment on the Board	2 nd March,2022
Expertise in Specific Functional Areas	<ul style="list-style-type: none"> • General Management • Sales & Marketing • Strategy
Terms & conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn.	Refer Explanatory Statement.
Directorship held in other listed entities	Nil
Membership / Chairmanship of Committees	Nil
Name of listed entities from which person has resigned in the past three years	Nil
Number of shares held in the Company, including shareholding as a beneficial owner	Nil
Disclosure of relationship	Mr. Anand V.S. is not related to any Director / Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	Nil

Special/ Ordinary Resolution passed at 60th Annual General Meeting held on 28th July 2022

ORDINARY RESOLUTION

Re-appointment of the Managing Director for a period of One (1) year with effect from August 1,2022 to July 31,2023

RESOLVED THAT pursuant to Section 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and subject to the approval (if any) of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, approval of the Members of the Company be accorded to the re-appointment of Mr. S.R. Deo (holding DIN 01122338) as Managing Director for a period of one (1) year with effect from 1st August, 2022 upto 31st July 2023 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where during the financial year 2022-23 during the currency of the tenure of Mr. S.R. Deo, Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval(s) as may be applicable.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, and expedient to give effect to this resolution.”

(Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013)

Mr. S.R. Deo is associated with Arvind Mafatlal Group (AMG) since last 43 years. Mr. Deo joined AMG after completing his M. Tech in Chemical Engineering from IIT Kanpur. Mr. Deo has contributed to improve the plant efficiencies, product quality, Health, Safety and Environment (HSE) standards in the company, Human Resources strategy to meet the future business challenges. Mr. Deo has created a

strong technical team of Research and Technology for indigenous development of technologies and its implementation.

Mr. S.R. Deo was appointed as the Managing Director of the Company for a period of 5 years w. e. f. 1st August 2017 to 31st July 2022 by a Special Resolution passed by the shareholders in the Annual General Meeting held on 27th July, 2017. The tenure of Mr. S.R. Deo as the **Managing Director** thus expires on 31st July 2022. Prior to his appointment as Managing Director, he held the following important positions in the Company :

- (i) As the Deputy Managing Director of the Company (w.e.f 1st -April 2015) ;and
- (ii) As the Executive Director & President (Technical) w.e.f. 1st January 2014 for a period of five (5) years .

The Board of Directors, on recommendation of Nomination and Remuneration Committee and considering the critical role played by him in the management of the operations and other valuable contributions made by him, thought it fit in the interest of the Company , to extend his tenure/re-appoint as the Managing Director of the Company for a period of 1 year w.e.f 1st August 2022 to 31st July 2023 .The same shall be subject to approval of the shareholders at the Sixtieth Annual General Meeting.

The terms of remuneration and perquisites payable to Mr. S.R. Deo are as follows:

- A i) Salary : Rs. 800,000/- (Rupees Eight Lakhs only) per month
- ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs. 2,20,000/- (Rupees Two Lakhs Twenty Thousand only) per month or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- ◆ Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961.
- ◆ Gratuity at the rate of one month's salary for every completed year or service or part thereof in excess of six months on the basis of the last drawn salary.
- ◆ Encashment of leave as per Company's Rules at the end of the tenure of service from the Company.
- ◆ Long Service benefit at the rate of one and half month's salary for every completed year of service or part thereof in excess of six months on the basis of last drawn salary.

- B) Performance Bonus as may be fixed by the Board from time to time on the basis of the performance of Mr. S.R. Deo and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.
- C) Apart from the above-mentioned remuneration, he shall be entitled to:
- i) Furnished Residential Accommodation or House Rent Allowance of Rs. 267,000/- (Rupees Two lakhs Sixty-Seven Thousand only) per month
 - ii) Leave as per the rules of the Company.
 - iii) Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
 - iv) Expenses actually and properly incurred by him in the course of legitimate business of the company.
 - v) Club Membership Fees subject to a maximum of two Club.
 - vi) Personal Accident Insurance Policy.
 - vii) Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
 - viii) Life Insurance as per the rules of the Company.

Other particulars pertaining to the Company, which are required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in Annexure A to this Explanatory Statement.

Except Mr. Deo, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution. Your Directors recommend this resolution for approval by the Members

Special/ Ordinary Resolution passed at 61st Annual General Meeting held on 31st July 2023

ORDINARY RESOLUTION

Appointment of Mr. Anand V.S as the Managing Director

“ **RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 200 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“ the Act”) or any statutory modification or re-enactment thereof for the time being in force and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof , for the time being in force) read with schedule V of the Act and the applicable Articles of Association of the Company and subject to such statutory and regulatory approvals (if any) and subject to such conditions and modifications as may be imposed or prescribed by any other authorities in granting such approvals, permissions and sanctions, and based on the recommendations of the Nomination & Remuneration Committee of the Board as well as the Board of Directors (the Board) , approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Anand V.S (**DIN: 07918665**) as the Managing Director for a period of **five(5) years with effect from 1st August, 2023 upto 31st July, 2028** and on such terms and conditions including payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms of remuneration, in such manner as the Board may deem fit.

FURTHER RESOLVED THAT where during any of the financial years during the currency of the tenure of Mr. Anand V.S as the Managing Director, the Company has no profits or if its profits are inadequate, the remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval (as) may be applicable .

FURTHER RESOLVED THAT as the Managing Director Mr. Anand V.S shall be liable to retire by rotation under Section 152 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) however, if re appointed as a Director immediately on retirement by rotation , he shall continue to hold his office as Managing Director and such reappointment as a Director shall not be construed as a break in his appointment as the Managing Director.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary desirable, and expedient to give effect to this resolution.

(Explanatory Statement As Required Under Section 102 Of The Companies Act ,2013)

Mr. Anand V.S was appointed as the Deputy Managing Director of the company for a term of five(5) years w.e.f 2nd March 2022 by the Shareholders of the company by passing an Ordinary Resolution through the Postal Ballot process.

Mr. Anand was appointed to succeed Mr. S.R Deo, Managing Director whose term expires on 31st July 2023. The Nomination & Remuneration Committee of the Board has at its meeting held on 29th May 2023 , recommended the appointment of Mr. Anand V.S as the Managing Director for a period of five(5) years w.e.f 1st August 2023 upto 31st July 2028 and the same has been approved by the Board of Directors at its meeting held on the said date.

Mr. Anand V.S. is B.E in Chemical Engineering from Siddaganga Institute of Technology from Bangalore University and PGDM in Marketing from MDI Gurgaon.

Prior to joining NOCIL ,Mr. Anand was Managing Director of Chemetall India (BASF Company).Mr. Anand has over 25 years of experience in the chemical industry in the areas of business management, sales and marketing, strategy and operations. He worked across multiple divisions of BASF within and outside India.

The terms of remuneration and perquisites payable to Mr. Anand V.S. are as follows:

- A. i) Salary : Rs.90,00,000 /-(Rupees Ninety Lakhs) p.a.
- ii) Perquisites and Allowances, the aggregate monetary value of which shall not exceed Rs. 85,00,000 /-(Rupees Eighty Five Lakhs Only) p.a. or as may be decided by the Board from time to time.

These perquisites and other allowances will be in addition to items mentioned in Clause (C) below.

The salary and perquisites as mentioned under (i) and (ii) above will be exclusive of:

- Contribution to the Provident Fund to the extent they are not taxable under the Income Tax Act, 1961.
 - Gratuity and Superannuation Fund as per the prevailing rules of the Company.
 - Encashment of leave as per the Company's Rules at the end of the tenure of service from the Company.
- B. Performance Bonus as may be decided by the Board from time to time (subject to a minimum of Rs. 37,50,000 (Thirty-Seven Lakh Fifty thousand p.a.) on the basis of the

performance of Mr. Anand V.S. and of the Company subject to and within the limits of the Companies Act, 2013 or any amendments thereto.

C. Apart from the above-mentioned remuneration, he shall be entitled to:

- i. Leave as per the rules of the Company.
- ii. Reimbursement of Domiciliary Medical Expenses actually and properly incurred by him and his family and Mediclaim Policy for hospitalization.
- iii. Expenses actually and properly incurred by him in the course of legitimate business of the company.
- iv. Club Membership Fees subject to a maximum of one Clubs.
- v. Personal Accident Insurance Policy.
- vi. Provision for use of motor car with driver for both official and personal use and reimbursement of telephone, gas and electricity expenses incurred at his residence.
- vii. Life Insurance as per the rules of the Company.

Other particulars pertaining to the Company, which are required to be disclosed as per Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are given in Annexure A to this Explanatory Statement.

A copy of the draft Letter of Appointment under Section 190 (2) is available for inspection electronically. Members seeking inspection may send an email to investorcare@nocil.com.

Where in any financial year during the currency of the tenure of Mr. Anand V.S, the Company has no profits or if its profits are inadequate, the remuneration as set out above be considered as minimum remuneration subject to such statutory approvals as may be applicable.

Mr. Anand shall be liable to retire by rotation under Section 152 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof). However, if re-appointed as a Director immediately on retirement by rotation, he shall continue to hold his office as Managing Director and such re-appointment as a Director shall not be deemed to constitute a break in his appointment as the Managing Director.

The Board may alter or vary the above referred terms of appointment, salary, commission, performance bonus and perquisites including minimum remuneration payable in such manner as the Board in its absolute discretion deems fit and acceptable to Mr. Anand V.S provided that such alterations are within the limits specified in Schedule V of the Companies Act, 2013 or any amendments, modifications or re-enactments made thereof from time to time.

Except Mr. Anand V.S , being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

Special/ Ordinary Resolution passed at 62nd Annual General Meeting held on 8th August 2024

1. SPECIAL RESOLUTION

Payment of Commission to Non- Executive Directors of the Company

“RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013, as amended, approval of the Members be and is hereby accorded the Company for payment of commission at a rate not exceeding 1% of the net profits of the Company computed in the manner as laid down under sections 197 and 198 of the Companies Act, 2013, as amended, in each financial year to the Directors of the Company other than the Managing Director and Executive / Whole Time Directors of the Company (apart from payment of sitting fees and reimbursement of expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years w.e.f September 01, 2024 up to August 31, 2029 and that such commission be divided by the Board of Directors of the Company amongst such Director or Directors and/ or any Directors who have ceased to be Directors of the Company during the Financial Year including Alternate Directors in such a manner or proportion and on such basis as they may in their discretion decide”.

(Explanatory Statement As Required Under Section 102 Of The Companies Act ,2013)

Under the provisions of section 197 of the Companies Act, 2013 as amended, the Company is entitled to pay commission to the Non-Executive Directors not exceeding 1 % of the Net Profits of the Company by passing a Special Resolution. The Members of the Company had at their Annual General Meeting held on July 30, 2019 accorded approval for payment of commission of 1% of the Net Profits Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 to be paid and distributed amongst the Directors of the Company other than the Managing Director and the Whole-time Director(s) of the Company for a further period of 5 (five) years with effect from September 01, 2019 up to August 31, 2024. **This time frame of 5 (five) years was laid down by the Members as a good governance measure.**

Considering the valuable contributions brought to the Board by the Non-Executive Directors it is now proposed that commission not exceeding 1 % p.a. of the Net Profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 be paid and distributed amongst the Directors of the Company including Directors who have ceased to

be Directors(s) of the Company during the Financial Year and Alternate Directors, other than the Managing Director and the Whole-time Director(s) of the Company for a further period of 5 (five) years with effect from 1 September, 2024 up to 31st August 2029. This proposal has the recommendation of the Nomination and Remuneration Committee and so also been approved by the Board. Payment of commission will be in addition to the sitting fees for attending the meetings of the Board / Committees. The Board recommends the Resolution for approval of the Members.

Mr. H. A. Mafatlal, Executive Chairman (being related to Mr. Priyavrata H. Mafatlal, Non-Executive Director), shall be deemed to be concerned or interested in the resolution to the extent of the entitlement of commission of Mr. Priyavrata H. Mafatlal, Non-Executive Non-Independent Director. All other Independent Directors and Non-Executive Non-Independent Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their respective payment of commission. None of the Key Managerial Personnel of the Company and / or their relatives are concerned or interested (financially or otherwise) in the Resolution.

2. SPECIAL RESOLUTION

Approval of NOCIL Ltd- Long Term Incentive Plan (LTIP)

“RESOLVED THAT based on the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with the relevant Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder (‘SBEB Regulations’), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the applicable provisions of the Foreign Exchange Management Act, 1999, the Rules and Regulations framed thereunder and any Rules, Circulars, Notifications, Guidelines and Regulations issued by Reserve Bank of India, as amended and enacted from time to time, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members of the Company be and is hereby accorded for the introduction and implementation of ‘ **NOCIL**

Ltd – Long - Term Incentive Plan’ (hereinafter referred to as ‘LTIP’) and authorising the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers including the powers conferred by this Resolution and Regulation 5 of the SBEB Regulations and the Listing Regulations) to exercise its powers including the powers conferred by this Resolution to adopt and implement the **LTIP**, the salient features of which are furnished in the Explanatory Statement.

RESOLVED FURTHER THAT consent be and is hereby accorded to the Board to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 85,00,000 [Eighty Five Lakhs] Employee Stock Options (‘Options’) to the eligible employees of the Company, present or future, and to any Director, whether Whole-time Director or not, including a Non-Executive Director as may be decided by the Board and permitted under the SBEB & Listing Regulations [other than employee who is a promoter or person belonging to the promoter group of the Company, Independent Directors and Director(s) holding directly or indirectly more than 10% of the outstanding equity shares of the Company], as determined in terms of the **LTIP**, exercisable into not exceeding 85,00,000 [Eighty Five Lakhs] equity shares of the face value of ₹ 10 (Rupee Ten only) each fully paid-up, where one (1) Option would convert into one (1) equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the terms of **LTIP**.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation, split, change in capital structure of the Company, as applicable from time to time, if any additional Options are granted or equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling of total number of Options and equity shares specified above shall be deemed to be increased to the extent of such additional Options granted or equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either subdivided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the LTIP shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the employees who have been granted Options under the **LTIP** and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under the **LTIP** on the Stock Exchanges where the equity shares of the Company are listed in due compliance with SBEB Regulations, Listing Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations, Listing Regulations and any other applicable laws and regulations to the extent relevant and applicable to LTIP

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the LTIP as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to modify, change, vary, alter, amend, suspend or terminate the Plan at any time subject to compliance with applicable laws and regulations and further subject to consent of the Members by way of a Special Resolution to the extent required under SBEB Regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to

execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the LTIP and do all other things incidental and ancillary thereto in conformity with the provisions of the Act, SBEB Regulations, the relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable laws in force.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and approval given by the Board, consent of the Members of the Company be and is hereby accorded for cancellation 3,29,800 ungranted options under the Employee Stock Option Scheme -2007 (ESOS-2007) and that the Board be and is hereby authorized to take such steps as may be required in the context . ”

(Explanatory Statement As Required Under Section 102 Of The Companies Act ,2013)

Approval of NOCIL Ltd- Long Term Incentive Plan (LTIP)

As an important organizational initiative to drive long term business deliverables, it is proposed to formulate a Long-term incentive Plan (LTIP) in form of an Equity based compensation Plan for eligible employees of the Company in pursuance of the total rewards philosophy based on external benchmarking and designing. The proposed LTIP apart from being an effective tool to recognize and reward talent is also expected to motivate and retain talent as an Incentive. The underlying objective being to encourage employees for contribution to corporate growth and to create an employee ownership culture. In this regard the Company had engaged a globally established H.R consultancy firm as its external partner to advise the Company on broad perspective of current LTIPs v/s the emerging market trend along with their recommendations for NOCIL. After considering all inputs and presentations on the various aspects , facets, and options of a viable LTIP, the Nomination & Remuneration Committee (NRC) of the Board at its meeting held on May 29, 2024 made suitable recommendations for the formulation and adoption of a suitable LTIP to the Board of Directors which approved the same at its meeting held on June19, 2024 (subject to final approval of the Members/Shareholders at the ensuing 62nd Annual General Meeting).

Under the proposed LTIP it is proposed to grant options aggregating to 85,00,000 shares of Rs 10/- each in form Employees Stock Options (ESOPs) and Performance Restricted Stock Units

(PRSUs) to eligible employees as per the discretion of the Nomination & Remuneration Committee (NRC) to be empowered in this regard .

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share capital & Debentures) Rules 2014 and Regulation 6 of the SBEB Regulations , the Company seeks approval of the Members for the adoption and implementation of the LTIP , salient features of which are set out here-below in terms of Regulation 6 of the SBEB Regulations :

No	Features	Details
1	Brief description & rationale	<p>As an important organizational initiative to drive long term business deliverables, it is proposed to evolve the scheme in line with our total rewards philosophy and thus it is proposed to radically modify and revamp the total rewards philosophy which would encompass a <u>Long-term incentive Plan (LTIP)</u> based on externally benchmarking and designing accordingly. Equity based compensation Plans/schemes apart from being an effective tool to recognize and reward talent are also critically important to motivate and retain talent as an Incentive. The underlying objective being to encourage employees for contribution to corporate growth and to create an employee ownership culture.</p> <p>The NRC shall administer the LTIP. All questions of interpretation of the plan shall be determined by the NRC and such determination shall be final and binding upon all the persons having an interest in the LTIP.</p>
2	Total number of Options being considered for grant under LTIP	<p>Proposed grant of options aggregating to 85,00,000 shares of Rs 10/- each on the following basis:</p> <p>The grant of Options will be contingent upon achievement against targets of the annual operating plan of the organization governed by the performance management system of the organization</p>

		<p>(i) <u>Grant of Employees Stock Options (ESOPs) to eligible employees:-</u> As a retention award to attract and retain key people. The vesting for ESOPs will be dependent upon continuous employment of employees at the time of vesting.</p> <p>(ii) <u>Grant of Performance Restricted Stock Units (PRSUs) to eligible employees :</u> As a performance award to incentivize attainment of the long-term strategic objectives. It is contingent on achievement of performance conditions. The vesting for PRSUs will be contingent on achievement against target performance of long term financial and strategic goals of the organization which will be finalized by NRC from time to time.</p> <p>The Nomination & Remuneration Committee to be empowered to determine the segregation of the Options under the two categories viz ESOPs & PRSUs.</p>
3	Identification of categories of eligible employees	<p>Subject to determination and selection by the NRC ,the following classes of employees / Directors are eligible :</p> <p>(i) A designated employee working in India or outside India.</p> <p>(ii) A Director in whole time employment who is not a promoter or member of the Promoter Group.</p> <p>But shall not include :-</p> <p>(i) an Employee who is a Promoter or belongs to the Promoter Group ;or</p> <p>(ii) A Director who either by himself or through his relatives or through any Body Corporate directly or indirectly holds more than 10% of the outstanding equity shares of the Company; or</p> <p>(iii) An Independent Director</p> <p>The Nomination & Remuneration Committee (NRC) to be empowered to determine the grades/eligibility of the employees to entitle them for the grant of Options under the two categories.</p>

4	Requirement of Vesting and maximum period of vesting	<p><u>In case of ESOPs:</u> - All the Options granted on any date shall vest not earlier than the minimum vesting period of 1 (one) year and subsequently the vesting happens in equal proportions every year for the period of 3 years from the grant date (Uniform Grading system). The vesting for ESOPs will be dependent upon continuous employment of employees at the time of vesting.</p> <p><u>In case of PRSUs:</u> - Complete vesting happens at the end of three years only from the grant date. The vesting for PRSUs will be contingent on achievement against target performance of long term financial and strategic goals of the organization which will be finalized by NRC from time to time.</p> <p>The vesting dates and relative percentages would be determined by the NRC and may vary from employee to employee or any class of category thereof. The grant of the shares will happen upon achievement against targets of the annual operating plan of the organization governed by the performance management system of the organization.</p> <p>Vesting of Options would be subject to continued employment with the Company. A grantee who has tendered his/her resignation and is serving the Notice period after such resignation then such Notice period shall not be considered for vesting and all unvested Options as on date of the resignation shall be cancelled forthwith.</p> <p>Provided that in case of retirement, all unvested Options as on date of retirement would continue to vest in accordance with the original vesting schedules unless otherwise determined by the NRC in accordance with the Company's Policies and the applicable provisions of the then prevailing Law(s).</p> <p>In the event of death or permanent incapacity of an employee, the minimum vesting period shall not be applicable and in such instances all the unvested</p>
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		Options shall vest with effect from the date of the death or permanent incapacity.
5	Exercise price or pricing formula	<p>The proposed pricing formula has been worked out as under :</p> <p><u>For ESOPs:</u> The exercise price per Option shall be the latest available closing market price of the equity shares of the company prior to the date of the grant. However, the exercise price per Option shall not be less than the face value of the equity shares of the Company viz Rs 10 /- per share.</p> <p><u>For PRSUs :</u> The exercise price per Option shall be at <u>face value of the equity shares of the Company viz Rs.10/- per share.</u> NRC is empowered to finalize the price with the flexibility of range between face value and closing market price.</p>
6	Exercise period and process	<p>For ESOPs : 10 years from grant date . For PRSUs : 5 years from grant date.</p> <p>The vested Option shall be exercisable by the grantees by following a procedure to be prescribed by the Nomination & Remuneration Committee (NRC) , Exercise of Options shall be entertained only after payment of the requisite exercise price and satisfaction of the applicable taxes by the grantee. The Options shall lapse if not exercised within the specified exercise period . Lapsed Options cannot be reissued by the Company.</p>
7	Appraisal process for determining eligibility of employees under LTIP	The appraisal process for determining the eligibility of the employees will be worked out by the Nomination & Remuneration Committee. Basically, the process would be based on position, sector, designation . period of service , performance linked parameters etc. and other factors as may be determined by the NRC.
8	Maximum number of Options to be issued per employee and in the aggregate	The maximum number of Options that may be granted to an employee in any year and in the aggregate shall not exceed the number of Options as may be stipulated by the NRC.

9	Maximum quantum, of benefits to be provided to an eligible employee	The maximum quantum of benefits that will be provided to any eligible employee under the LTIP will be the difference between the market value of the Company's shares on the Stock Exchanges as on the date of exercise of the Options and the exercise price paid by the employee.
10	Whether LTIP is to be administered through a Trust or directly by the Company by way of issuance of new shares	The LTIP shall be administered and implemented directly by the Company .
11	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;	Not applicable.
12	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)	Not applicable.
13	Accounting and disclosure Policies	The Company shall follow the IND AS 102 on share-based payments and/or any relevant accounting Standards note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority from time to time including the disclosure requirements prescribed therein , in compliance with the Regulation 15 of the SBEB Regulations.
14	Method of valuation of the Options by the Company	The Company shall adopt the fair valuation method for the valuation of the Options , as prescribed under IND AS 102 on share-based payments or any accounting std/guidance note , as applicable , notified by the competent authorities from time to time.
15	In case the	The said statement is not applicable to the Company since the Company is opting for Fair Value Method.

	<p>company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report</p>	
16	Lock in period	The shares issued pursuant to exercise of vested Options shall not be subjected to any Lock in period.
17	Performance Financial year from which applicable	Performance Year:- 2024-2025 onwards
18	Cancellation of ungranted options under the Employee Stock Option Scheme - 2007 (ESOS-2007).	Cancellation of 3,29,800 ungranted options under the Employee Stock Option Scheme -2007 (ESOS-2007).
19	Terms & conditions for buyback, if any, of specified securities covered under these regulations.	Not applicable.