

(Adopted pursuant to a special Resolution passed at an Extra-ordinary General Meeting of the Company held on 2nd May, 1994 in substitution for and to the exclusion of the previous Articles of Association of the Company)

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION**

**OF**

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**

**CONSTITUTION OF THE COMPANY**

1. The Regulations contained in Table "A" in the Companies Act, 1956 shall not apply to this Company but the regulations for the management of the Company and for the observance thereof by the Members of the Company and their representatives, shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of or addition to, its regulations by special resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Company to be governed by the Articles and Table A not to apply.

**INTERPRETATION**

2. The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith;

Interpretation

“The Company or “This Company” means MELSTAR INFORMATION TECHNOLOGIES LIMITED.

Company

The Act, means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and reference to any Section of the Act shall means reference to corresponding Section of the re-enacted law including Table ‘A’ thereof.

Act

‘The office’ means the Registered office for the being of the Company;

Registered Office

‘The Register’ means the Register of Members to be kept pursuant to Section 150 of the Act;

Register

‘Alter’ and ‘Alteration’ shall include the making of additions and omissions;

“Alter and “Alteration”

‘Dividend’ includes bonus;

Dividend

Directors.	‘Directors means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board of acting by circular under the Articles;
Board of Directors or Board	‘Board of Directors’ or ‘Board’ means a meeting of the Directors duly called and constituted or, as the case may be the Directors assembled at a Board or acting by circular under the Articles;
Person	‘Person’ includes corporations as well as individuals;
Debentures.	‘Debentures’ includes debenture-stock bonds, and other securities of the Company, whether constituting a charge on the assets of the Company or not;
“Month and Year”	‘Month’ and ‘Year’ means respectively a calendar month and a calendar year;
In writing or Written.	In ‘Writing’ or ‘Written’ means and includes words printed, lithographed, represented or reproduced in any mode in a visible form;
“Modify and “Modifi- cation”.	‘Modify’ and ‘Modification’ shall include the making of additions and omissions.
“These Articles” or “The Articles” or “These Presents”	‘These Articles’ or ‘The Articles’ or ‘These Presents’ mean these Articles of Association or as originally framed or as altered from time to time by Special Resolution.
Ordinary Resolution and Special Resolution;	‘Ordinary Resolution’ or Special Resolution’ shall have the meanings assigned thereto respectively by Section 189 of the Act;
“Variation and “vary”.	‘Variation’ shall include abrogation and ‘Vary’ shall include abrogate.
Singular number.	Words importing the singular number include the plural numbers;
Plural number.	Words importing the plural number also include the singular number;
Gender	Words importing the masculine gender also include the feminine gender;
Expression in the Act bear the same meaning in Articles.	Subject as aforesaid, any words or expressions defined in the Act shall except where the subject or context forbids bear the same meaning in these Articles.

3. The Company has entered into an agreement with Melstar Exports & Technologies Private Ltd. Bombay whereby it is inter alia agreed that upon the happening of all or any of the events specified in clause 4 thereof (a copy of which Agreement is annexed to these Articles). Melstar Exports & Technologies shall be entitled by giving notice to the Company to require the Company to discontinue the use of the name MELSTAR and/or names, words or letters "MEL"\*\*\* with or without the star symbol any combination thereof in any language, or script in relation to or in connection with the activities of the Company or its business or trade for any purpose whatsoever as a part of its corporate or trade name or trading style and not to use or employ any names or words by the expressions closely similar in sound, appearance or meaning to the aforesaid names, words, letters or signs, as may be likely to cause confusion or detract from and/or adversely affect the right, title or interest of MELSTAR EXPORTS & TECHNOLOGIES PRIVATE LIMITED therein or thereto and the Company shall within 120 days of the date of receipt of such notice, comply with the requirements thereof and to this end shall take all such steps as may be necessary under the Act for the purpose of changing its corporate name as aforesaid. All members of the Company shall be deemed to have expressly undertaken to exercise their rights as shareholders and specifically their voting rights in such a manner as would enable the company to comply fully with, effectuate and implement the provisions of the said Agreement and this Article and shall be deemed to have become members of the Company on this basis.

Change of name.

### CAPITAL

4. The Authorized Share Capital of the Company is Rs. 55,00,00,000 (Rupees fifty five crores only) divided into 5,49,50,000 (Five crores forty nine lacs fifty thousand only) equity shares of Rs. 10/- (Rupees Ten) each and 50,000 Preference Shares of Rs.10/- each with power to increase or reduce the capital subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act.

Share Capital.

5. The company shall have power to issue Preference Shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the provisions of the Act, exercise such power in any manner as they think fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

Redeemable Preference Share.

6. The company may by Ordinary Resolution in General Meeting from time to time alter the conditions of its Memorandum as follows, that is to say, if any,

Increase of Capital

- (a) increase its share capital by such amount as it thinks expedient by issuing new shares of such amount as may be deemed expedient and the new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the General Meeting, resolving upon the creation thereof, shall direct and if no direction be given, as the Board of Directors shall determine, and in particulars such shares may be issued with a preferential right to dividends and in the distribution of the assets of the Company.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than is existing shares;
- (c) convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination.
- (d) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduce share is derived;
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

Notice of increase of shares capital.

7. Whenever the Company shall increase its capital beyond its Authorised Capital as referred to in its Article 4, the Company shall comply with the applicable provisions of the Act in that behalf.

Capital of two kinds only.

8. Neither the original capital nor any increased capital shall be of more than two kinds, namely (a) Equity share Capital and (b) Preference Share Capital as defined in Section 85 of the Act.

Provided however, that it under the provisions of the Companies Act for the time being in force a company is authorised to issue capital of any other kind, viz, Equity shares without Voting Rights subject to such other terms as may be stipulated, the Company shall have the right and privilege to issue shares of such other kind subject to compliance with the terms and conditions of the Act and/or the Rules made under the relevant provisions.

9. (1) Where at any time after the expiry of one year from the allotment of shares made for the first time, it is proposed to increase the Subscribed Capital of the Company by allotment of further shares then; Further issue of Capital.
- a) Such further shares shall be offered to the persons who on the date of the offer, are holders of the Equity shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at the date;
  - b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer if not accepted will be deemed to have been declined;
  - c) the offer aforesaid shall be deemed to include right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of other person and the notice referred to in sub-clause (b) hereof shall contain a statement of the right.
  - d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered; the Board of Directors may dispose of them in such manner as they think most beneficial to the Company;
- (2) Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in sub-clause (1) (a) in any manner whatsoever;
- a) if a Special Resolution to that effect is passed by the Company in General Meeting, or
  - b) where no such Special Resolution is passed, if the votes cast whether on a show of hands or on a poll (as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members, who being entitled to do, vote in person, or by proxy, exceed the votes, if any cast against the proposal by members so

entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal, is most beneficial to the Company.

(3) Nothing in Clause (c) of sub-clause (1) hereof shall be deemed.

a) to extend the time within which the offer should be accepted; or

b) to authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

How for new shares to rank with shares of original capital.

10. 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 installments, transfers and transmission, forfeiture, lien, surrender, voting and otherwise.

Amount payable on application.

11. The amount payable on application on each share of the Company shall not be less than five percent of the nominal amount of the share.

Return of Allotment.

12. Whenever the Company shall make an allotment of its shares, it shall within thirty days thereafter file with the Registrar of Companies a Return of Allotment, as required by Section 75 of the Act.

Reduction of Capital.

13. The Company may from time to time by Special Resolution subject to confirmation by the Court and subject to the provisions of Section 100 to 104 of the Act, reduce its Share Capital, and Capital Redemption Reserve Account and Share Premium Account in any way and in particular without prejudice to the generality of the foregoing power by;

a) extinguishing or reducing the liability on any of its shares in respect of the Share Capital not paid up; or

b) cancelling either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is lost or is unrepresented by available assets; or

c) paying off, either with or without extinguishing or reducing liability on any of its shares, any paid up Share Capital which is in excess of the wants of the Company, and capital may be paid off upon

the footing that it may be called up again or otherwise and paid up capital may be cancelled as aforesaid without reducing the nominal amount of shares by the like amount to the intent that the unpaid and uncalled capital shall be increased by the like amount.

\*13-A. The Company may purchase its own shares or other specified securities in accordance with the provisions of the Act for the time being in force.

Purchase by the Company of its own Shares.

The Expression "Specified Securities" includes Employees Stock Options or other securities as may be notified by the Central Government from time to time.

### MODIFICATION OF RIGHTS

14. Whenever, the Share Capital is divided into different classes of shares, the rights attached to the shares of any class may subject to the provisions of Sections 106 and 107 of the Act be varied with:-

Power to modify rights.

- a) the consent in writing of the holders of not less than three fourths of the issued shares of that class; or
- b) the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class;

and all the provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

### SHARES

15. The shares in the capital shall be numbered progressively according to their several denominations, and, except in the manner hereinbefore provided, no share shall be sub-divided.

Shares to be numbered progressively.

16. Subject to the provisions of the Act and these Articles the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such terms and conditions and either at a premium or at par or (subject to the provisions of Section 79 of the Act) at a discount and at such times as the Directors may think fit. Option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

Shares at the disposal of the Directors.

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\* Inserted pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 23.8.1999.

Application of premium received on shares.

17. 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 Capital of the Company shall except as provided in this Article, apply as if the Share Premium Account were paid up Share Capital of the Company.
- 2) The Share Premium Account may notwithstanding anything in sub-clause (1) hereof be applied by the Company;
- a) in paying the unissued shares of the Company to be issued to members of the Company as full 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 debenture of the Company.

Share at a discount.

18. The Company may issue at a discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely -

- i) the issue of shares at a discount is authorised by a resolution passed by the Company in General Meeting, and sanctioned by the Company Law Board.
- ii) the Resolution specifies the maximum rate of discount (not exceeding 10% or such higher percentage as the Company Law Board may permit in any special case) at which the shares are to be issued.
- iii) the shares to be issued at a discount are issued within two months after the date on which issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

The Board May Issue shares as fully paid up.

19. Subject to the provisions of the Act and these Articles the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for services



rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.

20. 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 acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member.

Acceptance of shares.

21. The money (if any) which the Directors shall on 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, shall immediately on the inscription of the name of the allottee in the Register of Members as 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.

Deposit and calls etc. to be a debt payable immediately.

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

Instalment on shares to be duly paid.

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

Liability of Members.

24. 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.

Liability of joint holders of shares.

25. Except as required by law no person shall be recognised by the company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share or (except only as these regulations or by law otherwise provide) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Trusts not recognised.

26. None of the funds of the Company shall except as provided by Section 77 of the Act be employed in the purchase of its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise

No Purchase of or Loans on Company's shares.

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 or in loan upon the Securities of its shares.

Copy of Memorandum and Articles of Association to be given to members.

27. The company shall on being so required by a member, send to him within seven days of the requirement and subject to the payment of a fee of Rs. 1 or such higher fee as is permissible under the Act, copy of each of the following documents as in force for the time being:-

- (a) The Memorandum
- (b) The Articles
- (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 Director or as its Whole time Director 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 of the Company or these Articles.

#### CERTIFICATES

Certificate.

28. (1) Certificates of title to shares shall be issued under the Common Seal of the Company, which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (ii) the Secretary or some other person appointed by the Board for the purpose; Provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director.
- (2) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal, or lithography, but not by means of a rubber stamp, Provided, however, that notwithstanding anything contained in this Clause, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder as may be in force for the time being and from time to time. The certificate shall be made out in favour of not more than four persons.

29. Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name and if he sells part of his holding to one certificate for the balance shares free of charge.

Member's  
right to  
certificates.

Provided that if the holding of a member is higher than the marketable lot, he shall be entitled to get the same subdivided into marketable lots and to have free of charge such number of certificates as there are marketable lots and one extra for the odd lot of shares so held by him. The Board of Directors may in its absolute discretion refuse applications for subdivision or consolidation is required to comply with a statutory provision or on an order of competent Court of Law. The Company shall deliver within three months after the allotment of any of its shares, debentures or debenture stock or within two months after the application for the registration of the transfer of any shares, debentures or debenture stock, the certificates of all debenture stock allotted or transferred unless the conditions of issue of the shares, debentures or debenture stock otherwise provide. Every certificate of shares shall specify the numbers and distinctive numbers of the shares in respect of which it is issued and the amount paid thereon.

30. If any certificate is lost or destroyed or defaced, mutilated or torn or has no further space on the back thereof for endorsement of transfers then in case of a lost or destroyed certificate upon proof to the satisfaction of the Directors as to its loss or destruction and on such indemnity as the Directors deem adequate being given and in other cases, upon surrender of the certificate to the Company, a new certificate in lieu thereof shall be given to the party entitled to such certificate. Any new or renewed certificate may be marked as such. The out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company. No fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been utilised dully.

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

31. The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.

To which of  
joint holders  
certificate to  
be issued.

32. If any shares stand in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the company except voting at the meeting and the transfer of shares be deemed the sole holder thereof.

The first  
named of  
joint holders  
deemed sole  
holder.

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

Death of one  
or more joint  
holders of  
shares.

**UNDERWRITING AND BROKERAGE**

Commission  
for placing  
shares.

34. (1) The Company may at any time 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; 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 percent of the price at which the debentures are issued;
  - (ii) the amount or rate percent 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 share or debentures not offered to the public for subscription, disclosed in the Statement in lieu of Prospectus, or in a Statement in the form prescribed in the Act signed in like manner as a Statement in lieu of Prospectus and filed before the payment of commission with the Registrar of Companies 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; and
  - (iii) the number or shares or debentures which persons have agreed for a commission to subscribe absolutely or conditionally is disclosed in the manner aforesaid.
- (2) Save as aforesaid and save as provided in Section 79 of the Act, Company shall not allot any of its shares or debentures or apply any of its money, 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 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 clause shall affect the power of the Company, to pay such brokerage as it is 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 or any commission the payment of which if made directly by the Company have been legal under this clause.
- (5) The Commission may be paid or satisfied subject to the provisions of the Act and these Presents in cash or in shares or in debentures of the Company.

35. Where the Company has paid any sum by way of commission in respect of any shares or debentures or allowed any sums by way of discount in respect of any debentures such statement thereof as required by Part 1 of Schedule V of the Act shall be made in the Annual Return to be made by the Company under Section 159 of the Act.

Commission to be included in the Annual Return.

### **INTEREST OUT OF CAPITAL**

36. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may with the previous sanction of the Central Government :-

Payment of interest.

- a) pay interest on so much of the Share Capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in sub-section (2) to (7) of section 208 of the Act, and

- b) charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provision of the plant.

### TRANSFER AND TRANSMISSION OF SHARES

Register of transfer etc.

37. The Company shall keep a book called "The Register of Transfers" and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any shares.

Execution of transfer etc.

38. No transfer shall be registered unless a proper instrument of transfer has been delivered to this Company. The instrument of transfer of any share shall be duly stamped and be executed by or on behalf of the transferor shall specify the name, address and occupation, if any of the 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 in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

Form of transfer.

39. The instrument of transfer of any share shall be in writing in the usual common form or in such form as may be approved by or is current in any Recognised Stock Exchange or as near thereto as circumstances may require.

The Board may decline to Register transfer.

40. a) The Director may subject to the provisions of Section 111 of the Act in their absolute and uncontrolled discretion decline to register any transfer of or the transmission by operation of law of the right to any shares in or debentures of the Company to any person of whom they do not approve and in particular, may so decline in any case in which the Company has a lien upon the shares or any of them. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or otherwise and not so as to debar the directors from declining to register any subsequent or other transfer of other shares applied for in the name of such transferee. Provided that registration of any 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 as stated herein above.
- b) The Directors may decline to register a transfer of shares on the ground that the share transfer is not of a marketable lot, the marketable lot will be decided in consultation with the concerned Stock Exchange.

41. (1) An application for registration of transfer of a share or shares may be made either by the transferor or the transferee. Transfer of shares
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of sub-clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered in the ordinary course of post.
- (4) It shall be lawful for the Company to refuse to register a transfer of any shares, unless a 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, if any, of the transferee has been delivered to the Company alongwith the certificate relating to the shares or if no such certificate is in existence alongwith the letter of allotment of shares provided that where on a application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost the Company may register the transfer on such terms as to indemnity as the Board may think fit.
- (5) If the Company refuses to register any such transfer or transmission of right, the Company 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 giving reasons for such refusal.

Nothing in sub-clause (4) hereof shall prejudice any power of the Company hereunder to refuse to register the transfer of or the transmission by operation of law of the right to any shares in or debentures of the Company.



The Company shall comply with the provisions of Section 108 of the Act.

Right to dividend, right shares and bonus shares to be held in abeyance pending registration of transfer of shares.

42. Where any instrument of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of these Articles.

- (a) Transfer the dividend in relation to such shares to the Special Account referred to in Section 205-A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) Keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205.

Transfer to be left at office as evidence of title given.

43. Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

When transfer to be retained.

44. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such periods as they may determine.

Closure of transfer Books.

45. The Directors may after giving not less than seven days previous notice by advertisements as required by Sec.154 of the Act close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

“Nomination of Shares”.

\*45A. Every holder of Shares in, or holder of Debentures of the Company may, at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his Shares, in or Debentures of the Company shall vest in the event of his death.

- (i) Where the Shares in, or debentures of the Company are held by more than one person, jointly, the joint holders may together nominate, in the prescribed manner under Section 109A of the Act, a person to

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\* Inserted pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 23.8.1999.



whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.

- (ii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of shares in, or debentures of the Company, where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominees shall, on the death of the Shareholder or holder of Debentures of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in, or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or canceled in the prescribed manner under Section 109A of the Act.
  - (iii) Where the nominee is a minor, it shall be lawful for the holder of the Shares, or holder of Debentures, to make the nomination to appoint, in the prescribed manner under Section 109A of the Act, any person to become entitled to Shares in, or Debentures of the Company, in the event of his death, during the minority.
- \*45B. (i). Any person who becomes a nominee by virtue of the provisions of the Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect, either:-
- (a) to be registered himself as holder of the Shares or Debentures, as the case may be; or
  - (b) to make such transfer of the Share or Debenture, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be, could have made.
- (ii) The Board shall, in either case, have the right to decline or suspend registration as it would have had, if the deceased Shareholder or Debenture holder had transferred the Shares or Debentures, as the case may be, before his death.

Transmission of Shares”.

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\* Inserted pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 23.8.1999.

- (iii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Shares or Debentures, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.
- (iv) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
- (v) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered as holder in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

Transmission  
of Shares.

\*46. Subject to the provisions of Articles 45A and 45B, the Executors or Administrators of a deceased shareholder (whether European, Hindu, Mohamedan, Parsi and otherwise) or the holder of succession certificate shall be the only persons to be recognised by the Company as having any title to his share except in case of joint holders in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be so recognised but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any shares held jointly by him. The

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\* These words were added pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 23.8.1999 consequent upon the insertion of new articles 45A & 45B.

Company shall not be bound to recognise such executor or administrator of the holder of a succession certificate unless he shall have obtained Probate or Letters of Administration or a Succession Certificate or other legal representation as the case may be from a duly constituted competent court in Indian or from any court or authority authorised by any Act of the Legislature of India or by any order or notification of the President of India to grant such Probate, Letters of Administration, Succession Certificate or other legal representation. Provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of Probate of Letters of Administration or Succession Certificate or other legal representation upon such terms as to indemnity or otherwise as the Directors may deem fit.

47. Any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under this Clause or of his title, as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such share or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This clause is herein referred to as "the Transmission Clause".

Transmission of clause.

48. The Directors shall subject to the provisions of Articles 40 hereof 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.

Directors right to refuse to register.

49. Every transmission of 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 and unless an indemnity be given to the Company with regard to such registration which the Directors in their discretion shall consider sufficient; provided nevertheless that there shall not be any obligation on the Company or the Directors to accept an indemnity.

Board may require evidence of transmission.

50. A fee not exceeding twenty five paise per share may be charged in respect of the transfer or transmission to the party of any number of shares of any class or denomination subject to such maximum on any transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or transmission of any number of shares of one class or denomination or may be on a graded scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine. It is clarified that the Directors may resolve not to charge any fee on transfer or transmission in respect of all or any class or any number of shares.

Fee on transfer transmission.

Certification  
of transfer.

51. The certification by the Company of any instrument of transfer of shares in or debentures of the Company shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.

Company not  
liable for  
disregard of  
notice  
prohibiting  
registration  
of transfer.

52. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing on 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, notice prohibiting registration of such transfer and may have entered such notice or referred there to in any book of the Company and the Company shall not be bound or required to attend or give effect to any such notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so, 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.

Transfer of  
Debentures.

53. The provisions of these Articles mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to debentures of the Company.

Definitions.

**\*53A. DEMATERIALISATION OF SECURITIES**

1) For the purpose of this Article:

“SEBI” means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

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

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

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\* Inserted pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 23.8.1999.

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

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

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

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

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

“Regulations” means the regulations made by SEBI.

“Security” means such security as may be specified by SEBI.

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

Words imparting persons include corporations.

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

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

Demateriali-  
sation of  
securities.

pursuant to the Depositories Act, and the rules framed thereunder, if any.

Option to receive Securities, certificates or held Securities with Depository.

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

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

Securities in Depositories.

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

Rights of Depositories and Beneficial Owners.

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

Beneficial Owner deemed as absolute owner.

- (7) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any

benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.

- (8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. Depository to furnish information.
- (9) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform then Depository accordingly. Cancellation of certificates upon surrender by a person.
- (10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. Option to opt out in respect of any Security.
- The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.
- The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner of the transferee as the case may be.
- (11) Notwithstanding anything in the act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs. Service of Documents.
- (12) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien or shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as Provisions of Articles to apply to shares held in Depository.



they apply to shares in physical form subject to the provisions of the Depository Act.

Allotment of Securities dealt with in a Depository.

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

Distinctive number of Securities held in a Depository.

- (14) The Shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Register and index of Beneficial Owners.

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

Register of Transfers.

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

### CALLS

Calls.

54. The Directors may, from time to time by resolution passed at a meeting of the Directors and not by a circular resolution, make such calls as they may think fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of the nominal value of the shares or by way of premium, 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.

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

Payment by installments of issue price.

56. No call shall exceed one-half of the nominal amount of a share or be made payable within two months after the last preceding call was payable. All calls shall be made on a uniform basis on all shares falling under the same class. Shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

Restriction on power to call.

57. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed at a meeting of the Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Directors.

When calls deemed to have been made.

58. Fifteen day's notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid 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 calls.

59. If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed times, whether on account of the nominal 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 payable on the date on which by the terms of issue such sum becomes payable and of which due notice has been given, in case of non-payment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

When amount payable.

60. 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 share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same from the day appointed for payment thereof to the time of actual payment at the rate of 18% per annum or at such lower rate as the Directors may determine. The Directors shall be at liberty to waive the payment of any such interest wholly or in part.

When interest on call or installment payable.

61. 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 shareholders who from residence

Directors may extend time.

or other cause the Directors may deem fairly entitled to such extension but no shareholder shall be entitled to such extension save as a matter of grace and favour.

Liability of joint holders.

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

Evidence in action for call.

63. On the trial or hearing of any action for the recovery of money due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the resolution making a 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 call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance.

64. The Directors may, if they think fit, receive from any member willing to advance the same, the whole or any part of the amount remaining unpaid on any 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 (until the same would but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, six per cent per annum as the member paying such sum in advance and the Directors may agree upon and the Directors may at any time, repay the amount so advanced upon giving to such member three months Notice in writing. The member making such advance payment shall not, however be entitled to any voting rights, in respect of the moneys so paid by him until the same would but for such payment become presently payable, nor shall be entitled in respect thereof to dividend or to participate in profits.

Particulars of calls paid and not paid to be shown in Annual return.

65. Particulars of (a) amount called upto the date of Company's Annual General Meeting on each share, (b) the total amount of calls paid and received upto that date and (c) the total amount of call unpaid at that date shall be shown in the Annual Return.

### FORFEITURE

If calls or instalment not paid notice may be given.

66. If any member fails to pay any call or instalment of a call on or before the date appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may be accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

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

Form of  
Notice.

68. If the requisitions of any such notice as aforesaid are not complied with any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

If notices not  
complied  
with shares  
may be  
forfeited.

69. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register provided however that the failure to give the notice will not in any way invalidate the forfeiture.

Notice after  
forfeiture.

70. Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, reallocate and otherwise dispose of the same in such manner as they think fit.

Forfeited  
shares to  
become  
property of  
the Company.

71. The Directors may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof as a measure of grace and favour but not as of right upon such terms and conditions as they may think fit.

Power to  
annul  
forfeiture.

72. Any members whose shares shall have been forfeited shall, notwithstanding be liable to pay and shall forthwith pay to the Company all calls, instalments, interests and expenses 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 the rate of eighteen per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do.

Arrears to be  
paid notwith  
standing  
forfeiture.

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

Effect of  
forfeiture.

74. A duly verified declaration in writing that the declarant is a Director, the Manager or Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in

Certificate of  
forfeiture.

the declaration shall be conclusive evidence of the facts therein stated as against all persons entitled to the share.

Title of Purchaser and allottee of forfeited shares.

75. The Company may receive the consideration if any given for the share on any sale, allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom such share is sold, allotted or disposed of and the person to whom such share is sold, allotted or disposed of may not (unless by express agreement) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale allotment or disposal of the share.

Partial payment not to preclude forfeiture.

76. Neither a judgement 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 Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

The Provisions of these Articles as to forfeiture to apply in case of non payment of any sum.

77. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Company's lien on shares.

78. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien thereon only in respect of all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared and payable 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 share to be wholly or in part exempt from the provisions of this clause.

As to enforcing lien by sale.

79. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as

they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable until notice in writing of the intention to sell shall have been served on such member or the person or persons entitled by transmission to the shares and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after the date of such notice.

80. The net proceeds of any such sale, shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or to the person (if any) entitled by transmission to the shares so sold.

Application of proceeds of sale.

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

Validity of sales under Articles 79 and 80.

#### **CONVERSION OF SHARES INTO STOCK**

82. The Company by resolution in General meeting may convert any paid up shares into stock and may convert any stock into paid up shares of any denomination. Where any shares have been converted into stock, the several holders of such stock may, thenceforth, transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit. But the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable and direct that fractions of a Rupee shall not be dealt with and shall have the power, nevertheless, at their discretion to waive such rules in any particular case.

Conversion of shares into stock.

83. The stock shall confer on the holder thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and for other purposes, as would have been conferred by shares of equal amount in the capital of the Company for the same class as the share from which such stock, was converted, but so that none of such privileges or advantages except in the participation in profits of the company, or in assets of the Company, on a winding up, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges or advantage. No such conversion shall effect or prejudice any preference or other special privilege attached to the shares so converted. Save as aforesaid, but subject to the provisions of section 96 of the Act, all the provisions herein

Rights of stock holders.

contained shall, so far as circumstances will admit, apply to stock as to shares.

### MEETINGS

Annual  
General  
Meeting.

84. (1) a) The Company shall in each year hold in addition to any other meetings, a general meeting any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same.
- b) Annual General Meeting shall be held by the Company within six months after the expiry of each financial year; and
- c) Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next unless the Registrar of Companies shall have for any special reason extended the time for holding any Annual General Meeting
- (2) Every Annual General Meeting shall be called at a time during the 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 Greater Bombay as the Directors may determine.

Annual  
Return.

85. Subject to the provisions of Section 159, the Company shall within sixty days from the day on which the Annual General Meeting is held prepare and file with the Registrar of Companies:

- 1) A return in the Form set out in Part - II Schedule V of the Act or as near thereto as the circumstances will admit signed by both a Director and by Manager or Secretary of the Company and where there are no Manager or Secretary, by two of the Directors of the Company, one of whom shall be the Managing Director where there is one, containing the particulars specified in Part I of the said Schedule V as they stood on that day.

Circulation of  
member's  
resolution.

86. (1) The Directors shall on the requisition in writing of such number of members as is specified in Sec. 188 of the Act and in the manner laid down therein and (unless the Annual General Meeting otherwise resolves) at the expense of the requisitionists:
- a) give to the members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may



properly be moved and is intended to be moved at that meeting; and

- b) circulate to members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that meeting.
- (2) The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless a copy of the resolution signed by the requisitionists (or two or more copies of which between them contain the signatures of all the requisitionists) is deposited at the Registered Office of the Company (i) in the case of a requisition requiring notice of resolution not less than six weeks before the meeting and (ii) in the case of any other requisition not less than two weeks before the meeting and there is deposited or tendered with the requisition a sum reasonable sufficient to meet the Company's expenses in giving effect thereto; Provided that if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this Article shall be deemed to have been properly deposited for the purposes thereof.
- (3) The Company shall also not be bound under this Article to circulate any statements, if on the application either of the Company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this articles are being abused to secure needless publicity for defamatory matter.
- (4) Notwithstanding anything in these presents contained, the business which may be dealt with at an Annual General Meeting shall include any resolution of which notice is given in accordance with this Article and for the purposes of with this sub-clause notice shall be deemed to have been so given notwithstanding accidental omission in giving it, to one or more members.

87. All meetings of the Company other than the Annual General Meeting shall be called "Extraordinary General Meeting".

Extra-ordinary  
General  
Meeting.

Director may call Extraordinary General Meeting.

88. The Directors may whenever they think fit, convene an Extraordinary General Meeting.

Calling of extra ordinary general Meeting on requisition.

89. (1) The Directors shall on the requisition by a Member or Members of the Company holding in the aggregate not less than one-tenth of such of the paid-up capital as carries the right of voting in regard to the matter in respect of which the requisition is given in accord with and subject to the provisions of Section 169 of the Act, proceed to call an Extraordinary General Meeting of the Company.

(2) If the Directors do not, within twenty one days from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter on a day not later than forty five days from the date of the deposit of requisition, the meeting may be called by the requisitionists themselves or 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 at the deposit of the requisition carries the right of voting in regard to the matter referred to in the requisition whichever is less but any meeting so convened shall not be held after the expiry of three months from the date of the deposit of the requisition provided however that nothing herein contained shall be deemed to prevent a meeting duly commenced before the expiry of the said period of three months from adjourning to some other day after the expiry of that period.

(3) In the case of a meeting at which resolution is to be proposed as a Special Resolution, the Directors shall be deemed not to have duly convened the meeting if they do not give such notice thereof as is required to be given for a special resolution under Section 189(2) of the Act.

(4) Any meeting convened under this Article by the requisitionists or any of them shall be convened in the same manner as nearly as possible that in which meetings are to be convened by the Directors.

(5) Where two or more persons hold any share in the Company jointly, a requisition or a notice calling a meeting signed by one or more only of them shall for the purpose of this clause have the same force and effect as if it had been signed by all of them.



- (6) Any reasonable expenses incurred by the requisitionists, by reason of the failure of the Directors duty 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.
90. (1) Any General Meeting of the Company whether Annual General Meeting or Extraordinary General Meeting may be called by giving not less than twenty-one days notice in writing. Lenght of notice for calling meeting.
- (2) A General Meeting may be called after giving shorter notice than that specified in sub-clause (1) hereof 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 ninety-five per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting;
- Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others those members shall be taken into account for the purposes of this su-clause in respect of the former resolution or resolutions and not in respect of the later.
91. (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. Contents and manner of service of notice and persons on whom it is to be served.
- (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; To whom notice of meeting to be given.
- (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 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;

As to omission to give notice.

(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,

(3) The accidental omission to give notice to or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Special Business.

92. All business to be transacted at an Annual General Meeting with the exception of business relating to (i) the consideration of the Accounts, Balance Sheets and the Reports of the Auditors and Directors (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 all business to be transacted at any other meeting of the Company shall be deemed "Special".

Explanatory statement to be annexed to notice.

93. Where any items of business to be transacted at any meeting of the Company are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a Statement setting out all material 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 and specifying where any item of business consists of the according of approval to any document by the meeting, the place and time where the document can be inspected.

Provided that where any item of Special Business to be transacted at a meeting relates to or affects any other company, the extent of shareholding interest in that other company of every Director, and the Manager, if any, of the Company, shall be set out in the statement if the extent of such shareholding interests is not less than twenty per cent of the paid up capital of that other Company.

General Meeting not Competent to discuss or transact any special business without special notice.

94. No General Meeting, Ordinary or Extra-ordinary shall be competent to enter upon, discuss or transact any item of business deemed to be Special unless notice thereof is given in the notice convening the meeting.

Quorum.

95. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present, only one of them shall be

counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name share stand shall for the purposes of this clause be deemed joint holders thereof.

96. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business. Presence of Quorum.

97. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their number 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 Director present be willing to take the chair, shall on show of hands elect one of their number to be Chairman of the meeting. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. Chairman of General Meetings.

If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

98. No business shall be discussed at any General Meeting except election of a Chairman while the chair is vacant. Business confined to election of Chairman while chair is vacant.

99. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting, shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting. Resolution must be proposed and seconded.

100. At any General Meeting a resolution put to the vote of the meeting shall unless a poll is demanded be decided on a show of hands. How Questions to be decided at meetings.

101. A declaration by the Chairman that on a show of hands resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting 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. Chairman's declaration of result of voting by show of hands to be conclusive.

102. (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 Demand for Poll.

to be taken by him on a demand made in that behalf by the persons or person specified below, that is to say:

- (a) 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.
  - (b) by any member or members present in person or by proxy holding shares in the Company 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.

Manner of taking poll and result thereof.

103. 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. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Power to adjourn General Meeting.

104. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Time of taking poll.

105. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being question relating to the election of a Chairman) shall be taken at such time not being later than 48 hours from the time when the demand was made as the Chairman may direct.

Business may proceed notwithstanding demand for poll.

106. 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 a poll has been demanded.

Members not entitled to vote will not be entitled to demand a poll.

107. No member shall be entitled to demand a poll or exercise voting rights if any calls or other sums presently payable by him in respect of any shares registered in his name have been paid or in regard to which the Company has exercised any right of lien.

Right of Member to use his vote differently.

108. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

109. 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. 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 and from any other cause. Of the two scrutineers so to be appointed, one shall always be a member (not being an officer or employee to the Company) present at the meeting provided such a member is available and is willing to be appointed. Scrutineers at poll.
110. 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 to be the sole judge of the validity of the vote tendered at poll.
111. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member. Chairman's casting vote.
- \* 111A. The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Companies Act, 1956 ("the Act") and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company, being a listed company, shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company. Postal Ballot
112. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon such requisition as aforesaid, shall be dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place, as the Board of Directors may determine. If quorum not present meeting to be dissolved and when to be adjourned.
113. 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 a quorum and may transact the business for which the meeting was called. Adjourned meeting to transact business.
114. Where a resolution is passed at an adjourned meeting of the Company the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. Resolution passed at adjourned meeting.
115. Where by any provision contained in the act or in these presents, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move and any such Special Notice.

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\* Inserted pursuant to a Special Resolution passed at the Annual General Meeting of the Company held on 31.7.2003

resolution has been received by it, give its members notice of the resolution in the same manner, as it gives notices of the meeting or if that is not practicable, shall give them notice thereof by advertisement in a newspaper having an appropriate circulation not less than seven days before the meeting.

Resolutions  
requiring  
special notice.

116. The following resolutions shall require special notice :

- (1) Resolution under Section 225 of the Act, at an Annual General Meeting appointing as Auditor a person other than a retiring auditor or providing expressly that a retiring auditor shall not be re-appointed;
- (2) Resolution under Section 284 of the Act, removing a Director or appointing somebody in his stead.

### VOTING RIGHTS

Member  
paying any  
moneys in  
advance not to  
be entitled to  
vote in respect  
thereof.

117. A member paying the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

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

118. 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.

Vote of  
members  
holding equity  
shares.

119. Subject to the provisions of Articles 117 and 118.

- (a) every member of the Company holding any Equity Share Capital and otherwise entitled to vote shall on a show of hands when present in person, have one vote.
- (b) every member of the Company holding Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have one vote for each Equity Share of the nominal value of Rs. 10 held by them.
- (c) every member of the Company holding Equity Share Capital and otherwise entitled to vote shall on a poll when present in person or by proxy have voting right in proportion to his share of the paid up Equity Capital of the Company.

Voting Rights  
of preference  
Shareholders.

120. Subject to the provisions of Section 87 of the Companies Act, 1956, the holder of the Preference Shares shall have, in respect of such Preference Shares held by them, the right to vote only on resolutions placed before the Company in General Meeting which directly affect the rights attached to such Preference Shares.

Voting Rights  
of new

121. (1) Subject to the provisions of Article 117 and 118 every member of the Company holding Preference



Share Capital, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any of such dividend has remained unpaid :- preference Shares.

- (i) in the case of Cumulative Preference Shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and
  - (ii) in the case of Non-Cumulative Preference Shares either in respect of a period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of any aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.
- (2) For the purpose of sub-clause (1) hereof, dividend shall be deemed to be due on Preference Shares in respect of any period whether a dividend has been declared by the Company on such shares for such period or not -
- (a) on the last day specified for the payment of such dividend or such period, in any instrument executed by the Company in that behalf; or
  - (b) in case no day is so specified on the day immediately following such period.
- (3) Where the holder of any Preference Share has a right to vote on any resolution in accordance with the provisions of sub-clause (1) hereof, his voting right on a poll, as the holder of such share, shall subject to the provisions of section 89 and sub-section (2) of section 92 of the Act, be in the same proportion as the capital paid up in respect of the Preference share bears to the total paid up Equity Capital of the Company.

122. No member not personally present shall be entitled to vote on a show of hands unless such member is a company or a corporation 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.

123. Votes may be given either personally or by proxy or in the case of a Company or other corporation, by a representative duly authorised as aforesaid.

Proxy permitted.

Instrument of proxy.

124. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or attorney duly authorised by it.

Members entitled to appoint a proxy.

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

Instrument appointing a proxy to be deposited at office.

126. The instrument appointing proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid though authority is revoked.

127. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or the transfer of the share in respect of which the vote is given provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Form of proxy.

128. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form or to the effect :-

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/s of \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ (or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_) as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting/General Meeting not being an Annual General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ and at any adjournment thereof.

SIGNED THIS \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Members entitled to inspect the proxies.

129. Every member entitled to vote at a meeting of the Company or on a resolution to be moved thereat, shall be entitled during the period beginning 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



three days notice in writing of the intention so to inspect is given to the Company.

130. Any person entitled under the Transmission Clause to transfer any shares, may vote in a General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the 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.

Vote in respect of shares of deceased or insolvent member.

131. Where there are joint-holders of any shares, any of such persons may vote at any meeting either personally or by proxy or by agent duly authorised under a power of attorney 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 an agent duly authorised under a power of attorney that one of the said persons so present whose name stands first or higher as the case may be on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by an agent or by proxy stands first or higher in the Register in respect of such share. Several executors or administrators of a deceased member in whose (deceased member's) name any shares stand, shall for purposes of this clause be deemed joint-holders thereof.

Joint holder.

132. A member of unsound mind in respect of whom an order has been made by a Court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy. A member who is minor may vote by his guardian or anyone of his guardians if more than one to be elected in case of dispute by the Chairman of the meeting.

Vote of member of unsound mind.

133. No objection shall be raised to the qualification of any voter except at the meeting or the adjourned meeting at which the vote objected is given or tendered and every vote not disallowed at such meeting, shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Objection to vote.

134. (a) Any member of the Company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
- (b) A proxy shall not be entitled to vote except on a poll.

Proxies.

Custody to instrument of proxy.

135. If such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain permanently and for such time, as the Directors may determine, in the custody of the Company, if embracing other objects, a copy thereof examined with original shall be delivered to the Company to remain in the custody of the Company.

### DIRECTORS

Directors.

136. The number of Directors shall not be less than three or until otherwise determined by a General Meeting, more than twelve, excluding the debenture director or corporation director if any.

Present Directors.

137. The Present Directors of the Company are :-

1. MR. S. K. BANSAL
2. MR. S. M. ARORA
3. MR. SATTAR A. SHAIKH
4. MR. BHARAT V. RAMANI
5. MR. M. R. BANSAL
6. MR. P. N. WAKHLU

Increase in number of Directors to require Govt. sanction.

138. The Company shall not increase the number of its Directors beyond the maximum limit fixed by these presents except in accordance with the provisions of the Act.

Power of Directors to appoint additional Directors/ fill casual vacancy.

139. The Directors shall have power at any time and from time to time to appoint another person as a Director either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any Director appointed to fill a casual vacancy shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated. Any Director appointed as an Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for re-election at such meeting.

Consent of Candidae for Directorship to be filed with the Company and consent to act as Director's to be filed with the Regisrar.

140. (1) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) who is proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as such Director, if appointed.

- (2) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office or an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

141. It shall not be necessary for a Director to hold any share in the Company to qualify for the office of a director.

Qualification of Directors.

142. (a) Subject to the provisions of Section 310 of the Act, each director shall be entitled to be paid out of the funds of the Company by way of remuneration for his services, such sum not exceeding the amount prescribed under that section from time to time as applicable for each meeting of the Board or Committee of the Board, attended by him as may be decided by the Board from time to time. Subject to the sanction of the General Meeting the Directors may in addition to the fee for each meeting attended or in substitution therefor as the Directors may consider expedient distribute as commission such sum not exceeding 1 % of the net profits of the Company computed under the Act, in such manner and in such proportion, as the Directors may in their absolute discretion decide, among some or all non-working Directors of the Company.

Remuneration of Directors.

- (b) in addition to the remuneration payable as above, the Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider fair compensation for travelling, hotel and other expenses properly incurred by him.

- (i) in attending and returning from meetings of the Board of Directors or any Committee or General Meeting of the Company; or
- (ii) in connection with the business of the Company.

143. If any Director be called upon to go or reside out of his usual place of business on the Company's business or otherwise perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts by a fixed sum or

Special Remuneration.

otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Directors may act notwithstanding vacancy.

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

Disqualification of Directors.

145. A person shall not be capable of being appointed as a Director of the Company if :

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and, the finding is in force ;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent or his application is pending;
- (d) he has been convicted by a Court of, any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- (e) he has not paid any call in respect of the shares of the Company held by him, whether alone or jointly with others and six months have elapsed from the last day fixed for the payment of the call, or
- (f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

Office of Director to be vacated.

146. (1) The office of a Director shall become vacant if:

- (a) he is found to be of unsound mind by a Court of Competent jurisdiction; or
- (b) he applies to be adjudged insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

- (e) he fails to pay call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date for the payment of the call unless the Central Government has by notification in the official gazette removed the disqualification incurred by such failure; or
  - (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board, or
  - (g) 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; or
  - (h) he acts in contravention of Section 299 of the Act; or
  - (i) he becomes disqualified by an order of the court under Section 203 of the Act; or
  - (j) he is removed by an ordinary resolution of the Company before the expiry of his period of office, in pursuance of section 284 of the Act, or
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company.
- (2) Notwithstanding anything contained in clause (c), (d) and (i) of sub-clause (1), hereof the disqualification referred to in these 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 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 or the disqualification, until such further appeal or petition is disposed of.

Disclosure of interest of Directors.

147. Every Director of the Company who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in compliance with the requirements of Section 297 and 299 of the Act.

Interested Director not to participate or vote in Board's Proceedings.

148. (1) Save and except as otherwise provided in Section 300 of the Act, No Director or the Company shall, as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into by or on behalf of the Company. if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void.

Board's sanction to be required for certain contracts in which particular Directors are interested.

149. (1) Save as expressly permitted by Section 297 of the Act and except with the consent of the Board of Directors, a Director or his relative a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company.

Duty of Directors to make disclosure.

150. 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, Whole-time Director, Manager or Secretary of the Company who is appointed to or relinquishes, the office of Director, Managing Director, Whole-time, Director, Manager or Secretary of any other body corporate shall within twenty days of his appointment to or as the case may be relinquishment of such office, disclose to the Company the particulars relating to the office in other body corporate which are required to be specified under the provisions of Section 303 of the Act.

Duty of Directors and persons deemed to be directors to

151. 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; shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of

enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board, the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board held next after it is given.

make disclosure of share holdings.

152. Save as otherwise provided in sub-section (2) of Section 295 of the Act the Company shall not without obtaining the previous approval of the Central Government in that behalf directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to or to any other person by -

Loan to Directors.

- (a) any Director of the Company or of the Company which is its holding Company or any partner or relative of any such Director;
- (b) any firm in which such Director or relative is a partner;
- (c) any private company of which any such Director is a Director or member;
- (d) any body corporate at a General Meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such Director or by two or more such Directors together; or
- (e) any body corporate, the Board of Directors, Managing Director; or Manager whereof is accustomed to act in accordance with the directions or instructions of the Board or of any Director or Directors of the Company.

A Director shall for the purposes of this Article include any person deemed to be a Director under the provisions of the Act.

153. (1) Except with the consent of the Company accorded by a Special Resolution in conformity with the provisions of Sec. 314 of Act, where applicable-

Directors not to hold office of profit.

- (a) no Director of the Company shall hold any office or place of profit; and
- (b) no partner or relative of such a Director no firm in which such a Director is a Director or member, and no Director or Manager of such a Private Company shall hold any office or place of profit carrying a total monthly remuneration of such sum as may be prescribed,



except that Managing Director, Manager, or trustees for the holders of debentures of the Company,

- (i) under the Company; or
- (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the company or its holding Company.

Retirement of Directors by rotation.

154. (1) At every Annual General Meeting, 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 among themselves, be determined by lot.
- (3) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (4) 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. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless -
- (i) at the 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

reappointment by virtue of any provision of the Act; or

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

The expression "Retiring Director" in this Article shall mean a Director retiring by rotation.

154. A Mr. Yashovardhan Birla's appointment as a Director, shall not be subject to retirement by rotation

155. (1) No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

Appointment of directors to be voted individually.

(2) A resolution moved in contravention of sub-clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed, no provision for the automatic reappointment of Directors retiring by rotation in default of another appointment as hereinbefore provided shall apply.

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

156. A person who is not a Retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting, only where the express requirements of Section 257 of the Act have been duly complied with to qualify him for being elected to the office of Director.

Right of person other than Retiring Directors to stand for directorship.

The expression "Retiring Director" in this Article means a Director retiring by rotation.

157. (1) The Company may, by ordinary resolution remove a Director before the expiry of his period of office, in accordance with the procedure laid down in Section 284 of the Act.

Removal of Directors.

158. (1) Subject to the provisions of Section 269 of the Act read with Schedule XIII thereof the Director may from time to time appoint one or more of their body to be the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for a term not exceeding five years at a time and may from time to time

Managing Director.

subject to the provisions of any contract between the Company and him or them remove or dismiss him or them from office and appoint another or other in his or their place or places.

- (2) The Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, while he or they continues or continue to hold that office, shall not be subject to retirement by rotation and shall not be taken into account in determining the retirement by rotation or Directors or the number of Directors to retire, but he or they shall be subject to the same provisions as to resignations or removal as the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director or Managing Directors or whole-time Director or Whole-time Directors if he or they ceases or cease to hold the office of a Director for any cause.
- (3) Subject to the provisions of the Act, the remuneration of a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors shall subject to the provisions of any contract between the Company and him or them, be from time to time fixed by the Directors and subject to the provisions of the Act, may be by way of fixed salary or commission and/or in any other mode and may be in addition to the remuneration for attendance of the Board Meetings and any other remuneration which may be provided under any other Articles.
- (4) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Managing Directors or Whole-time Director or Whole-time Directors for the time being such of the powers exercisable by the Directors under these presents or by law, 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 or 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.

Minimum  
Managerial  
remuneration  
in absence or  
inadquacy of  
profits.

159. If in any financial year the Company has no profits or its profits are inadequate, the Company may pay its Directors including the Managing Director or Whole-time Director or its Manager if any or if there are two or more of them holding office in the Company to all of them together by way of minimum

remuneration such sum (exclusive of any fees payable to Directors under Section 309 (2) of the Act) subject to limitations, if any, laid down in the Act or notified by Govt. in terms thereof.

160. The Company shall not pay to any officer or employee thereof, whether in his capacity as such or otherwise, remuneration free of any kind of income tax including super tax or otherwise calculated by a reference to, or varying with, any tax payable by him, or the rate or standard rate of any such tax, or the amount thereof unless the provisions of the Act or the Rules and Regulations notified thereunder shall expressly so permit.

No tax free payment.

161. The Company shall not appoint or employ any person as Managing Director if he is either the Managing Director or the Manager of any other Company except as hereinafter provided. The Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one and of not more than one other Company (including a private Company which is not subsidiary of a public Company) provided that such appointment or employment is made or approved by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting and of which meeting and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India.

No person to be appointed Managing Director of more than two Companies.

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

Certain persons not to be appointed Managing or whole-time Director.

163. No Managing Director/ Whole time Director shall be appointed for a term exceeding five years at a time but he may be reappointed, re-employed or his term of office may be extended by further period not exceeding five years on each occasion. Provided, that such reappointment, re-employment or extension shall not be sanctioned earlier than two years from the date from which it is to come into force.

Term of a Managing Director.

164. (1) Where the Company-

- (a) enters into a contract for the appointment of a Manager or Managing Director of the Company, in which contract any Director of the Company is in any way, whether directly or indirectly, concerned or interested;
- (b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid;

the Company shall comply with the provisions of Section 302 of the Act in that behalf.

Disclosure to Member of Director's interest in contract appointing Manager, Managing Director.

### **ALTERNATE DIRECTOR**

Alternate  
Director.

165. The Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called the Original Directors) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate director shall not be bound to hold any qualification shares. An Alternate director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which Meetings of the Board are ordinarily held. If the term of the office of the Original Director is determined before he so returns to the State aforesaid any provision for the automatic reappointment of a retiring Director in default of another appointment shall apply to the original and not the Alternate Director.

### **SPECIAL DIRECTOR**

Special  
Director.

166. (1) So long as Melstar Exports and Technologies Private Limited (hereinafter referred as Melstar Exports) and/or its holding or subsidiary or associate companies, singly or in the aggregate, hold 20% or more of the paid up equity capital of the Company, Melstar Exports shall have the right by a notice in writing addressed to the Company to appoint one Director herein referred to as "Special Director" and likewise to remove the person so appointed and to appoint another to fill the resulting vacancy being caused in such office otherwise by resignation death, incapacity etc. of the incumbent holding the office. Such special Director shall not be liable to retirement by rotation.

(2) Mr. S. K. Bansal shall be the first "Special Director" in terms of this Article.

### **CORPORATION OR NOMINEE DIRECTOR**

Corporation  
or nominee  
Director.

167. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Public Financial Institution or any other Company or body (hereinafter in this Article referred to as "the Corporation") continues to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company a result of underwriting or direct subscription or so long as any liability of the Company arising out of any loans granted or any guarantee furnished by the Corporation on behalf of the company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any other person or persons in his or their places.

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

Any such Director shall ipso facto vacate such office immediately the money owing by the Company to the Corporation is paid off or of the corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings, the corporation shall also be entitled to receive all such notices and minutes.

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

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

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

#### **PROCEEDINGS OF DIRECTORS**

168. (a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings or proceedings as they think fit.

Proceedings  
of Directors.

- (b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.
- (c) A Director, may and the Manager or Secretary n the requisition of a Director, shall at any time summon a meeting of the Board.

Notice of Meetings.

169. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.

Quorum for a Board Meeting.

170. (a) The quorum for a meeting of Directors shall be one-third of the total strength of Directors (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors exceeds or is two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.

(b) For the purpose of sub-clause (a)

- (i) 'total strength' means the total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducting therefrom the number of the Directors if any, whose place may be vacant at the time; and
- (ii) 'interested Directors' means any Director whose presence cannot by reason of Section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Decision on Questions.

171. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

Chairman of the Board.

172. The Special Director appointed under Article 168 shall be the permanent Chairman of the Board. If at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present, may choose one of their number to be the Chairman of the meeting.

Power of quorum.

173. A meeting of the Directors of which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations, of the Company for the time being vested in or exercisable by the Directors generally.



174. The Directors may, subject to the provisions of the Act and these Articles, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Directors. The meetings and proceedings of any such committee consisting of two or more members, shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under this Article.
- Power to appoint Committee and delegate.
175. The Directors may from time to time subject to the provisions of the Act fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board and may pay the same. Any such remuneration shall be in addition to the fee for attending meetings of the Committee under Article 142.
- Remuneration of the Committee.
176. All acts done by any meeting of the Directors of a Committee or committees of Directors, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of one or more such Directors or of any person acting as aforesaid, or that they or any of them were or was disqualified, or that of such appointments had terminated by virtue of any provision contained in the Act or in the Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and as if his appointment had not been terminated. Provided that nothing herein contained shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
- Acts of Directors Committee valid.
177. No resolution shall be deemed to have been duly passed by the Directors or by a Committee thereof by circulation, unless the resolution has been circulated, in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India, (not being less in number than the quorum fixed for a meeting of the Directors or Committee as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.
- Passing of resolution by Circular.
178. (1) Subject to the provisions of the Act and these Articles the Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or Articles of
- General Power of the Board.

Association of the Company or these presents or otherwise to be exercised or done by the Company in General Meeting Provided further that in exercising any such power or doing any such act or thing the directors shall be subject to the provisions contained in this behalf in the Act or in any other Act or in the Memorandum or Articles of Association of the Company or in any regulations not inconsistent therewith and duly made thereunder, including, regulations made by the Company in General Meeting.

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

Certain powers to be exercised by Directors only at meeting.

179. Save and except as otherwise provided in Section 292 of the Act, the Board of Directors shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Directors.

- (a) the power to make calls on shareholders in respect of moneys unpaid on their shares;
- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company; and
- (e) the power to make loans;

Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, the Whole-time Director, Manager, Secretary or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the Branch office of the Company, the powers (1) to borrow moneys otherwise than on debentures (2) to invest the funds of the Company and (3) to make loans to the extent specified in the resolution.

Restrictions on powers of Directors.

180. (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 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 payment 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) hereof or of any premises or properties used for any such undertaking and without which such undertaking cannot be carried on or can be carried on only with difficulty or only after a considerable time;
  - (d) contribute to charitable and other funds nor directly relating to the business of the Company of the welfare of its employees any amounts the aggregate of which will in any financial year exceed Rs. 50,000/- or five per cent of
  - (e) its average net profits as determined in accordance with the provisions of Section 349 and 350 of the act during the three financial years immediately preceding whichever is greater.
- (2) Any resolution passed by the Company permitting any transaction referred to in clause (a) of sub-clause (1) hereof may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal of investment of the sale proceeds which may result from such transaction.
  - (3) Every resolution passed by the Company in General Meeting in exercise of power referred to in clause (d) of sub-clause (1) hereof shall specify the total amount upto which moneys may be contributed by the Board of Directors to charitable and other funds in any financial year.

### **BORROWING POWERS**

181. Subject to the provisions of Section 292 and 293 of the Act the Board of Directors may from time to time at their discretion and by means of resolutions passed at their meetings accept deposits from members either in advance of calls or otherwise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however that where the moneys to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the Company and its free reserves that is to say, reserve not set apart for any specific purpose, the Directors shall not borrow such moneys without the consent of the Company in General Meeting. Every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount upto which moneys may be

Power to Borrow.

borrowed by the Board of Directors. No debt incurred by the Company in excess of the limit imposed by this clause shall be valid for effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Articles has been exceeded.

Conditions on which money may be borrowed.

182. The Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. The Directors shall exercise such power only by means of resolutions passed at their meetings and not by circular resolutions.

Securities may be assignable free from equities.

183. 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.

Debentures.

184. Any debenture, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending (but not voting) at General Meetings of the Company, appointment of Directors and otherwise provided however that no debentures with the right to conversion into or allotment of shares shall be issued except with the consent of the Company in General Meeting.

Mortgage of uncalled capital.

185. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors may, by instrument under the Company's Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to take calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls, shall mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors powers or otherwise and shall be assignable if expressed so to be.

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

#### **POWERS OF DIRECTORS**

Powers of Directors.

187. Without prejudice to the general powers conferred by Article 181 and the other powers conferred by these Articles but

subject however to the provisions of the Act and the restrictions imposed by article 182 it is hereby expressly declared that the Directors shall have the following powers:-

- (1) To have official Seal for use abroad;
- (2) To keep a foreign register in accordance with the provisions of the Companies Act, 1956,
- (3) To purchase or otherwise acquire any lands, buildings machinery premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company.
- (4) To Purchase, take on lease, for any term or terms of years, or otherwise acquire any mills or factories or any land or lands without or with buildings and outhouses thereon situate in any part of India, at such price or rent, and subject to such terms and conditions as the Directors may think fit; and in any purchase lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (5) As their discretion to pay for any property right or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon' and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company, its uncalled capital or not so charged;
- (6) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such manner as they may think fit;
- (7) To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed;
- (8) To appoint any person or persons (whether incorporated or not incorporated) 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 purpose 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 trustees;

- (9) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or allow time for payment or satisfaction of any debts due and of claims or demands by or against the company to arbitration and observe and perform any awards made thereon. Provided however that nothing herein contained shall empower the Directors to remit or give time for the repayment of any debt due to a Director without the consent of the Company in General Meeting.
- (10) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (11) To make and give receipts, releases and other discharges for moneys or properties payable or discharges to the Company and for the claims and demands of the Company.
- (12) To invest and deal with any moneys of the Company not immediately required for purpose thereof upon such security or without security and in such manner as they think fit and from time to time to vary such investments. Provided however that nothing herein contained shall empower the Directors without the consent of the Company in General Meeting, to invest otherwise than in trust securities, the amount of compensation recovered by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-section (1) (c) of Section 293 of the Act, or 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;
- (13) To open current, overdraft, cash and fixed deposit accounts with any bank, company, firm for individual and to operate thereon;
- (14) 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 whether as principal or surety for the benefit of the Company, such mortgage of the company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (15) To determine from time to time who shall be entitled to sign on the Company's behalf, bills notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and

documents and to give the necessary authority for such purposes;

- (16) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company;
- (17) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds, for the benefits 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 institution, 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 payment to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;
- (18) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children, or dependents that may appear to the Directors just or proper, whether such employee or his widow, children or dependents have or have not a legal claim upon the Company;
- (19) Not without the consent of the Company in General Meeting to 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 rs.50,000/- (Rupees Fifty thousand ) or five per cent 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;
- (20) Before recommending any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such



pension, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;

- (21) Before recommending any dividend, to set aside out of the profit of the Company such sums as they may think proper for depreciation or to Depreciation Fund, Insurance Fund, Reserve Fund, General Reserve or Sinking Fund, Development Rebate Reserve, Statutory Development Reserve, Reserve or any Special fund to meet contingencies, or to repay debentures or debenture stock or for special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, as the Directors may, in their absolute discretion think conducive to the interest of the Company with power from time to time to transfer moneys standing to the credit of any other Funds; and to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time 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 purpose as the Directors, in their absolute discretion, think conducive to the interest of the Company and to divide the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets. If the assets constituting any of the above funds are employed in the business of the Company the Directors may pay or allow to the credit of such funds interest at such rate as the Directors may think proper but not exceeding 15 per cent per annum.
22. To appoint and at their discretion remove or suspend such managers, secretaries, officers, technicians, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such

manner as they think fit; and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;

23. From time to time and at any time to establish a Local Board for managing any of the affairs of the Company in any specified locality in India or out of India to appoint any person to be members of such Local Board and to fix their remuneration and at any time and from time to time to delegate subject to the provisions of Section 292 of the act to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their powers to make calls and to issue debentures and to authorise the members for the time being of any such Local Board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul and vary any such delegation;
24. At any time and from time to time, by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the attorney or 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 may, if the Directors think fit, be made in favour of the members, or any of the members of any local Board established as aforesaid or in favour of any company or the member, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors and any such Power of Attorney may contain such powers for the protection or convenience of person 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.
25. For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter in to all such negotiations and contracts, and

rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they any think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly also to insure all or any part of the goods, produce, machinery and other articles imported or exported by the Company and to insure loss of profit and standing charges and to insure retrenchment compensation and lay-off liabilities and to insure accidental insurance on all the employees of the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
27. Subject as hereinabove provided to subscribe or contribute or authorise 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.

### **MANAGEMENT OF BUSINESS**

General Management in the hands of Managing Director and/ or whole time Director.

188. The general management of the business of the Company subject to the provisions of the Act and subject to the superintendence, control and directions of the Directors shall be with the Managing Director and/or Whole-time Director, and/or any other officer appointed by the Board for the purpose.

Agreement relating to Managing Director and/ or Whole-time Director to be filed with the Registrar.

189. Printed or typewritten copy of any resolution of the Board of Directors of the Company or the agreement relating to the appointment, re-appointment or renewal of the appointment of the Managing Director and/or whole-time Director varying the terms of any such agreement, executed by the Company and duly certified under the signature of any officer of the Company shall be filed with the Registrar of Companies within thirty days after the meeting thereof, as required by section 192 of the Act,

Authority of Managing Director and/ or whole-time Director.

190. Subject to the General supervision control and direction of the Board and subject as hereinabove provided the Managing Director and/or whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have power and authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents and to do all other acts and things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct,

defend, compromise, refer to arbitration and abandon legal and other proceedings claims and disputes in which the Company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians, engineers, brokers, lawyers, clerks, workmen, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration or otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions as they shall think proper.

191. The Managing Director and/or whole-time Director shall have power to open current, overdraft, cash credit or fixed deposit accounts with any bank, company, firm or individual and to operate thereon. The Managing Director and/or Whole-time Director shall also have power to sign cheques on behalf of the Company and to operate on all banking accounts of the Company and to sign and endorse cheques, interest, warrants, dividend warrants and other instruments payable to the Company and to recover and receive interest and dividend on shares and securities belonging to the Company.

Power to open Bank A/cs and to sign cheques.

192. Receipts signed by the Managing Director and/or Whole-time Director for any moneys or property received in the usual course of business of the Company or for any moneys, goods or property lent or payable or belonging to the Company shall be effectual discharge on behalf of and against the Company for the moneys, funds or property which such receipts shall acknowledge to have been received and the person paying any such moneys shall not be bound to see to the application or be answerable for any misapplication thereof.

Receipts and cheques.

193. The Managing Director and/or Whole-time Director shall have power to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them and in particular from time to time to provide by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

Managing Director and/or whole-time Directors to have power to delegate.

#### **LOANS TO COMPANIES UNDER THE SAME MANagements**

194. (1) Subject to the provisions of Section 370 of the Act, the Company shall not make any loan to or give any guarantee or provide any security, in connection with a loan made by any other person to, or to any other person by, any body corporate which is under the management, as the Company, as defined in the said section unless the making of

Loans to Companies under the same management.

such loan, the giving of such guarantee or the provision of such security has been previously authorised by a Special Resolution of the Company; other requirements of the Act in that behalf are duly complied with.

- (2) Nothing contained in the foregoing shall apply to-
  - (a) any loan made by a holding company of the Company to the Company and
  - (b) Any guarantee given of security provided by such holding Company in respect of any loan made to the Company.

### INVESTMENT

Purchase by  
the Company  
of shares  
etc. of other  
Companies.

195. Subject to the provisions of Section 372 of the Act, the Company shall be entitled to subscribe for, or purchase (whether by itself, or by any individual or association of individuals in trust for it for its benefit or on its account) the shares of any other body corporate to the extent and in accordance with the restrictions and conditions specified in the Section or notified by Govt. in terms thereof.

### MINUTES

Minutes.

196. (1) The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors to be kept by making within thirty days of the conclusion of every such meetings concerned, entries, thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such books shall be initialed or signed and the last page of the record or proceedings of each meeting in such book shall be dated and signed-
    - (a) in the case of minutes of proceedings of a meeting of the Board by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
    - (b) in the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
  - (3) In no case the minutes of proceedings of meeting shall be attached to any such books as aforesaid by pasting or otherwise.

- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
  - (a) the names of the Directors present at the meeting; and
  - (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (7) Nothing contained in sub-clause (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting-
  - (i) is or could reasonably be regarded as defamatory of any person;
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interests of the Company.

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

197. Minutes of the meetings kept in accordance with the provisions of Article 196 shall be evidence of the proceedings recorded therein.

Minutes to be evidence.

198. Where minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a committee of the Board have been kept in accordance with the provisions of Article 196 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 made at the meeting shall be deemed to be valid.

Presumption to be drawn where minutes duly drawn and signed.

199. (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 shall be open to inspection of any member without charge on each working day between the hours to be fixed by the Directors from time to time.

Inspection of minutes books of General Meeting.

- (2) Any member of the Company 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 sub-clause (1) hereof on payment of 37 paise for every one hundred words or fractional part thereof required to be copied.

Publication of the reports of proceedings of General Meetings.

200. 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 matters required by Article 196 hereof to be contained in the Minutes of the proceedings of such meeting.

### THE SECRETARY

The Secretary.

201. The Directors may from time to time appoint, and at their discretion, remove any individual to perform any functions which by the Act or by these presents, are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company.

### SEAL

The seal, its custody and use.

202. 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 they shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Directors or a committee of the Directors and in the presence of at least one of them.

Execution of Deeds.

203. Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney of the Company be signed by one director in whose presence it shall have been affixed and shall be countersigned by the Secretary of the Company or any other person authorised by the Board in that behalf.

### ACCOUNTS

Books to be kept by the Company.

204. (1) The Company shall keep at its Head Office proper books of account with respect to -
- (a) all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place;
  - (b) all sales and purchases of goods by the Company;
  - (c) the assets and liabilities of the Company



- (d) such particulars relating to utilisation of material or labour or other items of cost as may be prescribed by Section 209 (d) of the Act.

All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) If proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its Head Office or other place referred to in clause (1).
- (3) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (4) The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relative to any entry in such books of account shall be preserved in good order.
- (5) The books of accounts and other books and papers of the company shall, subject to the provisions of Section 209A be open for inspection during business hours.
- (i) by the Registrar; or
- (ii) by such officer of government as may be authorised by the Central Government in this behalf without any previous notice to the Company or to any office thereof.
205. (1) The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to inspection of members not being Directors. Inspection by members.
- (2) No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by

law or authorised by the Board or by the Company in General Meeting.

Annual Accounts & Balance Sheet to be furnished.

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

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

207. (1) The Company shall within thirty days from the date on which the Balance Sheet and Profit and Loss Account have been laid before the Company at the Annual General Meeting or where the Annual General Meeting for any year has not been held, within thirty day from the latest day on or before which that meeting should have been held in accordance with the provisions of the Act file with the Registrar of Companies three copies of the Balance Sheet and the Profit and Loss Account, signed by the Managing Director, Manager, Secretary of the Company, or if there be none of these by a Director of the Company, together with three copies of all documents which are required by the Act to be annexed or attached to such Balance Sheet or Profit and Loss Account.

(b). If any Annual General Meeting of the Company before which the Balance Sheet is laid as aforesaid does not adopt the Balance Sheet or if the Annual General Meeting of the Company for any year has not been held a statement to that effect and all the reasons therefor shall be annexed to the Balance Sheet and to the copies thereof required to be filed with the Registrar of Companies.

#### AUDIT

Appointment of Auditors.

208. For the purpose of audit of its Accounts, the Company shall appoint Auditors whose rights, privileges and duties shall be regulated in accordance with the provisions of Sections 224 to 233 of the Act.

Conclusiveness of A/c.

209. Every account when audited and approved at a General Meeting shall be conclusive except as regards any error discovered therein within 3 months next after the approval thereof. When any such error is discovered, the account shall be corrected and shall henceforth be conclusive.

#### DIVIDEND

Dividends.

210. (a) Subject to the provisions of the Act and these Presents and subject to the right of persons entitled to shares with special rights as to dividend, the profits of the Company which it shall from time to

time be determined to distribute as dividends, shall be divisible amongst the members in proportion to the capital paid up or credited as paid up on the shares held by them.

- (b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this clause as paid on the share.
- (c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

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| 211. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment.  | Declaration of dividends.                               |
| 212. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.  | Restrictions on amount of dividend.                     |
| 213. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company.  | Dividend out of profits only and not to carry interest. |
| 214. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.  | Declaration of Directors as to net profit conclusive.   |
| 215. The Directors may from time to time pay to the members such interim dividends, as in their judgement the position of the Company justifies.   | Interim Dividend.                                       |
| 216. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.  | Debts may be deducted.                                  |
| 217. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call. The making of a call under this clause shall be deemed ordinary business of an Ordinary General Meeting which declares a dividend. | Dividend and call together.                             |

Effect of transfer. 218. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Retention in certain cases. 219. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause Article No.46 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

Payment by post. 220. No dividend shall be payable except in cash. A dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the member entitled to the payment of the dividend or in the case of joint holders to the registered address of that one of the joint holders which is the first named on the Register of Members or to such person and to such address as the member or the joint holders may in writing direct, and every 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 responsible or liable for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

Notice of dividend. 221. Notice of the declaration of any dividend whether interim or otherwise shall be given to the holder of registered shares in the manner hereinafter provided.

Dividend to be paid within forty two days. 222. The Company shall pay the dividend or post the cheque or warrant in respect thereof to the shareholders entitled to the payment thereof within forty two days from the date of the declaration of dividend except:

- (a) where the dividend could not be paid by reason of the operation of any law;
- (b) where member has given directions to the Company regarding the payment of the dividend and these directions cannot be complied with;
- (c) where there is a dispute regarding the right to receive the dividend.
- (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the member;
- (e) where for any reason, the failure to pay the dividend or to post the warrant within the aforesaid period was not due to any default on the part of the Company.

223. As regards all dividends unpaid or unclaimed the Company shall comply with the provisions of Section 205A of the Act. Unclaimed dividend.

#### CAPITALISATION

224. (1) Any General Meeting may upon the recommendation of the Directors, resolve that any moneys, investments or other assets forming part of the undividend profits of the Company standing to the credit of the Profit & Loss Account or any capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised funds shall not be paid in cash but shall be applied subject to the provisions contained in clause (2) hereof on behalf of such member either in or towards. Power to Capitalise.
- (a) paying up any amounts for the time being remaining unpaid on any share held by such members respectively; or
  - (b) paying up in full the unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportions aforesaid; or
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

and that such distribution or payment shall be accepted by such members in full satisfaction on their interest in the capitalised sum.

- (2) (a) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of Share Premium Account.
- (b) if the Company shall have redeemed any Redeemable Preference Shares, all or any part of any Capital Redemption Fund arising from the redemption of such shares;

may by resolution of the Company be applied only in paying up in full or in part any new share or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve up to an amount equal to the nominal amount of the shares so issued.

- (3) Any General Meeting may resolve that any surplus money's arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge to income tax be distributed among the members on the footing that they receive the same as capital.
- (4) Where such as resolution under this Article shall have been passed, the Board shall-
  - (a) make all appropriations and applications of the undivided profit resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and
  - (b) generally do all acts and things required to give effect thereto.
- (5) The Board shall have full power:
  - (a) To make such provisions by the issue of fractional certificate or by payment in cash or otherwise as it think fit, in the case of shares or debentures becoming distributable in fractions and that fraction of less value than Re.1 may be disregarded and also;
  - (b) To authorise, any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment of the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised, or the amounts or any parts of the amounts remaining unpaid on their existing shares and may vest any such cash or specific assets in trustees upon the trust for the person entitled to the dividend or capitalised fund as may seem expedient to the Board.
- (6) Any agreement made under such authority shall be effective and binding on all such members.

225. A notice shall be deemed to include and shall include any summons, notice, requisition, order, other legal process and registers, whether issued, sent or kept in pursuance of the Act or any other Act or otherwise.

Notices.

226. (1) A notice may be served by the Company on any member thereof either personally or by sending it by post to him at 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 giving of notices to him.

Service of documents on members by Company.

(2) Where notice is sent by post:-

- (a) service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents or notice 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 or notice shall not be deemed to be effected unless it is sent in the manner mentioned by the members; 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 neighborhood 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 holders of a share by serving it on the joint holder named first in the Register 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 prepaid letter addressed to them by name or by the title of representative of the deceased or assignees of the insolvent or by the 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 notice in any manner in which it might have been served if the death or insolvency had not occurred. Provided that where the notice of meeting is given by advertising the same in a newspaper circulating in the neighborhood of the Registered Office of the Company under clause (3) hereof the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by the Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

- (6) The signature to any documents or notice to be given by the Company may be written, printed or lithographed.

Service of documents on the Company.

227. A letter or any other communication or a document 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 personally against proper acknowledgment.

Service of documents on Registrar.

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

Authenti- cation of documents and proceedings.

229. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Whole-time Director, the Manager, the Secretary or other authorised officer of the Company and need not be under the common seal of the Company.

## REGISTERS

Registers.

230. The Company shall keep and maintain such Registers and other records as are required by the provisions of the Act and/or the Rules made thereunder.

## WINDING UP

Distribution in specie on winding up.

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

232. For the purpose aforesaid the Liquidator may set such value as he deems fair upon every property to be divided as aforesaid and may determine how much divisions can be carried out as between the members or different classes of members.

Value.

233. The Liquidator may with the like sanction vest the whole or any part of such assets in trustees for the benefit of the contributories as the Liquidator with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Vesting in Trustees.

### INDEMNITY

234. Subject to the provisions of the Companies Act, 1956 every Director, Manager, Managing Director, Whole-time Director or other officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Managing Director, Whole-time Director, Officer or Auditor 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.

Indemnity.

235. Subject to the provisions of the Companies Act, 1956 no Director, Auditor 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 the insufficiency or deficiency of title to any property acquired by order of the Directors for and 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 tortious act of any person firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless same shall happen through his own dishonesty.

Individual responsibility of Directors.

### SECURITY CLAUSE

236. Every Director, Manager, Secretary, Auditor, Treasurer, Trustee Member of a Committee, Officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors

Secrecy.

or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions herein contained.

237. 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 or to require discovery of any information respecting any details of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, may not be expedient in the interests of the members of the Company to communicate to the public.

#### **GENERAL POWER UNDER THE ACT**

238. Where in the Companies Act, or by any subsequent amendment or re-enactment thereof (including an amendment or new insertion which may have the effect of rendering any of the provisions of these presents restrictive in scope or application) it has been provided that any Company shall have any right, privilege or authority or that a company cannot carry out any transaction unless it is so authorised by its Articles, then and in that case this Article hereby authorises and empowers this Company to exercise such right, privilege or authority and to carry out such transactions as have been permitted by the Companies Act, or by any subsequent amendment or reenactment thereof without the Company being required to effect any consequential amendment of any existing provision or to insert or incorporate herein any other specific Article in that behalf.

**ANNEXURE**

(Ref.Article 3)

**NAME LICENCE AGREEMENT**

THIS AGREEMENT made this 2nd day of May One thousand Nine hundred Ninety four between MELSTAR Exports & Technologies Private Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at Melstar House, G-4, MIDC Industrial Area, Andheri (East), Bombay 400 059, (hereinafter referred to as “ MELSTAR EXPORTS” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns) of the One part and MELSTAR Information Technologies Ltd., a Company incorporated under the Companies Act, 1956, and having its Registered Office at Unit No.35, SDF-II, SEEPZ, Andheri (East), Bombay 400 096, (hereinafter referred to as “The Licensee Company” which expression shall unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns) of the Other Part.

**WHEREAS**

- a) MELSTAR Exports is engaged in the business of marketing and export of a wide range of products throughout world under its corporate name, trade name or trading style of or incorporating the names or words “MEL” or “MELSTAR” with or without the mark “\*”.
- b) The Licensee Company is a subsidiary of MELSTAR Exports and is carrying on the business of manufacture of diversified products in India.
- c) MELSTAR Exports has granted to the Licensee Company the licence and right to use the names and/or words and/or letters “MEL” or “MELSTAR” with or without the mark “\*” as part of its corporate name and/or trade name and/or trading style.
- d) MELSTAR Exports has agreed to permit the Licensee Company to continue to use the aforesaid name and/or the words and/or letters with or without the mark “\*” as a part of its corporate name and/or trade names and/or trading style upon and subject to the terms, provisions and conditions hereinafter appearing.

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

1. For the purposes of this Agreement, MELSTAR Exports shall include any Company, body corporate in or with which MELSTAR Exports amalgamates or merges and/or any subsidiary, parent, associate, affiliate or assigns of MELSTAR Exports amalgamates or merges and/or such company or body corporate in or with which any subsidiary, present, associate, affiliate or assigns of MELSTAR Exports as aforesaid amalgamates or merges.
2.
  - a. MELSTAR EXPORTS hereby grants to the Licensee Company the licence and rights to continue to use the names and/or words and/or letters "MEL" or "MELSTAR" with or without the mark "\*" as a part of its corporate name and/or trade name and/or trading style (hereinafter collectively referred to as "the said names, words letters and "star" subject to the terms and provisions of this Agreement.
  - b. The licence and right granted by MELSTAR Exports to the Licensee Company under sub-clause (a) hereof is restricted to the territories for the time being comprising the Union of India and shall not extend beyond such territories except with prior consent in writing of MELSTAR Exports.
3. The Licensee Company hereby acknowledges and agrees that by continuing to use the said names, words and letters as a part of its corporate name/or trade name and/or trading style, it does not and shall not, nor shall it be deemed to, acquire at any time hereafter (whether by lapse of time or on payment of any money or otherwise howsoever) any right, title or interest (other than the bare licence and right to continue to use the said names, words letters and star) in and to any of the said names, words and letters or any combination thereof in any language, script or alphabet, either as a corporate name, trade name and/or trading style or otherwise howsoever and the Licensee Company hereby agrees and undertakes that it shall not assert any right, title or interest in or to any or all of the said names, words and letters or any combination thereof in any language, script or alphabet adverse to that of MELSTAR Exports or take any action which shall or may impair any right, title or interest thereto or therein adverse to that of MELSTAR Exports.
4. Notwithstanding anything to the contrary herein contained:
  - a. MELSTAR Exports shall be entitled, at its sole discretion to terminate this Agreement at any time by giving the Licensee Company 90 days notice in writing in that behalf without assigning any reason;

- b. MELSTAR Exports shall be entitled, at its sole discretion to terminate this Agreement by written notice addressed to the Licensee Company forthwith upon the happening of all or any of the following events:
- (i) MELSTAR Exports ceasing to hold at least twenty per cent of the paid up equity share capital of the Licensee Company;
  - (ii) The Licensee Company making any arrangement or composition with the general body of its creditors or having a winding-up order passed against it or going into liquidation, voluntary or otherwise, other than for the purpose of amalgamation or reconstruction;
  - (iii) The Licensee Company committing a breach of any of the terms or conditions of this Agreement;
  - (iv) The enactment of any legislation, regulation, ordinance, or other notification by the Government of India or any other Central, State, Municipal or Local authority which has the effect of, or results in, any or all of the shareholders of the Licensee Company being deprived of their shares in the Licensee Company;
  - (v) The Licensee Company disposing of or being required to dispose of or being deprived of the whole or substantially the whole of its assets, business or undertaking;
  - (vi) The Licensee Company being nationalised or being otherwise acquired or taken over by the Government, Central or State or by Government Company or statutory corporation.
5. Upon the termination of this Agreement for any reason whatsoever, the Licensee Company shall, as soon thereafter as possible but in any event not later than 120 days from the date of termination;
- a. discontinue altogether the use of the said names, words letters and star or any combination thereof in any language, script or alphabet in relation to or in connection with the activities of the Licensee Company or its business or trading for any purpose whatsoever as a part of its corporate or trade name or trading style and shall not use or employ any names or words or expressions or devices closely similar in sound, appearance or meaning to the said names, words, letters and the star as may be likely to cause confusion or to

detract from or adversely affect the right, title or interest of Melstar Exports therein or thereto; and

- b. change or procure to be changed its corporate name and/or trade name and/or trading style in such a manner as to delete or omit therefrom the said names, words and letters or any combination thereof and to this end the Licensee Company shall take all steps requisite or necessary under the law applicable in that behalf.
6. With a view of effectuating and implementing the terms and conditions of this Agreement, the Licensee Company shall incorporate substantially the provisions of Clause 2 thereof in its Memorandum and Articles of Association.
7. Upon the termination of this Agreement for any reason whatsoever, the Licensee Company shall return to MELSTAR Exports all material, documents or other articles and effects supplied or made available by MELSTAR Exports to the Licensee Company in pursuance of this Agreement. The Licensee Company shall not retain any copies or re-productions of any of the foregoing or make any extracts from any such documents aforesaid and for this purpose MELSTAR Exports shall be entitled to depute a representative to the offices and/or plants of the Licensee Company for the purpose of ensuring full compliance by the Licensee Company with the provisions of this Clause.

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

Signed for and on behalf of the above named  
MELSTAR Exports & Technologies Private Limited.  
by Mr. S. K. Bansal  
Chairman

in the presence of Mr. B.V. Ramani

Signed for and on behalf of the above named  
MELSTAR Information Technologies Limited.  
by Mr. S. M. Arora  
Director

in the presence of Mr. S. A. Sattar



**SPECIAL RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 2ND MAY 1994.**

**1. Increase of Authorised Capital :**

Resolved that the Authorised Capital of the Company be and is hereby increased from Rs.50,00,000 (Rupees Fifty Lacs only) divided into 10,000 (Ten (Thousand only) Equity Shares of Rs.500 (Rupees Five Hundred only) each to Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.

**2. Alteration of Articles of Association :**

The Capital of the Company is Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lacs) Equity Shares of Rs.10/- (Rupees ten) each.

**3. Increase of Issued Capital - Issue of Bonus Shares :**

- A. Resolved that the Issued and Paid-up Capital of the Company be and is hereby increased from Rs.40,50,000 (Rupees Forty Lakhs Fifty Thousand only) divided into 4,05,000 (Four Lakhs Five thousand only) Equity Shares of Rs.10/- (Rs.Ten) each to Rs.1,21,50,000 (Rupees One Crore Twenty one Lacs, Fifty Thousand only) by the issue of new 8,10,000 (Eight Lakh, Ten Thousand) Equity Shares of Rs.10/- (Rupees Ten) each as fully paid-up Bonus Shares on capitalisation of a sum of Rs.81,00,000 (Rupees Eighty-one Lacs only) out of the amount standing to the Credit of General Reserve as at 31.3.93 and transfer of the said sum of Rs.81,00,000 (Rupees Eighty-one Lacs only) from the General Reserve to the Equity Share Capital account to be applied on behalf of persons who are holders of the existing Equity Shares of the Company as on 2.5.94 in payment in full for 8,10,000 (Eight Lac Ten Thousand) new Equity Shares of Rs.10/- (Rupees Ten only) each to be then issued by the Board of Directors and credited as fully paid up and accordingly allotted and distributed as Bonus Shares in the proportion of TWO such new Equity Shares for each ONE of the existing 4,05,000 (Four Lac Five Thousand) Equity Shares to be held by such persons upon the footing that they become entitled thereto for all purposes as Capital and not as Income and that the new Equity Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such person and not as Income.
- B. The aforesaid 8,10,000 (Eight Lac Ten Thousand) new Equity Shares to be issued and allotted as fully paid Bonus Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company.

- C. Barring unforeseen circumstances, it is the Management's intention to declare a Dividend on the increased Equity Capital for the Financial year in which the Bonus Issue is made, at a rate not below 10% of the Paid up Value of the Equity Share.
- D. The Board of Directors of the Company be and are hereby authorised to take such steps, actions and to do such things as they consider expedient, necessary or desirable for giving effect to these Resolutions and to settle any questions or difficulties whatsoever that may arise with regard to the issue and distribution of the said new Equity Shares as Bonus Shares.

**4. Conversion of the Company into Public Limited Company.**

Resolved that the Company be and is hereby converted into a Public Limited Company as defined in the Companies Act, 1956 and that the word "Private" be and is hereby deleted from the name of the Company in the Memorandum and Articles of Association of the Company wherever it occurs.

Further Resolved that Article 4 of the Articles of Association of the Company together with the heading "Private Company" be and is hereby deleted.

**5. Adoption of fresh set of Articles of Association:**

Resolved that the Articles of Association submitted to this meeting and initialled for the purpose of identification by the Chairman hereof be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

**6. Further Issue of Capital:**

Resolved that pursuant to the provisions of Sec. 81 (1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company issuing 3,85,000 (Three Lacs Eighty Five Thousand only) Equity Shares of Rs.10/- (Rupees Ten only) each at such Premium as the Board may consider expedient to such person or persons whether or not existing Share Holders of the Company, Financial Institutions, Limited Companies, Non-Resident Indians, Foreign Financial Investors etc. etc. in such manner as they may deem fit and proper.

Provided that the Board of Directors shall have liberty and freedom to decide to issue such lower number of Shares instead of the aforesaid 3,85,000/- (Three Lacs Eighty Five Thousand only) Shares as they may in the overall interest of the Company consider expedient.

Resolved further that the said Shares when issued shall rank pari passu in all respects with the existing Shares of the Company.

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do such acts, deeds and things

as deemed necessary and expedient for the purpose of giving effect to this Resolution.

**SPECIAL RESOLUTION PASSED AT THE SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 30TH SEPTEMBER 1994**

**1. Special Resolution - Further Issue of Capital :**

Resolved that in supersession of the Special Resolution passed at the Extraordinary General Meeting of the Company held on 2nd May, 1994 on the subject and in pursuance of the provisions of Section 81 (1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company issuing 7,85,000 (Seven Lacs Eightyfive Thousand only), Equity Shares of Rs.10/- (Rupees Ten only) each at such Premium as the Board may consider expedient to such person or persons whether or not existing Shareholders of the Company, Financial Institutions, Limited Companies, Non-Resident Indians, Foreign Financial Investors etc., etc. in such manner as they may deem fit and proper, whether by way of private offers or by means of a Public Issue in pursuance of the provisions of the Companies Act, 1956, Securities (Contracts Regulation) Act, SEBI guidelines and other applicable Rules and Regulations.

Provided that the Board of Directors shall have liberty and freedom to decide to issue such lower number of Shares instead of the aforesaid 7,85,000 (Seven Lacs Eightyfive Thousand only) Shares as they may in the overall interest of the Company deem expedient.

Resolved further that the said Shares when issued shall rank pari passu in all respects with the existing Shares of the Company except that with respect to Dividend that may be declared for the financial year of the Company in which such Equity Shares are allotted, they shall qualify for such dividend on a pro-rata basis from the date of such allotment.

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as deemed necessary and expedient for the purpose of giving effect to this Resolution and to settle any question, doubt or difficulty that may arise in this regard.

On being put to vote, the Resolution was carried unanimously.

**2. Ordinary Resolution - Creation of Mortgage/Charge on Company's Assets :**

Resolved that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and or charge on such terms as the Board may determine, all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertakings

of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of any other Institution as security for the loans and/or other debts obtained by the Company from such Institution(s)/bank(s) including the interest and other costs and expenses payable by the Company in accordance with the terms and conditions of any loan/debt instrument.

Further Resolved that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may deem fit in its absolute discretion and to settle any question, difficulty or doubt that may arise in regard to the offer/issue/allotment of the securities and in regard to utilisation of the proceeds of the issue of the Securities towards the Company's activities/other corporate needs and finalise such documents for creating mortgages/charges as it may deem fit.

**3. Ordinary Resolution - Borrowing powers of the Board :**

Resolved that pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of moneys from time to time upon such terms and conditions and with or without securities as the Board of Directors may think fit for the purpose of the Company's business notwithstanding that the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided however, that the total amount borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs.15 Crores (Rupees Fifteen Crores only).

**4. Appointment of Mr. S. M. Arora as Managing Director**

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable Provisions of the Companies Act, 1956, if any, consent of the Company in General Meeting, be and is hereby accorded to the appointment of Mr. S. M. Arora as Managing Director of the Company for a period of 5 years effective from 1-4-94 on the following terms and conditions :

- (a) Basic salary of Rs. 30,000/- per month (with authority to the Board to sanction such annual increases as deemed expedient).
- (b) Rent free residential accommodation the cost of which to the Company shall not exceed 60% of the salary of Mr. S.M. Arora; alternatively, a Rent Allowance equivalent to 60% of the salary.

- (c) Helper Allowance of : Rs. 2,000/- per month.
- (d) Reimbursement of gas, electricity, etc.  
Charges : Rs. 2,000/- per month.
- (e) Reimbursement of Medical Expenses..... equivalent to one month's basic salary in any year or 3 month's basic salary in a block of 3 years.
- (f) Leave as per Co. Rules.
- (g) Leave Travel Assistance : On actuals from the place of duty to any place in India for self, wife and dependent children/parents while proceeding on leave subject to the condition that the total cost to the Company on this account shall not exceed one month's Basic Salary in any year.
- (h) In addition to the aforesaid, Mr. Arora shall also be entitled to the benefits of Company's contribution to Provident Fund, Superannuation/Annuity Fund as per Rules to the extent these are not taxable under the Income Tax Act; as also to the benefit of Gratuity at a rate not exceeding half a month's salary for each completed year of service. Besides, Mr. Arora shall also be entitled to encashment of Privilege Leave at the end of his tenure as per Rules of the Company.

RESOLVED FURTHER THAT in addition to the aforesaid salary and perquisites, Mr. Arora shall also be entitled to such commission having regard to the profits of the Company for each accounting year during his tenure as may be determined by the Board so however that the commission so payable for any year shall not exceed 100% of the salary and cost of other perquisites as aforesaid, within the overall ceiling total remuneration of 5% of the profits of the Company as the case may be, as laid down in Section 309 of the Companies Act, 1956.

ALSO RESOLVED THAT in the absence or inadequacy of profits in any particular year, Mr. Arora shall be entitled to receive the aforesaid salary and other perquisites as the minimum remuneration as envisaged in Part II of Section II of Schedule XIII to the Companies Act, 1956.

SPECIAL RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 23RD JANUARY 1995.

**1. Exclusive issue of Equity Shares to employees of the Company/Group Companies.**

Resolved that pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company issuing 29,200 (Twenty-nine Thousand Two Hundred only) Equity Shares of Rs.10/- each exclusively to the Employees of the Company as also to those of the other Companies in the Melstar Group at a premium of Rs.50/- each by way of private subscription in such manner and to such extent as they may deem fit.

Resolved further that the said shares when issued shall rank pari passu in all respects with the existing Shares of the Company except that with respect to Dividend that may be declared for the financial year of the Company in which such Equity Shares are allotted, they shall qualify for such dividend on a pro-rata basis from the date of such allotment.

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as deemed necessary and expedient for the purpose of giving effect to this Resolution and to settle any question, doubt or difficulty that may arise in this regard.

**2. Exclusive Issue of Equity Shares to Business Associates, Friends, Relatives, etc (Directors/Promoters)**

Resolved that pursuant to the provision of Section 81 (1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company offering 83,300 (Eighty-three Thousand Three Hundred only) Equity Shares of Rs.10/- each at a premium of Rs.50/- each to the Company's Business Associates, Directors/Promoters, Friends, Relatives, etc. by way of private subscription in such manner and to such extent as they may deem fit.

Resolved further that the said shares when issued shall rank pari passu in all respects with the existing Shares of the Company except that with respect to Dividend that may be declared for the financial year of the Company in which such Equity Shares are allotted, they shall qualify for such dividend on a pro-rata basis from the date of such allotment.

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as deemed necessary and expedient for the purpose of giving effect to this Resolution and to settle any question, doubt or difficulty that may arise in this regard.



**SPECIAL RESOLUTIONS PASSED AT THE EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 2ND AUGUST 1995**

**1. Increase of Authorised Capital and alteration of Memorandum of Association :**

Resolved that the Authorised Capital of the Company be and is hereby increased from Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 (Twenty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.6,00,00,000 (Rupees Six Crore only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.

**2. Alteration of Articles of Association :**

Resolved that existing Article 5 of the Articles of Association of the Company be and is hereby replaced by the following :

“The Capital of the Company is Rs.6,00,00,000 (Rupees Six Crore only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each.”

**3. Increase of Issued Capital - Issue of Bonus Shares :**

(A) Resolved that the Issued and Paid-up Capital of the Company be and is hereby increased from Rs.1,90,00,000 (Rupees One Crore Ninety Lacs only) divided into 19,00,000 (Nineteen Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.4,75,00,000 (Rupees Four Crores Seventy Five Lacs only) by the issue of new 28,50,000 (Twenty Eight Lacs Fifty Thousand only) Equity Share of Rs.10/- (Rupees Ten only) each as fully paid-up Bonus Shares on capitalisation of :

(a) The sum of Rs.2,34,82,500 (Rupees Two Crore Thirty Four Lacs Eighty Two Thousand Five Hundred only) being the amount standing in the Share Premium Account as at 31.3.95; and

(b) A sum of Rs.50,17,500 (Rupees Fifty Lacs Seventeen Thousand Five Hundred only) out of the amount of Rs.4.54 Crores (Rupees Four Crores Fifty Four Lacs only) standing to the credit of the General Reserve as at 31.3.95 ;

and transfer of the said sums from the Share Premium Account and the General Reserve to the Equity Share Capital Account to be applied on behalf of persons who are holders of the existing 19,00,000 Equity Shares of the Company as on 27.08.95 in payment in full for 28,50,000 (Twenty Eight Lacs Fifty Thousand only) new Equity Shares of Rs.10/- (Rupees Ten only) each to be then issued by the Board of Directors and credited as fully paid-up and accordingly allotted and distributed



as Bonus Shares in the proportion of Three such new Equity Shares for every Two of the existing 19,00,000 (Nineteen Lacs only) Equity Shares to be held by such persons upon the footing that they become entitled thereto for all purposes as Capital and not as Income and that the new Equity Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such person and not as Income.

- (B) The aforesaid 28,50,000 (Twenty Eight Lacs Fifty Thousand only) new Equity Shares to be issued and allotted as fully paid Bonus Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Company.
- (C) Where issue/allotment of Bonus Shares in the aforesaid proportion results in a Member becoming entitled to a fraction of a new Equity Share, the Board of Directors of the Company shall not issue any Certificate or Coupon in respect of such fractional entitlement but the total number of new Equity Shares representing such fractions shall be allotted by the Board of Directors of the Company to a nominee to be selected by the Board, which nominee shall on behalf of the existing members have the right to be allotted such shares representing the fractions and the Company shall issue in favour of such nominee such Equity Share Certificate(s) after consolidating all such fractions and thereafter such Equity Shares shall be sold by such nominee at the best possible price and the net sales proceeds of such shares shall be distributed amongst the Members entitled to such fractions in proportion to their respective fractional entitlement.
- (D) The Board of Directors of the Company be and are hereby authorised to take such steps, actions, things and deeds as they consider expedient, necessary or desirable for giving effect to these Resolutions and to settle any questions or difficulties whatsoever that may arise with regard to the issue and distribution of the said 28,50,000 (Twenty eight Lacs Fifty Thousand only) new Equity Shares as fully paid up Bonus Shares.

#### **4. Further Issue of Capital :**

Resolved that the consent of the Members of the Company be and is hereby given pursuant to Sec.81 (1A) of the Companies Act, 1956, to the Board of Directors issuing further 10 Lacs Equity Shares of Rs.10/- by means of a prospectus to the Members of the Public at such premium as the Board in consultation with the Lead Managers may determine being

reasonable having regard to the various factors including the projected growth in the business and profitability of the Company over the next few years and in accordance with and subject to the provisions of the Companies Act, the Securities Act, the FER Act and the Rules/Regulations thereunder and SEBI Regulations/Guidelines for the time being in force.

Resolved further that such Issue to the Public shall be in conjunction with an Offer for the Sale of Equity Shares to be made by the Investors in terms of the Bought Out Deal entered into by the Company with them.

Also Resolved that the Board of Directors of the Company be and is hereby authorised to make firm allotments to/ reservations for financial institutions/banks/mutual funds/NRIs/FIRs/OCBs, etc. and to do such other acts, deeds and things as they may consider expedient to give effect to the aforesaid Resolutions.

**RESOLUTION PASSED AT THE SPECIAL MEETING OF THE MEMBERS CONVENED AND HELD ON 8TH FEBRUARY 1996 UNDER THE DIRECTIONS OF THE HON'BLE HIGH COURT OF BOMBAY, PURSUANT TO AN ORDER DATED 15TH DECEMBER 1995 .**

Resolved that this Special Meeting of the Equity Shareholders of the Company convened and held under the directions of the Hon'ble High Court of Bombay, pursuant to an Order dated 15th December, 1995, in the matter of Company Application No.656 of 1995, doth hereby approve, without any modification, the Scheme of Amalgamation of EMCO Polymers Pvt.Ltd with the Company on the terms and conditions set out in the Scheme, a copy of which was duly circulated to all the Members with the Notice convening the Meeting and laid on the table of the Meeting and read out by the Chairman and initialled by him for purposes of identification.

**RESOLUTION PASSED AT THE SPECIAL MEETING OF THE SECURED CREDITORS CONVENED AND HELD ON 8TH FEBRUARY 1996 UNDER THE DIRECTIONS OF THE HON'BLE HIGH COURT OF BOMBAY, PURSUANT TO AN ORDER DATED 15TH DECEMBER 1995.**

Resolved that this Special Meeting of the Secured Creditors of the Company convened and held under the directions of the Hon'ble High Court of Bombay, pursuant to an Order dated 15th December, 1995, in the matter of Company Application No.656 of 1995, doth hereby approve, without any modification the Scheme of Amalgamation of EMCO Polymers Pvt. Ltd. with the Company on the terms and conditions set out in the Scheme, a copy of which was circulated with the Notice convening the Meeting, and laid on the table of this Meeting and read out by the Chairman and initialled by him for purposes of identification.

**RESOLUTION PASSED AT THE SPECIAL MEETING OF THE UNSECURED CREDITORS CONVENED AND HELD ON 8TH FEBRUARY 1996 UNDER THE DIRECTIONS OF THE HON'BLE HIGH COURT OF BOMBAY, PURSUANT TO AN ORDER DATED 15TH DECEMBER 1995.**

Resolved that this Special Meeting of the Unsecured Creditors of the Company convened and held under the directions of the Hon'ble High Court of Bombay, pursuant to an Order dated 15th December, 1995, in the matter of Company Application No.656 of 1995 doth hereby approve, without any modification, the Scheme of Amalgamation of EMCO Polymers Pvt.Ltd with the Company on the Terms and Conditions set out in the Scheme, a copy of which was duly circulated to all the Unsecured Creditors with the Notice convening the Meeting and laid on the table of the Meeting and read out by the Chairman and initialled by him for purposes of identification.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION**

Company petition No.160 of 1996

Connected with

Company Application No.656 of 1995

**In the matter of sections 391 and  
394 of the Companies Act, 1956.**

AND

**In the matter of Scheme of  
Amalgamation of  
EMCO POLYMERS PRIVATE LIMITED**

WITH

**MELSTAR INFORMATION  
TECHNOLOGIES LIMITED.**

MELSTAR INFORMATION TECHNOLOGIES  
LIMITED - a Company within the  
meaning of the Companies Act, 1956  
and having its Registered Office at  
Unit No.35, SDF -11 SEEPZ,  
Andheri (East), Bombay 400 096.

..... Petitioner.

Coram: Smt. K. K. Baam J

Dt: 8th August, 1996.

Upon the Petition of Melstar Information Technologies Limited, the Petitioner above named presented to the Hon'ble Court on 29th day of February, 1996 for sanction of the Scheme of Amalgamation of Emco Polymers Pvt.Ltd. (hereinafter referred to as "the Transferor Company") with Melstar Information Technologies Limited (hereinafter referred to as "the Transferee Company") and for other consequential relief as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal

AND UPON READING the Petition and Affidavit of Shri. Shaikh A.Sattar, Director of the Petitioner Company dated 29th day of February, 1996 verifying the said Petition AND UPON READING the Affidavit of Shri. Shaikh Abdul Sattar, dated 15th day of April, 1996 proving publication of the Notice of the hearing of the Petition in the issue of "The Daily" dated 2nd day of April, 1996 and "Navshakti" dated 2nd day of April, 1996 pursuant to order dated 21st day of March, 1996 AND UPON READING the order dated 15th day of December, 1995 made by this Hon'ble Court in Company Application No. 656 of 1995 whereby the Petitioner Company was directed to convene the meeting of its Equity Shareholders, Secured Creditors and Unsecured Creditors for the purpose of considering and if thought fit, approving with or without modification the Scheme of Amalgamation of Transferor Company with the Transferee Company AND UPON READING the Affidavit of Shri.Surinder Mohan Arora dated 1st day of February, 1996 proving publication of notice convening meeting of equity shareholders, secured creditors and unsecured creditors of the Petitioner Company in the issue of "The Daily" dated 15th day of January, 1996 and "Navshakti" dated 15th day of January, 1996 and Maharashtra Government Gazatte dated 1st day of February, 1996 and also proving despatch of notice convening meeting to individual equity shareholders, secured creditors and unsecured creditors of the Petitioner Company AND UPON READING the report dated 22nd day of February, 1996 of Shri.Surinder Mohan Arora, the Chairman of the meeting of equity shareholders, secured creditors and unsecured creditors as to the results of the said meetings of equity shareholders, secured creditors and unsecured creditors AND UPON READING THE Affidavit of Shri. Surinder Mohan Arora dated 22nd day of February, 1996 verifying the said report AND IT APPEARING from the said report of the Chairman that the Scheme of Amalgamation of the Transferor Company with Transferee Company has been approved by the requisite majority in number and value of equity shareholders, secured creditors and unsecured creditors of the Petitioner Company present at the respective



meetings AND UPON HEARING Shri. M.R.Lal, Advocate for the Petitioner Company and Shri. R.Ashokan, Panel Counsel for Regional Director, Department of Company Affairs, Mumbai who submits to the orders of the Court and no other person or persons entitled to appear at the hearing of the said Petition appearing this day either in support of the said Petition or to show cause against the said Petition THIS COURT DOTH HEREBY SANCTION the scheme of Amalgamation of Emco Polimers Pvt.Ltd., the Transferor Company with Melstar Information Technologies Limited, the Transferee Company as set forth in Exhibit "C" to the said Petition and also in the Schedule I hereto AND THIS COURT DOTH DECLARE the same to be binding on all the Members of the Petitioner Company, its Secured and Unsecured Creditors as also on the Petitioner Company itself AND THIS COURT DOTH ORDER with effect from the 1st day of August, 1995 thereafter referred to as the "Appointed date" the entire business and undertaking of the Transferor Company including all its properties immovable or movable as set forth in the Scheme of Amalgamation being Exhibit "C" to the Petition and Schedule I hereto and also specified in Part II and Part III of the Schedule II hereto, and all other properties, rights and powers of the Transferor Company pertaining to its business be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 stand transferred to and do vest in the Transferee Company for all the estate and interest of the Transferor Company therein, but subject nevertheless to all charges now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from "Appointed Date" all the liabilities, duties, and obligations of the Transferor Company shall stand transferred without any further act or deed to the Transferee Company and accordingly, the same shall, pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to the Transferee Company, so as to become the debt, liabilities, duties and obligations of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all proceedings now

pending by or against the Transferor Company pertaining to its business and activities, be continued by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of the entire undertaking of the Transferor Company to the Transferee Company, the Transferee Company do without further application, act or deed issue and allot to the shareholders of the Transferor (excluding the Transferee Company itself) 192,000 equity share of Rs.10/- (Rupees Ten) each fully paid up to which they are entitled in terms of Clause 16 (b) of Part "B" of the said Scheme of Amalgamation and/or to pay such Member or Members who opt for receiving a sum of money, in lieu of the right to be allotted Equity Shares, a consideration of Rs.600/- per share of the Transferor Company, as set out in Clause 16 (b) of Part "B" of the said Scheme of Amalgamation AND THIS COURT DOTH FURTHER ORDER that Transferee Company will not be allotted any share in exchange of the shares held by the Transferee Company in the Transferor Company and such shares shall stand automatically cancelled AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days after the date of sealing of this order cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and that on such certified copy of Order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall place all the documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the Transferee Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the Transferee Company is permitted without any further act to include in the Objects Clause III ( C ) of its Memorandum of Association a new clause 42A as contained in Schedule III hereto AND THIS COURT DOTH FURTHER ORDER that parties to the arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Hon'ble Court

for any direction that may be necessary in regard to the working of the arrangement embodied in Scheme of Amalgamation sanctioned herein and set forth in Schedule I and II hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.500/- (Rupees Five hundred only) to the Regional Director, Department of Company Affairs, Mumbai towards the costs of the Petition, WITNESS SHRI MANHARLAL BHIKHALAL SHAH, Chief Justice Bombay aforesaid this 8th day of August, 1996.

By the Court,

Sd/-

U. G. Mukadam

For Prothonotary & Senior Master

SEAL

Sd/- U. G. Mukadam

SEALER

This 19th day of Sept. 1996

Order sanctioning the Scheme of )  
 Amalgamation drawn on the Application )  
 of Shri. M. R. Lal, Advocate for the )  
 Petitioner having his Office at )  
 F2/701, Poonam Kunj, Poonam Nagar, Andheri )  
 (East), Mumbai 400 093. )

## SCHEDULE I, II &amp; III

**SCHEDULE - I****SCHEME OF AMALGAMATION OF  
EMCO POLYMERS PRIVATE LIMITED****WITH****MELSTAR INFORMATION TECHNOLOGIES LIMITED**

1. This Scheme of amalgamation envisages amalgamation of EMCO POLYMERS PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Siddharth Building, Station Road, Thane 400 604 (hereinafter referred to as “EMCO” and/or the Amalgamating Company with MELSTAR Information Technologies Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Unit No.35, SDF II, Seepz, Andheri (E), Bombay 400 096 (hereinafter referred to as “MITL” and/or the Amalgamated Company).
2. The Objects of MITL are wide enough to enable it to carry on the business heretofore carried on by EMCO, the Amalgamating Company.

**PART ‘ A ‘**

3. The present Authorised capital of EMCO is Rs.25,00,000/- divided into 17,000 equity shares and 8,020 unclassified shares of Rs.100/- each. EMCO’s issued, Subscribed and paid up Capital Rs.15,80,000 divided into 15,800 Equity Shares of Rs.100/- each out of which 3,800 Equity Shares constituting 24.05% of the paid up Capital, are held by MITL, the Amalgamated Company.
4. The present authorised capital of MITL is Rs.600 lacs divided into 60,00,000 Equity Shares of Rs.10/- each. MITL’s issued,

Subscribed and paid up capital at present is Rs.475 lacs divided into 47,50,000 Equity Shares of Rs.10/- each.

5. This Scheme of Amalgamation is operative as from 1st of August, 1995, which date shall be and is hereinafter referred to as the "Appointed Date".

**PART ' B '**

6. On and from the Appointed Date, the entire business and undertaking of EMCO, the Amalgamating Company including all its properties, immovable and movable and other assets of whatsoever nature including any licences, municipal and other statutory permissions and approvals of plans, schemes, etc., rights of whatsoever nature, trade marks and other intellectual property rights, if any, benefits of all agreements, sanctions and approvals (including the benefit of all tax relief under the Income Tax act available to the Amalgamating Company) and all other interests, rights or powers of every kind, nature and description whatsoever, including but without being limited to those mentioned herein, of EMCO (all such business undertakings, properties, assets, rights and powers are collectively for the sake of brevity referred to as "the undertaking"), shall, without any further act or deed, be and the same shall stand transferred to and be vested in MITL, the Amalgamated Company pursuant to the provisions of Section 394 and/or any other applicable provisions of the Companies Act, 1956 (hereinafter referred to as "the said Act") with all the estate and interest of the Amalgamating Company, subject to charge, mortgage, lien, etc., if any, then affecting the undertaking of the Amalgamating Company.
7. Effective from the Appointed Date, all Debts, Liabilities, Duties and Obligations of EMCO, the Amalgamating Company shall also be and shall stand transferred without any further act or deed to MITL, the Amalgamated Company, pursuant to the provisions of Section 394 of the said Act so as to become the

debts, liabilities, duties and obligations of the Amalgamated Company.

8. With effect from the Appointed Date, the General Reserve and Investment Allowance Reserves, etc. of EMCO, the Amalgamating Company as on 31st March, 1995 shall become the General Reserves and Investment Allowance Reserve, etc of MITL, the Amalgamated Company.
9. As of the Appointed Date and until the Effective Date, EMCO shall stand possessed of all the properties and assets aforesaid in trust for MITL and shall account for the same to MITL and shall be deemed to have carried on the business and activities for and on behalf of and for the benefit and on account of MITL, the Amalgamated Company. All profits accruing or losses arising or incurred by or in the business of the Amalgamating Company as and from the Appointed Date shall for all intents and purposes be and shall be treated as profits or losses as the case may be of the Amalgamated Company. As such, the Amalgamating Company shall carry on its business and activities on and from the Appointed Date as economically and efficiently as possible and with utmost prudence.
10. Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, mortgage, charges, liens and other instruments of whatsoever nature to which the Amalgamating Company is a party, subsisting or having effect, without any further act, deed or concurrence of any other party or parties thereto shall remain in full force and effect against or in favour of the Amalgamated Company as the case may be and can be enforced as fully and effectually as if instead of the Amalgamating Company, the Amalgamated Company has been a party thereto.
11. All proceedings (legal and others, including any suits, arbitrations, appeals, etc.), if any, by or against the

Amalgamating Company relating to its undertaking, liabilities, obligations and duties pending on and after the Appointed Date shall be conducted and enforced and enforced by or against the Amalgamated Company as the case may be.

12. Between the Appointed Date and the Effective Date, EMCO shall not, without the concurrence of MITL, alienate, charge or otherwise deal with any of the said assets, rights or privileges or those accruing to it after the Appointed Date.
13. The Amalgamated Company shall with effect from the Appointed Date, take over all such employees of the Amalgamating Company as are willing to continue in its service on the same terms and conditions on which they were employed by the Amalgamating Company on the Appointed Date with the same rights and privileges as to salary, provident fund, gratuity and other benefits, without any break or interruption of service. Between the Appointed Date and the Effective Date, EMCO shall not, except by prior consultation with MITL, vary the terms and conditions of employment of any of its employees.
14. The rights and obligations of the Amalgamating Company in relation to Provident Fund or any Welfare or other Funds established by the Amalgamating Company for the benefit of its officers and other employees and in force on the Appointed Date shall be transferred to and vested in the Amalgamated Company on the Appointed Date.
15. The transfer of the said assets and the liabilities of EMCO in terms hereof, as aforesaid, and the continuance of all contracts or proceedings relating to the assets, already concluded by EMCO on or after the Appointed Date shall be to the end and intent that MITL accepts and adopts all acts, deeds and matters and things done or executed by EMCO in regard thereto as having been done or executed on behalf of MITL.



- 16 (a) In respect of the transfer of the Undertakings under clause 6 and 7 hereof, all fixed assets and all liabilities of the Amalgamating Company shall be taken at their book values on the Appointed Date on the basis of the audited Balance Sheet as on 31.03.1995, subject to such adjustment as may become expedient having regard to the working of EMCO for the period 01.04.95 to 31.07.95.
16. (b) Upon the said transfer of the undertaking every member whose name appears in the Register of Members of the Amalgamating Company on the Appointed Date, shall be entitled as of right to receive and the Amalgamated Company shall without further application make an allotment to such members in the ratio of 16 Equity Shares of Rs.10/- each fully paid up in the Amalgamated Company for each fully paid up Equity Share of Rs.100/- of the Amalgamating Company except that no shares shall be required to be issued and/or allotted to MITL, the Amalgamated Company itself, provided that if any Member or Members is/are desirous of receiving a sum of money in lieu of his right to be issued and allotted shares of the Amalgamated Company, the Company shall pay a consideration of Rs.600/- per Equity Shares of the Amalgamating Company instead of issuing Equity Shares of the Amalgamated Company. In such an event, the shares not so issued and those not so issued and allotted to MITL (the Amalgamated Company) in exchange for those held by it in EMCO, shall stand automatically cancelled and shall be deemed to have never been issued by the Board of Directors and such an act of the Board shall in no wise be considered as reduction of capital within the meaning ascribed to the term under Section 100 of the Act.
16. (c) Equity Shares so allotted by the Amalgamated Company to the Members of the Amalgamating Company will in

all respects rank pari-passu with the existing Equity Shares of the Amalgamated Company for dividend and voting rights save and except that the holders of such equity shares shall be entitled only to dividend, if any, to be declared by the Amalgamated Company for the accounting year during which such shares are allotted, proportionate to the period commencing from the Appointed date and ending on the 31st of March following.

16. (d) The Equity Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Company. For the purpose of this Scheme, a member of EMCO shall be deemed to include his or her heirs, legal representatives, successors and/or assigns.
16. (e) All members of the Amalgamating Company whose names stand on the Register of Members of the Amalgamating Company on the date referred to in sub-clause (a) hereinabove shall surrender to the Amalgamated Company for cancellation all their share certificate/s in respect of the Equity Shares held by them in the Amalgamating Company and the Amalgamated Company shall thereupon issue to them certificate/s for such Equity Shares to which they may be entitled in terms of this Scheme. Without prejudice to the foregoing, upon the new Equity Shares being issued, and allotted by the Amalgamated Company to the members whose names stand in the Register of Members of the Amalgamating Company on the aforesaid date, the Share Certificate in respect of the shares held by them in the Amalgamating Company shall be deemed to be and shall stand automatically cancelled.
17. On the assumption that all the Members of Emco whose names appear on the Register of Members on the Appointed Date

(except MITL for its holding) accept and receive the consideration in the form of Equity Shares of MITL as aforesaid, the Authorised, issued, Subscribed and paid up Capital of MITL, the Amalgamated Company shall be as under:

- (i) Authorised Capital Rs.6,00,00,000/-
- (ii) Issued, Subscribed and Paid Up Capital Rs. 5,84,20,000/-  
Except for effecting any transfers of shares that may be presented to and registered by the respective companies, viz. EMCO and MITL, neither EMCO nor MITL shall issue any Bonus Shares or Rights Shares to their respective Shareholders until the Effective Date within their respective Authorised Share Capital for the time being.

18. So much of the Share Capital of MITL, as may be necessary, shall be appropriated for allotment to the Shareholders of EMCO in the proportion and in the manner provided in clause 16. (a) hereinabove and MITL, shall accordingly, with all reasonable despatch, after the Scheme shall finally take effect, issue, allot and credit as fully paid up, the requisite Shares to such Shareholders.
19. On the Scheme becoming effective, EMCO shall be and shall stand dissolved without winding up.
20. Both EMCO and MITL shall, with all reasonable despatch, make applications to the High Court of Judicature at Bombay under Section 391 of the Companies Act, 1956 seeking necessary directions as to the requisite meetings of members/creditors to be called and held or alternatively seeking exemption from holding such meeting if written consents in advance of all the Members/Creditors of either or both companies are received and for further directions on related issues.

21. On this Scheme being agreed to by requisite majorities of the Members of EMCO and MITL, both the companies shall with reasonable despatch apply to the High Court of Judicature at Bombay for sanction of the Scheme under Section 391/394 of the Companies Act and for such further order/orders thereunder as the Court may deem fit for carrying out this Scheme into effect and for dissolution of EMCO without winding up.
22. MITL and EMCO by their respective Board of Directors may consent to any modifications or amendments of the Scheme which may be in the best interest of the Companies concerned or to any of the conditions that the Court may deem fit to impose and after dissolution of EMCO, MITL, by its Board of Directors, shall be authorised to give such directions or take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the Court or of any directive or order of any other Authority or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned therewith.
23. On this Scheme finally taking effect as aforesaid -
  - (a) All employees of EMCO on the Effective Date will become the employees of MITL with effect from the Effective Date without any break or interruption in service and on terms not less favourable to them than those on which they were employed with EMCO.
  - (b) All business activities engaged in by EMCO shall be continued by MITL under the new name and all agreements entered into by EMCO with its bankers, trade, etc. shall continue to be in full force and effect and may be enforced by or against the Amalgamated Company under the new name.

**PART C**

24. This Scheme is conditional upon and subject to :-
- (a) The Scheme being sanctioned by the said High Court of judicature at Bombay and a certified copy thereof being filed with the Registrar of Companies, Maharashtra, Bombay:
  - (b) all necessary Resolutions being passed for issuing necessary share capital required for the purpose of carrying into effect this Scheme, and
  - (c) approvals consents, as necessary, duly obtained from the concerned Government Authorities.
25. This Scheme, although operative from the Appointed Date, shall take effect finally upon and after the date on which a certified copy of the Order(s) of the High Court under Section 391 and 394 of the said Act has been filed with the Registrar of Companies, which shall be the "Effective Date" for the purpose of this Scheme.
26. In the event of the Scheme not being sanctioned by the Court and the order or orders not being passed by it before the 31st of March, 1996, or within such further period or periods as may be agreed upon between the Board of Directors of the Amalgamating and the Amalgamated Companies, this Scheme shall become null and void.
27. All costs, charges and expenses of EMCO and MITL respectively in relation to or in connection with the negotiations leading to this Scheme and to the Agreements between the parties hereto in respect hereof and in carrying out and completing the terms and provisions of this Scheme and the Agreements so entered into by and between the parties and incidental expenses incurred for the completion of the amalgamation and merger of EMCO and MITL in pursuance to this Scheme shall be borne and paid by MITL alone.

**SCHEDULE - II**

**PART - I**

Freehold Property : NIL

**PART - II**

Leasehold Property :

All that piece of Land known as Plot No.12 in Kalwe Industrial Area within the Village limits of Dighe, Taluka Thana, Dist. Thana admeasuring 5,042 Sq. Metres or thereabouts.

**PART - III**

Other Property comprising -

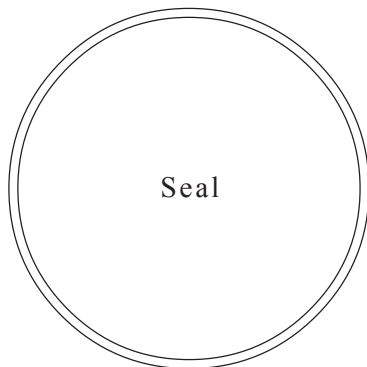
1. Building constructed and owned by the Amalgamating Company on the Leasehold Property as referred in Part II of this Schedule with all other infrastructure connected therewith.
2. Plant and Machinery, other Machinery, Furniture and Fixtures and other assets situated in the Building on the Leasehold Property described in Part-II of this Schedule.
3. Other fixed and movable assets, stocks, cash and bank balances, bank deposits, book debts and other actionable claims, etc. pertaining to the business and affairs of the Transferor Company.

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**SCHEDULE - III**

New Clause 42A inserted under Clause III ( C )  
in the Memorandum of Association of  
Melstar Information Technologies Ltd.  
under the head "Other Objects".

To carry on the business of manufacturer of and dealers in all kinds of plastics materials industry styrene, polystyrene, vinyl chloride, p.v.c., polythene, pololeifines, vinyl acetate and copolymers of one or more of the above and/or other products, acrylics and polyesters, polycarbonates and polyesters and epoxy resins and composition silicon resins and composition silicon resins and compositions, P-F, U-F and other thermosetting resins and moulding compositions, nylons, Rilsan and similar thermoplastics, moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastics materials (of synthetics or natural origin) plastic moulded articles including Gumboots Shoes and other articles chemicals, plastics and resinous material, elastomers, gums, glues and adhesives compositions, plasticisers surface active agents, agents, coating resins, drugs and pharmaceuticals, chemicals and solvents.





**HIGH COURT**

**O.O.C.J.**

**COMPANY PETITION NO.160 OF 1996**

**CONNECTED WITH**

**COMPANY APPLICATION NO.656 OF 1995**

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

AND

In the matter of Scheme of Amalgamation of  
Emco Polymers Pvt.Ltd. with Melstar  
Information Technologies Ltd.

MELSTAR INFORMATION TECHNOLOGIES  
LIMITED. .... PETITIONER.

ORDER SANCTIONING THE SCHEME OF  
AMALGAMATION

Dated this 8th day of August, 1996.  
Filed this 19th day of September 1996.

M.R.LAL

Advocate for the Petitioner

F2/701, Poonam Kunj, Poonam Nagar,  
Andheri (E), Mumbai 400 093.

**EXTRACT FROM THE MINUTES OF 9TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON 30TH SEPTEMBER 1996.**

**Appointment of Mr. S. Bansal as a Executive Chairman**

RESOLVED THAT pursuant to the provisions of Section 190, 269, 309 read with Schedule XIII and other applicable Provisions, if any, of the Companies Act, 1956, and subject to the approval of the Company in General Meeting, Mr.Suresh Bansal be and is hereby appointed as Executive Chairman of the Company for a period of five years effective from 1.6.1996 on the following terms and conditions :

- (a) Basic salary: Rs.30,000/- per month (with authority to the Board to grant reasonable annual increases in salary).
- (b) Rent free residential accommodation the cost of which to the Company shall not exceed 60% of the salary of Mr.Bansal (alternatively, a Rent Allowance equivalent to 60% of the salary).
- (c) Helper Allowance of Rs.2,000/- per month.
- (d) Reimbursement of gas, electricity, etc, charges not exceeding Rs.2,000/- per month.
- (e) Reimbursement of Medical Expenses equivalent to one month's basic salary in any year or 3 month's basic salary in a block of 3 years.
- (f) Leave as per Company Rules.
- (g) Leave Travel Assistance: On actuals from the place of duty to any place in India for self, wife and dependent children/parents while proceeding on leave subject to the condition that the total cost to the Company on this account shall not exceed on month's salary in any year.
- (h) In addition to the aforesaid, Mr.Bansal shall also be entitled to the benefits of Company's contribution to Provident Fund, Superannuation/Annuity Fund as per Rules to the extent these are not taxable under the Income Tax Act; as also to the benefit of Gratuity at a rate not exceeding half a month's salary for each completed year of service. Besides, Mr.Bansal shall also be entitled to encashment of Privilege Leave at the end of his tenure as per Rules of the Company.

ALSO RESOLVED THAT in the absence or inadequacy of profits in any particular year, Mr. Bansal shall be entitled to receive the aforesaid salary and other perquisites as the minimum remuneration

as envisaged in part II, Section II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in addition to the aforesaid salary and perquisites, Mr.Bansal shall also be entitled to such commission having regard to the profits of the Company for each accounting year during his tenure as may be determined by the Board so however that the commission so payable for any year shall not exceed 100% of the salary and cost of other perquisites as aforesaid, within the overall ceiling of 5% or 10% of the profits of the Company as the case may be, as laid down in Section 309 of the Companies Act, 1956.

**EXTRACT FROM THE MINUTES OF 9TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON 30TH SEPTEMBER 1996.**

**Appointment of Mr. B. V. Ramani as a Whole-time Director**

RESOLVED THAT pursuant to the provisions of Section 190, 269, 309 read with Schedule XIII and other applicable Provisions, if any, of the Companies Act, 1956, and subject to the approval of the Company in General Meeting, Mr. B. V. Ramani be and is hereby appointed as Executive Director (Whole-time) of the Company for a period of five years effective from 1.6.1996 on the following terms and conditions.

- (a) Basic salary: Rs.30,000/- per month (with authority to the Board to grant reasonable annual increases in salary).
- (b) Rent free residential accommodation the cost of which to the Company shall not exceed 60% of the salary of Mr.Ramani (alternatively, a Rent Allowance equivalent to 60% of the salary.
- (c) Helper Allowance of Rs.2,000/- per month.
- (d) Reimbursement of gas, electricity, etc, charges not exceeding Rs. 2,000/- per month.
- (e) Reimbursement of Medical Expenses equivalent to one month's basic salary in any year or 3 month's basic salary in a block of 3 years.
- (f) Leave as per Co. Rules.
- (g) Leave Travel Assistance: On actuals from the place of duty to any place in India for self, wife and dependent children/parents while proceeding on leave subject to the condition that the total cost to the Company on this account shall not exceed on month's salary in any year.
- (h) In addition to the aforesaid, Mr.Ramani shall also be entitled to the benefits of Company's contribution to Provident Fund, Superannuation/Annuity Fund as per Rules to the extent these are not taxable under the Income Tax Act; as also to the benefit of Gratuity at a rate not exceeding half a month's salary for each completed year of service. Besides, Mr.Ramani shall also be entitled to encashment of Privilege Leave at the end of his tenure as per Rules of the Company.

ALSO RESOLVED THAT in the absence or inadequacy of profits in any particular year, Mr.Ramani shall be entitled to receive the aforesaid salary and other perquisites as the minimum remuneration

as envisaged in part II, Section II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in addition to the aforesaid salary and perquisites, Mr. Ramani shall also be entitled to such commission having regard to the profits of the Company for each accounting year during his tenure as may be determined by the Board so however that the commission so payable for any year shall not exceed 100% of the salary and cost of other perquisites as aforesaid, within the overall ceiling of 5% or 10% of the profits of the Company as the case may be, as laid down in Section 309 of the Companies Act, 1956.

**SPECIAL RESOLUTION PASSED AT THE NINETH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 30TH SEPTEMBER 1996.**

**Special Resolution - Further Issue of Capital**

Resolved that pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company offering upto 5,00,000 (Five Lacs only) Equity Shares of Rs.10/- each to one or more Developmental Financial Institutions, Foreign Financial Institutions, Mutual Funds, NRIs/OCBs or other financing bodies on a private placement basis at such premium and other terms as may be agreed to between the Board of Directors of the Company and the Institution(s)/bodies concerned.

Resolved further that the said shares when issued shall rank pari passu in all respects with the existing shares of the Company except that with respect to Dividend that may be declared for the financial year of the Company in which such Equity Shares are allotted, they shall qualify for such dividend on a pro-rata basis from the date of such allotment.

Further Resolved that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as deemed necessary and expedient for the purpose of giving effect to this Resolution and to settle any question, doubt or difficulty that may arise in this regard.

**EXTRACTS OF SPECIAL RESOLUTIONS PASSED AT THE 10TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON WEDNESDAY, THE 3RD SEPTEMBER, 1997.**

**1. Increase of Authorised Capital in Memorandum of Association.**

RESOLVED that the Authorised Capital of the Company be and is hereby increased from Rs.6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 (Sixty Lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into:-

- A) 1,00,00,000 (One Crore only) Equity Shares of Rs.10/- each ; and
- B) 50,00,000 (Fifty Lacs only) Unclassified Shares of Rs.10/- each with authority to the Board to decide the nature thereof e.g. Equity or Preference and in the case of latter, the rate of fixed dividend in accord with the provisions of the Act and the Articles.

RESOLVED FURTHER that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.

**2. Alteration of Articles of Association :**

RESOLVED that the existing Article 4 of the Articles of Association of the Company be and is hereby replaced by the following :

The Capital of the Company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lacs only) Shares of Rs.10/- each as under :-

- A) 1,00,00,000/- (One Crore only) Equity Shares of Rs.10/- each ; and
- B) 50,00,000/- (Fifty Lacs only) Unclassified Shares of Rs.10/- each with authority to the Board to decide the nature thereof e.g. Equity or Preference and in the case of latter, the rate of fixed Dividend in accord with the provisions of the Act and the Articles.

**3. Further Issue or Issues of Capital :**

RESOLVED that the consent of the Members of the Company be and is hereby accorded, pursuant to Sec. 81(1A) of the Companies Act, 1956 to the Board of Directors of the Company issuing further 28,75,000 Equity Shares of Rs.10/- each (or such lower or higher number as the Board may determine at the appropriate time) by means of a Prospectus to the Members of the Public, including the Financial Institutions/ Banks/Mutual Funds/FIIs/NRIs/OCBs, etc at such premium as the Board in consultation with the Lead Managers may determine being reasonable having regard to the various factors including the projected growth in the business and



profitability of the Company and in accordance with and subject to the provisions of the Companies Act, the Securities Act, the FER Act and the Rules and Regulations thereunder as also SEBI Regulations and Guidelines for the time being in force.

RESOLVED FURTHER that such issue to the Public shall be in conjunction with the Offer for Sale of Equity Shares to be made by the Investors in terms of the Bought Out Deal entered into by the Company with them.

ALSO RESOLVED that the Board of Directors of the Company be and is hereby authorised to make firm allotments to / reservations for the employees of the Company and such other individuals and institutions as the Board may in its absolute discretion decide and to do such other acts, deeds and things as they may consider expedient to give effect to the aforesaid Resolutions.

FURTHER RESOLVED that in addition to the above, the Board be hereby further authorised to make additional Issues of Capital at any time whether preceding the Public Issue or any time thereafter on the basis of Private placements, Rights Issue or otherwise as the Board may consider expedient, without further specific authority from the Members, out of the Unissued Shares in the Authorised Capital of the Company as per the Capital Clause of its Memorandum and Articles of Association and such issues may be of Equity Shares at Par or at a premium at the discretion of the Board or of Preference Shares carrying a fixed rate of Dividend or of both as the Board may at its absolute discretion decide.

#### **4. Appointment of Mr.Naresh Bansal**

RESOLVED that pursuant to the provisions of Sec.314 (1B) of the Companies Act, 1956, consent of the Company in General Meeting be and is hereby accorded, subject to the approval of the Central Govt. to Mr.Naresh Bansal, a relative of Mr.S. Bansal, Chairman and Mr. M. R . Bansal, a Director of the Company, holding and continuing to hold an office of profit under the Company as Deputy General Manager, at the Company's Unit in Daman under a contract of service on a Basic Salary of Rs.14,690/- besides usual allowances, perquisites, benefits, amenities and facilities, including the membership of Provident Fund, Gratuity as per Rules applicable to other employees of same or similar rank, with authority to the Managing Director to sanction reasonable performance related annual increases in salary and periodical general revisions in allowances, perquisites and benefits as the management may sanction to other employees of the same or similar rank and to consider him on merits for promotion to a position higher in rank as deemed expedient in the interest of the Company on a salary and benefits, allowances and perquisites commensurate with the responsibilities of such higher position.

RESOLVED FURTHER that the remuneration payable to Mr.Naresh Bansal as aforesaid will be subject to such modifications as the Central Govt. may suggest or require, which are acceptable to Mr. Naresh Bansal and which the Directors are hereby authorised to accept on behalf of the Company.

**5. Appointment of Mr.Sushil Wakhlu**

RESOLVED that pursuant to the provisions of Sec.314 (1B) of the Companies Act, 1956, consent of the Company in General Meeting be and is hereby accorded, subject to the approval of the Central Govt. to Mr.Sushil Wakhlu, a relative of Mr.P.N.Wakhlu, a Director of the Company, holding and continuing to hold an office of profit under the Company as Deputy General Manager, at the Company's Unit in Daman under a contract of service on a Basic Salary of Rs.10,000/- besides usual allowances, perquisites, benefits, amenities and facilities, including the membership of Provident Fund, Gratuity as per Rules applicable to other employees of same or similar rank, with authority to the Managing Director to sanction reasonable performance related annual increases in salary and periodical general revisions in allowances, perquisites and benefits as the management may sanction to the employees of the same or similar rank and to consider him on merits for promotion to a position higher in rank as deemed expedient in the interest of the Company on a salary and benefits, allowances and perquisites, etc commensurate with the responsibilities of such higher position.

RESOLVED FURTHER that the remuneration payable to Mr.Sushil Wakhlu as aforesaid will be subject to such modifications as the Central Govt. may suggest or require, which are acceptable to Mr.Sushil Wakhlu and which the Directors are hereby authorised to accept on behalf of the Company.

**6. Appointment of Mr.Mushtaque Shaikh**

RESOLVED that pursuant to the provisions of Sec.314 (1B) of the Companies Act, 1956, consent of the Company in General Meeting be and is hereby accorded, subject to the approval of the Central Govt. to Mr.Mushtaque Shaikh, a relative of Mr.S.A. Shaikh, a Director of the Company, holding and continuing to hold an office of profit under the Company as Business Manager in the Sales & Marketing Division under a contract of service on a Basic Salary of Rs.9,750/- besides usual allowances, perquisites, benefits, amenities and facilities, including the membership of Provident Fund, Gratuity as per Rules applicable to other employees of same or similar rank, with authority to the Managing Director to sanction reasonable performance related annual increases in salary and periodical general revisions in allowances, perquisites and benefits as the management may sanction to the employees of the same or similar rank and to consider him on merits for promotion

to a position higher in rank as may be deemed expedient in the interest of the Company on a salary and benefits, allowances and perquisites commensurate with the responsibilities of such higher position.

RESOLVED FURTHER that the remuneration payable to Mr. Mushtaque Shaikh as aforesaid will be subject to such modifications as the Central Govt. may suggest or require, which are acceptable to Mr. Mushtaque Shaikh and which the Directors are hereby authorised to accept on behalf of the Company.

**EXTRACTS OF ORDINARY RESOLUTIONS PASSED AT THE 10TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON WEDNESDAY, THE 3RD SEPTEMBER, 1997.**

**1. Rights Issue :**

RESOLVED that in accordance with the provisions of Section 81 of the Companies Act, 256 and Article 9 of the Company's Articles of Association, the Board of Directors of the Company do issue on a Rights basis to the registered shareholders of the Company on a record date to be decided and notified in advance by the Board of Directors of the Company, 23,75,000 Equity Shares of Rs.10/- each of the aggregate face value of Rs.2,37,50,000/- at par in the ratio of one Equity Share for every two existing shares held by the members, with authority to the Board to issue a lower or higher number of shares in an appropriate ratio as the Board may consider desirable ; and that the shares so issued shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the Equity Shares of the Company except that in the matter of Dividend declared for the year in which these shares are issued and allotted, they shall be entitled only to proportionate Dividend for the period and for the amount paid up thereon.

ALSO RESOLVED that the Letter of Offer of Rights to be issued by the Directors in this behalf may contain the right of renunciation exercisable by a Member of the Company with a view to renounce in favour of a third person, whether a member of the Company or not, all or any part of the shares offered to him.

RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to take such steps, actions, things and deeds as they consider expedient, necessary or desirable for giving effect to this Resolution and to settle any doubt question or difficulty whatsoever that may arise with regard to the issue and allotment of the aforesaid shares.

**2. Authority to Directors to borrow in excess of the Paid-up Capital and Free Reserves**

RESOLVED that pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the

aggregate for the time being of the Paid up Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose, PROVIDED that the total amount so borrowed by the Board shall not at any time exceed Rs.40 Crores.

ALSO RESOLVED THAT the Board of Directors of the Company are further authorised to create charges or mortgages on the immovable and movable assets of the Company as deemed expedient in favour of the concerned Institutions, Banks, or other funding organisations, as security for due repayment of the Principal and interest thereon borrowed from one or more of them as loans or by way of privately placed Debentures as the Board may deem fit and proper.

**EXTRACT FROM THE MINUTES OF 10TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON 30TH SEPTEMBER 1997.**

**Appointment of Mr.Sattar Shaikh as an Executive Director.**

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with schedule XIII and other applicable Provisions of the Companies Act, 1956, if any, consent of the Company in General Meeting, be and is hereby accorded to the appointment of Mr.Sattar Shaikh as an Executive Director (Whole time) of the Company for a period of five years effective from 1.9.1997 on the following terms and conditions :

- (a) Basic salary: Rs.40,000/- per month (with Authority to the Board to grant reasonable annual increases in salary).
- (b) Rent free residential accommodation the cost of which to the Company shall not exceed 50% of the salary of Mr.Sattar Shaikh; alternatively, the Company to pay Mr.Shaikh a Rent Allowance equivalent to 50% of the salary.
- (c) Helper Allowance of Rs.2,000/- per month.
- (d) Reimbursement of gas, electricity, etc, charges not exceeding Rs.2,000/- per month.
- (e) Reimbursement of Medical Expenses equivalent to one month's basic salary in any year or 3 month's basic salary in a block of 3 years.
- (f) Leave as per Company Rules.
- (g) Leave Travel Assistance: On actuals from the place of duty to any place in India for self, wife and dependent children/parents while proceeding on leave subject to the condition that the total cost to the Company on this account shall not exceed one month's salary in any year.
- (h) In addition to the aforesaid, Mr.Shaikh shall also be entitled to the benefits of Company's contribution to Provident Fund, Superannuation/Annuity Fund as per Rules to the extend these are not taxable under the Income Tax Act; as also to the benefit of Gratuity at a rate not exceeding half a month's salary for each completed year of service. Besides, Mr.Shaikh shall also be entitled to encashment of Privilege Leave at the end of his tenure as per rules of the Company.

ALSO RESOLVED THAT in the absence of inadequacy of profits in any particular year, Mr.Shaikh shall be entitled to receive the aforesaid salary and other prerequisites as the minimum remuneration

as envisaged in Part II, Section II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT over and above the aforesaid salary and perquisites, Mr. Shaikh shall also be entitled to receive such commission having regard to the profits of the Company for each accounting year during his tenure as may be determined by the Board so however that the commission so payable for any year shall not exceed 100% of the salary and cost of other perquisites as aforesaid, within the overall ceiling of 5% or 10% of the profits of the Company as the case may be, as laid down in Section 309 of the Companies Act, 1956.



**EXTRACT OF THE SPECIAL RESOLUTIONS PASSED AT THE 11TH ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON 10TH SEPTEMBER, 1998.**

1. INCREASE OF ISSUED CAPITAL - ISSUE OF BONUS SHARES.

RESOLVED THAT

- (1) The issued and Paid up capital of the Company be and is hereby increased from Rs.5,95,21,250 (Rupees Five Crore Ninety Five Lakhs Twenty One thousand two hundred and fifty only) divided into 59,52,125 (Fifty Nine Lakhs Fifty Two thousand one hundred twenty five only) Equity Shares of Rs.10/- (Rupees Ten only ) each to Rs.8,33,29,750/- (Rupees Eight Crore thirty three lakhs twenty nine thousand seven hundred and fifty only) divided into 83,32,975 (Eighty three lakhs thirty two thousand nine hundred seventy five only) Equity shares of Rs.10 (Rupees Ten only) each as fully paid up on capitalization of sum of Rs. 2,38,08,500 (Rupees Two Crore thirty eight lakhs eight thousand five hundred only) out of the amount of Rs.7,85,62,500 (Rupees Seven Crore eighty five lakhs sixty two thousand five hundred only) standing to the credit of the Share Premium Account/General Reserve as at 31.3.98, and transfer of the said sum to the Equity Share Capital Account to be applied on behalf of persons who are holders of the existing 59,52,125/- ( Fifty nine lakhs fifty two thousand one hundred and twenty five only) Equity Shares of the Company as on 10.09.98 in payment in full for 23,80,850 (Twenty three lakhs eighty thousand eight hundred and fifty only) new Equity Shares of Rs.10/- (Rupees Ten only) each to be then issued by the Board of Directors and credited as fully paid-up and accordingly allotted and distributed as Bonus Shares in the proportion of Two such new Equity Shares for every Five of existing 59,52,125 (Fifty nine lakhs fifty two thousand one hundred and twenty five only) Equity Shares to be held by such persons upon the footing that they become entitled thereto for all purposes as Capital and not as Income and that the new Equity Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the Equity Capital of the Company held by each such person and not as Income.
- (2) The aforesaid 23,80,850/- (Twenty three lakhs eighty thousand eight hundred and fifty only) new Equity Shares to be issued and allotted as fully paid Bonus Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company.
- (3) Where issue/allotment of Bonus Shares in the aforesaid proportion results in a Member becoming entitled to a fraction

of an Equity Share, the Board of Directors of the Company shall not issue any certificate or coupon in respect of such fractional entitlement but the total number of new Equity Shares representing such fractions shall be allotted by the Board of Directors of the Company to a nominee to be selected by the Board, which nominee shall on behalf of the existing members have the right to be allotted such shares representing the fractions and the company shall issue in favour of such nominee such Equity Shares and certificate(s) after consolidating all such fractions and thereafter such Equity Shares shall be sold by such nominee at the best possible price and the net sales proceeds of such shares shall be distributed amongst the members entitled to such fractions in proportion to their respective fractional entitlement.

- (4) The Board of Directors of the Company be and are hereby authorised to take such steps, actions things and deeds as they consider expedient or desirable for giving effect to these resolutions and to settle any questions or difficulties whatsoever that may arise with regard to the issue and distribution of the said 23,80,850 (Twenty three Lakhs eighty thousand eight hundred and fifty only) new Equity Shares as fully paid up Bonus Shares.

#### FURTHER ISSUE OR ISSUES OF CAPITAL

- A. RESOLVED THAT the Resolution relating to further issue or issues of Capital by the Company passed at the last Annual General Meeting of the Company held on 3rd September 1997 be and is hereby rescinded.
- B. Resolved further that the consent of the members of the Company be and is hereby accorded, pursuant to section 81 (1A) of the Companies Act, 1956 to the Board of Directors of the Company issuing further 17,00,000 Equity Shares of Rs. 10/- each (or such lower or higher number as the Board may determine at the appropriate time) by way of Private Placement(s) or by means of a prospectus to the members of the public, including the Financial Institutions/Banks/Mutual Funds FIIs/NRIs/OCBs, etc at such premium as the Board in consultation with the lead Managers may determine being reasonable having regard to the various factors including the projected growth in the business and profitability of the company and in accordance with and subject to the provisions of the Companies Act, the Securities Act, the FER Act (or any replacement or substitution thereof) and the Rules and Regulations thereunder as also SEBI Regulations and Guidelines for the time being in force.

Resolved further that the issue to the public may be in conjunction with the offer for Sale of Equity Shares by the Co-Investors in terms of the Bought Out Deal or independently thereof as the Board may decide in consultation with the lead Managers including

the total number of shares to be so offered by means of a prospectus and/or by private placements, as the case may be.

Also Resolved that the Board of Directors of the Company be and is hereby authorised to make firm allotments to reservations for the employees of the company and such other individuals and institutions as the Board may in its absolute discretion decide and to do such other acts, deeds and things as they may consider expedient to give effect to the aforesaid resolution.

Further resolved that in addition to the above, the Board be hereby further authorised to make additional issues of Capital at any time during a period of 12 months from the date of aforesaid issue or at any time thereafter in conformity with the SEBI guidelines in so far as applicable by way of Rights issue or by Private placements, or otherwise as the Board may consider expedient, without further specific authority from the members out of the unclassified shares contained in the Authorised Capital of the Company as per the Capital clause of its Memorandum and Articles of Association and such issues may be of Equity Shares at par or at a premium at the discretion of the Board or of Redeemable preference shares carrying a fixed rate of Dividend or both with or without the option to the holders thereof to convert the same into Equity Shares on such terms and conditions as the Board may stipulate in the offer document(s) for the issue of preference shares as aforesaid, as the Board may at its absolute discretion decide.

**EXTRACT OF A SPECIAL RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED HELD ON 28TH JANUARY, 1999.**

Further Issue of Capital

RESOLVED THAT in partial modification of the Special Resolution passed at the last Annual General Meeting of the Company held on 10.9.1998, consent of the Members of the Company be and is hereby accorded, pursuant to section 81 (1A) of the Companies Act, 1956, to the Board of Directors of the Company issuing, further 30,00,000 Equity Shares of Rs.10/- each (instead of 17,00,000 Shares specified in the Resolution dated 10.9.1998 of such lower or higher number as the Board may determine) by way of a Public Issue by means of a Prospectus to the members of the Public including the Financial Institutions/Banks/Mutual Funds/FIIs/NRIs/OCBs/Foreign Business Associates, etc at such premium as the Board in consultation with the Lead Managers shall determine being reasonable having regard to various factors including the projected growth in the business and profitability of the Company and in accordance with and subject to the provisions of the Companies Act, the Securities Act, the FER Act (or any replacement or substitution thereof) and the Rules and Regulations thereunder as also SEBI Regulations and Guidelines for the time being in force.

Resolved further that the other terms and conditions of the aforesaid Resolution dated 10.9.1998 operative without limitation.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**

**ORDINARY ORIGINAL CIVIL JURISDICTION**

COMPANY PETITION NO. 508 OF 1999

CONNECTED WITH

COMPANY APPLICATION NO. 228 OF 1999.

**In the matter of the Companies Act,  
1956 (I of 1956) :**

AND

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

AND

**In the matter of Scheme of  
Amalgamation between  
MELSTAR INDUSTIRES LIMITED**

**with**

**MELSTAR INFORMATION  
TECHNOLOGIES LIMITED**

MELSTAR INFORMATION TECHNOLOGIES )  
LIMITED a Company incorporated under the )  
Companies Act, 1956 having its registered office )  
at G-4, Melstar House, Cross Road "A", MIDC, )  
Andheri (East) Mumbai - 400 093. ) ..... Petitioner.

Coram : S. Radhakrishnan, J.

Date : 8th July, 1999.

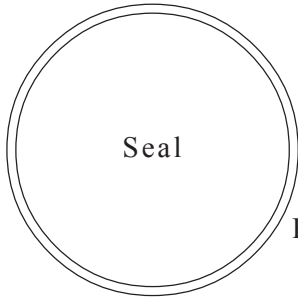
UPON the Petition of MELSTAR INFORMATION TECHNOLOGIES LIMITED, the Petitioner above named, presented to this Honorable Court on 4th day of May 1999 for sanction of the Scheme of Amalgamation between MELSTAR INDUSTRIES LIMITED (hereinafter referred to as "the Transferor Company" or "MIL") with MELSTAR INFORMATION TECHNOLOGIES LIMITED (hereinafter referred to as "the Petitioner Company" or "the Transferee Company" or "MITL") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being his day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Sattar Shaikh, Director of the Transferee Company solemnly affirmed on 4th day of May, 1999, verifying the said Petition AND UPON READING the affidavit of Mr. Rajesh I. Shah dated 7th day of July, 1999 proving publication of the notice of the date of hearing of the Petition in the issue of "Free Press Journal" dated 19th day of May, 1999 and "Janmabhoomi" dated 20th day of May, 1999 and also in Maharashtra Government Gazette dated 27th day of May, 1999 and also proving despatch notice of hearing of the Petition to the shareholders and creditors of the Petitioner Company, pursuant to the order dated 6th day of May, 1999 passed in the said petition AND UPON READING the Order dated 3rd day of May, 1999, made by this Honourable Court in Company Application No. 228 of 1999 whereby convening and holding of the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Amalgamation between MIL "the transferor Company" and MITL "the petitioner Company" is dispensed with in view of consent given by shareholders holding 76% of the shares of the Transferee Company which is annexed as exhibit F1 to F18 to the affidavit in support of the Company Application No. 228 of 1999 And convening and holding of the meeting of secured and unsecured creditors of the Petitioner Company to consider and approve the proposed arrangement embodied in the Scheme of Amalgamation of the Transferor Company with the Transferee Company is dispensed with in view of the averments made in para 15 of the the affidavit in support of the Company Application No. 228 of 1999 AND UPON HEARING Mr. Rajesh I. Shah instructed by M/s. RAJESH SHAH & CO., Advocates for the Transferee

Company and Mr. Goswami, Panel Counsel for Regional director, Department of Company affairs, Maharashtra, Mumbai, who appears in pursuance of the notice herein dated 11th day of May, 1999 under Section 394(A) of the Companies Act, 1956 and submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of MELSTAR INDUSTRIES LIMITED, the Transferor Company with MELSTAR INFORMATION TECHNOLOGIES LIMITED, the Transferee Company as set forth in Exhibit "E" to the said Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Amalgamation to be binding on the Transferor Company and the Transferee Company and also their respective members / shareholders and Creditors AND THIS COURT DOTH ORDER that with effect from opening of the business as on 1st day of March 1999 (hereinafter called the "Appointed Date") the entire business and undertakings of Transferor Company including all their properties and movable assets of whatsoever nature such as licenses, lease, tenancy rights and all other rights, title, interest or powers of every kind nature and descriptions whatsoever subject to the charges affecting the same shall stand transferred to and vested in the Transferee Company AND THIS COURT DOTH FURTHER ORDER that if the directors of the Transferor Company and the Tranferee Company so desires all the movable assets of the Tranferor Company shall vest in the Transferee Company in the manner laid down in para 3.2 of the Scheme of Amalgamation annexed as Exhibit "E" to the petition and Schedule hereto AND THIS COURT DOTH FURTHER ORDER that all the profits or income accruing or arising to MIL or expenditure or losses arising or incurred by it, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of MITL, as the case may be AND THIS COURT DOTH FURTHER ORDER that if any suit, appeal or other proceeding of whatever nature by or against MIL pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything

contained in the Scheme, but the said suit, appeal or other legal proceedings may be continued prosecuted and enforced by or against MITL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against MIL as if this Scheme had not been made AND THIS COURT DOTH FURTHER ORDER that the amalgamation of MIL with MITL will be made on the basis that the Transferee Company shall issue and allot in its capital at par, credited as paid up to the extent indicated below, to the Members of the Transferor Company whose names appear in the Register of Members or a date to be fixed by the Directors of MIL 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 MIL and approved by them to be placed on its register of members in the proportion of one (1) fully paid up Equity Share of Rs. 10/- each of MITL shall be issued and allotted at par, for every four (4) fully paid up Equity Shares of Rs. 100/- each held by the members of MIL or their heirs, executors, administrators or other legal representatives or their successors in title as the case may be And this Court Doth Further Order that the new equity shares in MITL to be issued to the members of MIL shall be subject to the Memorandum and Articles of Association of MITL and shall rank pari passu with the existing equity shares in the matters of dividend voting rights and in all other respects AND THIS COURT DOTH FURTHER ORDER that the Trasnferee Company do within 30 days of the sealing of the said order cause a certified copy of the order to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and on such certified copy of order being so delivered the Tranferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall place all files, documents and records relating to the Transferor Company and consolidate all files, documents and records of the Trasnferee Company and Transferree Company accordingly AND THIS COURT DOTH FURTHER ORDER that the liberty is reserved to the Petitioner Company and all other person interested in this petition to apply to his Honourable Court herein as and when occasion may arise for any direction that may be necessary in regard to the working of the arrangement embodied in the scheme of



amalgamation sanctioned herein and set forth in the schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Trsnferee Company do pay a sum of Rs. 1000/- (Rupees One Thousand only) to the Regional Director, Department of Companies Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI YOGESH KUMAR SABHARWAL, the Chief Justice at Bombay aforesaid this 8th day of July 1999.



BY THE COURT

Sd/-

FOR PROTHONOTARY & SENIOR MASTER

Date : 17th day of July, 1999

ORDER sanctioning the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 drawn on the Application by M/s.RAJESH SHAH & CO. Advocates for the Petitioner, having their office at 104, Bajaj Bhavan, Nariman Point, Bombay 400 021.

S C H E D U L E  
SCHEME OF AMALGAMATION  
OF  
MELSTAR INDUSTRIES LIMITED  
WITH  
MELSTAR INFORMATION TECHNOLOGIES LIMITED

1. **Definitions**

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

1. 1a). "MIL" means MELSTAR INDUSTRIES LIMITED, a Company incorporated under the Companies Act, 1956 having its registered office at G-4, Melstar House, Cross Road "A", MIDC, Andheri - East, Mumbai 400 093 (hereinafter also referred to as "the Transferor Company").
- 1.1b). "MITL" means MELSTAR INFORMATION TECHNOLOGIES LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at G-4, Melstar House, Cross Road "A", MIDC, Andheri - East, Mumbai 400 093 (hereinafter also referred to as "the Transferee Company").
- 1.2 "The Act" means the Companies Act, 1956
- 1.3 "The Scheme" means this Scheme of Amalgamation in its present form or with any modifications approved or imposed or directed by the Honourable High Courts at Bombay.
- 1.4 "The Appointed Date" means the 1st day of March 1999 or such other date as the High Court at Bombay may direct.

- 1.5 “The Effective Date” means the date on which the certified copies of the High Court order vesting the assets, liabilities, right, duties, etc. of MIL in MITL are filed with the Registrar of Companies, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.

## 2. **Share Capital**

- 2.1. The Authorised share capital of MIL is Rs.1,00,00,000 divided into 1,00,000 Equity Shares of Rs.100/- each. The issued, subscribed & paid up share capital is Rs.20,00,000 divided into 20,000 Equity Shares of Rs.100/- each.

- 2.2. The Authorised share capital of MITL is Rs.15,00,00,000 divided into 1,00,00,000 Equity Shares of Rs.10/- each and 50,00,000 Unclassified Shares of Rs.10 each. The issued, subscribed & paid up share capital is Rs.5,95,21,250 divided into 59,52,125 Equity Shares of Rs.10/- each. The same has been increased to Rs.9,83,47,970 divided into 98,34,797 Equity Shares of Rs.10/- each.

## 3. **Transfer of Undertaking**

- 3.1 With effect from opening of the Business as on the Appointed Date, the entire business and undertakings of MIL including all its properties and movable assets of whatsoever nature such as licenses, lease, tenancy rights and all other rights, title, interest or powers of every kind nature and descriptions whatsoever shall under the provisions of Sections 391 and 394 of the Act and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without further act or deed, but subject to the charges affecting the same as on the Effective Date to be transferred and/or deemed to be transferred to and vested in MITL so as to become the properties of MITL. However, if the Directors of MIL and

MITL so desire, all the movable assets of the MIL shall not vest in MITL by virtue of order of the High Court but the same shall be transferred in the manner laid down in clause 3.2 hereinbelow:

3.2. The transfer referred in para 3.1 above shall be carried out as follows:

(i) All the movable assets of MIL including investments, cash on hand, etc. shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to MITL to the end and intent that the property therein passes to MITL on such delivery.

(ii) In respect of movable assets, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed:

MIL shall give notice in such form as it may deem fit and proper to each party, debtors or depositee as the case may be, that pursuant to the said scheme, the said debt, loan, advances, etc. to the extent to which the property is to pass to MITL, be paid or made good or held on account of MITL as the persons entitled thereto. MITL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the said scheme the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of MITL to recover or realise the same is in substitution of the right of MIL.

(iii) With effect from the Appointed Date all debts, liabilities, duties and obligations of MIL, referred to hereinabove

shall without any further act or deed be and stand transferred to MITL.

- 3.3 All the profits or income accruing or arising to MIL or expenditure or losses arising to or incurred by MIL, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the MITL, as the case may be.
- 3.4 If any suit, appeal or other proceeding of whatever nature by or against MIL be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued prosecuted and enforced by or against MITL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against MIL as if this Scheme had not been made.
- 3.5 Subject to other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which MIL is party subsisting or having effect immediately before amalgamation shall be in full force and effect against or in favour of MITL and may be enforced as fully and effectively as if instead of MIL, MITL had been the party thereto.
- 3.6 On Amalgamation of MIL with MITL the services of all the employees of MIL shall stand transferred to MITL on the terms and conditions not less beneficial to such employees than those subsisting with reference to MIL and without entailing any break in the continuity of service to the intent and effect that such employees had always been the employees of MITL. The position, rank, and designation of the employees would be decided by MITL.

- 3.7 The Transfer of property and liabilities and the continuance of proceedings by MITL under Clause 3.2 to 3.5 shall not affect any transaction or proceedings already concluded by MIL on or after the 1st day of March 1999 to the end and intent that MITL accepts and adopts all acts, deeds and things done and executed by MIL in regard thereto as done and executed by MITL on behalf of itself. Furthermore, as from the 1st day of March 1999, MIL shall be deemed to, have carried on and to be carrying on its business on behalf of MITL until such time as this Scheme takes effect.
4. On the Scheme becoming effective MIL shall be dissolved without being wound up.
5. The amalgamation of MIL with MITL will be made on the basis that MITL shall issue and allot in its capital at par, credited as paid up to the extent indicated below, to the members of MIL (the Transferor Company) whose names appear in the Register of Members on the Appointed Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of MIL and approved by them to be placed on its Register of Members in the following proportion viz:

One fully paid up Equity Share of Rs.10/- each of MITL shall be issued and allotted at par, for every four fully paid up Equity Share of Rs.100/- each held by the members of MIL (the Transferor Company) or their heirs, executors, administrators or other legal representatives or their successors in title as the case may be so that any fraction arising out of such allotment shall be rounded off to the nearest complete share.

The new equity shares in MITL to be issued to the members of MIL shall be subject to the Memorandum and Articles of

Association of MITL and shall rank pari passu with the existing equity shares in the matters of dividend, voting rights and in all other respects.

6. **On the Scheme becoming effective:-**

(i) MITL shall record all the Assets and Liabilities recorded in the books of account of MIL and transferred to and vested in MITL pursuant to this Scheme, at their fair market value or their realisable value as on the Effective Date, after making all necessary provisions for any appreciation/increase or deficiency/diminution in the value of any Assets or for the anticipated shortfall in realisation of any Assets or for any contingent or other liability or obligation transferred to MITL in pursuance of the Scheme, but not provided for or not provided for in full in the books of MIL.

(ii) MITL shall credit in its books of account, face value of the shares to the members of MIL pursuant to the Scheme, to the Share Capital Account.

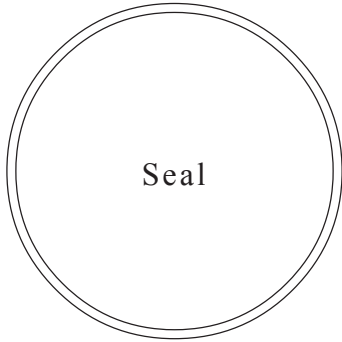
(iii) The difference between the net assets of MIL transferred to MITL pursuant to the High Court order as reduced by the face value of the shares issued by MITL would be credited/charged to Reserve account after adjusting the same for the appreciation/depreciation in the value of the net assets of MITL.

7. MITL & MIL shall with all reasonable dispatch, make applications to the High Court of Judicature at Bombay where the Registered Office of MITL & MIL are situated, for sanctioning this Scheme of Amalgamation under Section 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of MIL without winding up.

8. MIL and MITL by their respective Directors, may consent, on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions or limitations that the Court 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) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
9. For the purpose of giving effect to this Scheme of Amalgamation or to any modification thereof the Directors of MITL may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares.
10. The Scheme is conditional upon and subject to the following:
  - (a) The Scheme being approved by the respective requisite majorities of the members of MITL & MIL and it being sanctioned by the Honourable High Court of Judicature at Bombay.
  - (b) Certified copies of the orders of the Honourable High Court at Bombay, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra by MITL and MIL.
  - (c) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
11. MITL shall take necessary steps to increase, if necessary, its Authorised Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.



12. The Stamp Duty, if any, payable on the transfer pursuant to the Scheme shall be paid by MITL. All other charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto shall also be borne by MITL.



**EXTRACT OF SPECIAL / ORDINARY RESOLUTIONS  
PASSED AT THE ANNUAL GENERAL MEETING OF  
MELSTAR INFORMATION TECHNOLOGIES LIMITED  
HELD ON MONDAY THE 23RD AUGUST, 1999.**

**1. ALTERATION OF OBJECTS CLAUSE OF MEMORANDUM  
OF ASSOCIATION**

RESOLVED THAT in pursuance of the provisions of Section 17 (1) of the Companies Act, 1956, sub clause (1) of the Main Clause (III) (A) of the Memorandum of Association of the Company be and is hereby altered in the manner following :

that after the words Electronic Systems and before the words Gadgets for measurement occurring in line three the following words be hereby inserted

“Information Technology including Consultancy, Computer, Hardware, Software Development, Infotech Services, Enterprise Solutions, Out-sourcing and Facility Management, Internet, E-Commerce, Infotainment, Education and Training, etc.

Resolved Further that pursuant to Section 149 (2A) (b)(i) of the Companies Act, 1956, the Company do commence with immediate effect and undertake business in new activities authorised by the amended sub clause (1) of the Main Clause III(A) of the Memorandum of Association of the Company.

**2. RE-APPOINTMENT OF MR.S.M. ARORA AS  
MANAGING DIRECTOR**

RESOLVED THAT in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act,1956, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. S.M. Arora as Managing Director of the Company for a period of five years effective from 1.4.1999 on the following terms subject however to the condition that the remuneration payable to Mr. S.M. Arora in any financial year together with that payable to other Whole-Time Directors of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr. S.M. Arora shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs. 1,25,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.

- (ii) Helper Allowance : Rs. 2,000/- per month
- (iii) Medical Benefits : Reimbursement of expenses on (for self and family). domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (iv) Reimbursement of : At actuals - Upto Rs. 8,000/-  
Gas & Electricity
- (v) Leave Travel facility : At actuals - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be Sanctioned by the Board within the overall ceiling of 10% of the net profits of the Company in any year.
- (vii) Other Benefits :
  - a. Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
  - b) Conveyance - Company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - c) Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.

**3. INCREASE IN REMUNERATION OF MR. SURESH BANSAL, EXECUTIVE CHAIRMAN**

RESOLVED THAT in pursuance of the provisions of Section 198, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and in modification of the Resolution passed at the AGM held on 30.9.96 consent of the Company be and is hereby given to the increase in the remuneration of Mr. Suresh bansal as Executive Chairman as under effective from 1-4-99 for the remainder of his tenure ending on 31.5.2000, subject however to the condition that the remuneration payable to Mr. Suresh Bansal in any financial year together with that payable to the Managing Director and other Whole-Time Director of the Company shall not exceed ten (10) per cent of the net profits of the Company

computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr. Suresh Bansal shall not exceed the applicable ceiling laid down in Schedule XIII to the Act.

- (i) Salary : Rs. 1,25,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs. 2,000/- per month
- (iii) Reimbursement of : At actuals - Upto Rs. 8,000/-  
Gas & Electricity
- (iv) Medical Benefits : Reimbursement of expenses on  
(for self and family). domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (v) Leave Travel : At actuals - The Company shall  
facility reimburse the expenditure incurred on travel for self and family to and for any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be Sanctioned by the Board Within the overall ceiling of 10% of the net profits of the Company in any year.
- (vii) Other Benefits :
  - a. Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
  - b) Conveyance - company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - c) Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.

**4. INCREASE IN REMUNERATION OF MR. SATTAR SHAIKH, WHOLE-TIME DIRECTOR**

RESOLVED THAT in pursuance of the provisions of Sections 198, 309, 310, 311 and other applicable provisions of the

Companies Act,1956, and in modification of the Resolution passed at the AGM held on 3.9.97 consent of the company be and is hereby given to the increase in the remuneration of Mr. Sattar Shaikh as Whole-Time Director as under effective from 1.4.99 for the remainder of his tenure ending on 31.8.2002, subject however to the condition that the remuneration payable to Mr. Sattar Shaikh in any financial year together with that payable to the Executive Chairman and the Managing Director of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr. Sattar Shaikh shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs. 1,25,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs. 2,000/- per month
- (iii) Reimbursement of : At actuals - Upto Rs. 8,000/-  
Gas & Electricity
- (iv) Medical Benefits : Reimbursement of expenses on  
(for self and family). domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (v) Leave Travel : At actuals - The Company shall  
facility reimburse the expenditure incurred on travel for self and family to and for any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be Sanctioned by the Board Within the overall ceiling of 10% of the net profits of the Company in any year.
- (vii) Other Benefits :
  - a. Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.

- b) Conveyance - company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
- c) Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.

**5. Increase of issued capital**

RESOLVED THAT in partial modification of the earlier Resolutions on the subject and pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereof), and of the Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be necessary, and on such terms and conditions as may be considered expedient by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall include a Committee thereof), or as may be prescribed or imposed by the concerned authority while granting such approvals, permissions and sanctions which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to issue and offer 51,60,203 (Fifty one lac sixty thousand two hundred three only) Equity Shares of Rs. 10/- each (made up of 1,60,203 Equity Shares and 50,00,000/- Unclassified Shares of Rs 10/- each) remaining unissued/unsubscribed in the Authorised Capital of the Company of Rs. 15 crores, to such persons (including employees, Business Associates, etc) Bodies, Corporates, Financial Institutions, Banks, Mutual Funds, Flls, NRIs, OCBs, etc by Public Issue (including reservation, if any) Private Placements or Preferential allotment or any combination thereof and at par or at such premium and on such terms and conditions as may be decided by the Board in consultation with the Lead managers to the Issue having regard to the Company and that the issue to the Public may be in conjunction with the offer for Sale, if any, of Equity Shares by the Co-Investors, in terms of the Bought out Deal or independently thereof provided that in the event of the Board deciding to make a Public Issue for a lower number of Equity Shares than aforesaid, the Board shall have further authority to make additional issue(s) of the shares remaining unissued at any time thereafter in any manner or form as the Board may deem fit.

ALSO RESOLVED THAT the new Equity Shares to be so issued and allotted by the Company shall rank pari-passu in all respects with the then existing Equity Shares of the Company except that in the matter of dividend the same shall be entitled to dividend on a prorata basis for the period for which the shares have been fully paid up during the relevant financial year.

RESOLVED FURTHER THAT for the purpose of giving effect to the above the Board be and is hereby authorised to do all such acts, deeds matter and things including to comply with the requirement to dematerialise the shares of the Company and to issue the new shares in demat form wherever so required and to execute all such deed, documents, instruments and writings as it may deem necessary or desirable and to pay any fees, commission and incur expenses in relation thereto.

**6. EMPLOYEES STOCK OPTION PLAN**

RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions of the Companies Act 1956 (hereinafter referred to as the "ACT") and the Articles of Association of the Company as amended from time to time and subject to such approvals, consents and permissions of the appropriate authorities as may be prescribed by any authority in granting such approvals, consents and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall include a Committee thereof) the consent of the Company be and is hereby accorded to the Board to issue / offer for subscription and allot to or for the benefit of such person(s) as may be in the employment of the Company including Indian Working Directors or to any Trust, Society or any other entity or any combination thereof that may be existing or created for the benefit of such person(s) at any time under a Scheme titled "EMPLOYEES STOCK OPTION PLAN" (hereinafter referred to as the "ESOP" or "Scheme" or "PLAN") to be evolved in this regard and for the employes of associate companies, such number of Equity Shares, debentures whether convertible or non-convertible or partly convertible, secured or unsecured with or without detachable Warrants or any combination thereof of such description (hereinafter referred to as "Securities") as may be permissible under the Articles of Association, in one or more tranches and in such numbers so that the total number of Equity Shares issued or which may result from allotment of Equity Shares or upon exercise of option to acquire or conversion of any or more of the aforesaid securities at any time and from time to time to such person(s) and as does not in the aggregate exceed at any time ten percent of the issued and subscribed Equity Share Capital of the Company at the relevant time (s) and on such terms and conditions including the freedom to fix issue price(s) at par or at a premium(s) or discount as may be determined by the Board in accordance with the applicable Rules, Regulations or Guidelines.

RESOLVED FURTHER THAT ESOP as described above may be implemented through a Welfare Trust and that such Trust be allotted shares or other securities on behalf of Employees of the Company and of its associate companies on preferential allotment basis.

RESOLVED FURTHER THAT the Board be and is hereby authorised to provided such financial assistance as they deem necessary or desirable to the Trust to subscribe to the securities so offered.

RESOLVED FURTHER THAT Equity Shares / Warrants or any other security or instrument held by the Trust would be entitled to Bonus or Rights issues, if any, made by the Company and that such Bonus or Rights Shares offered in relation to securities offered / allotted under ESOP shall not be transferable except to the Trust and the same could be forfeited if any conditions prescribed by the Company for compliance or obsevanace by any employee precedent to his becoming eligible to exercise his right are not fulfilled and consequently the original allotment is forfeited.

ALSO RESOLVED THAT the new Equity Shares to be so issued and allotted by the Company shall rank pari-passu in all respects with the then existing Equity Shares of the Company except that in the matter of dividend the same shall be entitled to dividend on a prorata basis for the period for which the shares have been fully paid up during the relevant financial year with authority to the Board to amend, alter or modify the terms and conditions of the issue of such securities from time to time with regard to dividend and/or paripassu rights of such securities in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing the Board be and is hereby authorised inter-alia to evolve, decide upon and bring into effect the Scheme and make and give effect to any modification, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time and to do all such acts, deeds, matter and things whatsoever, including settling any question, doubt or difficulty that may arise with regard to or in relation to the Scheme or with regard to issue or allotment of any securities under the Scheme as it may in its absolute discretion consider necessary, expedient, usual, desirable or proper in or about the premises.

#### **7. ALTERATION OF ARTICLES**

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (the "Act"), the Articles of Association of the Company be and are hereby altered in the following manner:

- A. Insert the following Article along with the marginal notes as Article 13A after the existing Article 13 :



- 13-A. The Company may purchase its own shares or other specified securities in accordance with the provisions of the Act for the time being in force. “Purchase by the Company of its own Shares”

The Expression “Specified Securities” includes Employees Stock Options or other securities as may be notified by the Central Government from time to time.

- B. Insert the following new Articles 45A and 45B along with marginal notes after the existing Article 45

- 45A. (i) Every holder of Shares in, or holder of Debentures of the Company may, at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his Shares, in or Debentures of the Company shall vest in the event of his death. “Nomination of Shares”
- (i) Where the Shares in, or debentures of the Company are held by more than one person, jointly, the joint holders may together nominate in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.
- (ii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of shares in, or debentures of the Company where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominees shall, on the death of the Shareholder or holder of Debentures of the Company or, as the case may be on the death of the joint holders, become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be all the joint holders, in relation to such Shares in, or Debentures of the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act
- (iii) Where the nominee is a minor it shall be lawful for the holder of the Shares, or holder of Debentures, to make the nomination to appoint in the prescribed manner under Section 109 A of the Act, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.

“Transmission of Shares”

- 45B. (i) Any person who becomes a nominee by virtue of the provisions of the Section 109 A of the Act upon the production of such evidence as may be required by the Board and subject to as hereinafter provided elect, either :-
- a. to be registered himself as holder of the Shares or Debentures, as the case may be; or
  - b. to make such transfer of the Share or Debenture, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be could have made.
- ii. The Board shall, in either case, have the right to decline or suspend registrations it would have had, if the deceased Shareholder or Debenture holder had transferred the Shares or Debentures, as the case may be before his death.
  - iii. If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share or Debentures, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.
  - iv. All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
  - (v) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered as holder in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or

Debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

- C. The following wordings be added at the beginning of the present Article 46.-

”Subject to the provisions of Articles 45A and 45B.....”

- D. Insert the following Heading and Article along with the marginal notes as Article 53A after the existing Article 53.

53A. “DEMATERIALISATION OF SECURITIES”

- (1) For the purpose of this Article:

Definitions

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

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

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

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

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

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

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

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

“Regulations” means the regulations made by SEBI.

“Security” means such security as may be specified by SEBI.

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

Words imparting persons include corporations.

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

Dematerialisation of Securities

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

Option to receive Securities, certificates or hold Securities with Depository

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

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

Securities in Depositories

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

- (6) (a) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner. Rights of Depositories and Beneficial Owners.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (7) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them. Beneficial Owner deemed as absolute owner
- (8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. Depository to furnish information
- (9) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly. Cancellation of certificates upon surrender by a person

Option to opt out in respect of any Security

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

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

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

Service of Documents.

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

Provisions of Articles to apply to shares held in Depository.

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

Allotment of Securities dealt with in a Depository

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

Distinctive number of Securities held in a Depository

- (14) The Shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relation to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear to the number by which the same was originally distinguished.

Register and Index of Beneficial Owners Register of Transfers.

- (15) The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act respectively, and the

Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be Register and Index of Members and Register and Index of debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or county.

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

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**EXTRACT OF SPECIAL / ORDINARY RESOLUTIONS  
PASSED AT THE ANNUAL GENERAL MEETING OF  
MELSTAR INFORMATION TECHNOLOGIES LIMITED ON  
FRIDAY THE 25TH AUGUST 2000.**

**1. INCREASE OF AUTHORISED CAPITAL (Special Resolution)**

RESOLVED THAT the Authorised Capital of the Company be and is hereby increased from Rs.15,00,00,000/- (Rupees fifteen crores only) to Rs.20,00,00,000/- (Rupees twenty crores only) divided into 2,00,00,000 (Two crores ) Equity Shares of Rs.10/- each.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly.

**2. AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION (Special Resolution)**

RESOLVED THAT the existing Article 4 of the Articles of Association of the Company be and is hereby replaced by the following:

The Capital of the Company is Rs.20,00,00,000/- (Rupees twenty crores only) divided in to 2,00,00,000 (Two crores only) Equity Shares of Rs.10/- each.

**3. ISSUE OF SHARES TO FIIs, MUTUAL FUNDS, ETC (Special Resolution)**

RESOLVED THAT consent of the members of the Company be and is hereby accorded, pursuant to section 81(1A) of the Companies Act, 1956 to the Board of Directors of the Company issuing further Equity Shares of Rs.10/- each subject to a maximum of 78,49,300 shares, as the Board may determine at the appropriate time) in one or more tranches on private placement basis to Financial Institutions / Banks / Mutual Funds / FIIs/ NRIs/OCBs, etc at such premium as the Board may determine being reasonable having regard to the various factors including the projected growth in the business and profitability of the Company and in accordance with and subject to the provisions of the Companies Act, the Securities Act, the Foreign Exchange Management Act and the Rules and Regulations formulated thereunder including the Guidelines issued by Securities and Exchange Board of India for the time being in force.

Provided however that the issue(s) made to the FIIs made shall at no time exceed the prescribed ceiling of 40 % of the enlarged issued capital of the Company at the relevant time.

**4. INVESTMENTS IN OTHER BODIES CORPORATE (Special Resolution)**

RESOLVED THAT pursuant to the provisions of section 372A and other applicable provisions of the Companies Act, 1956,



consent of the Company be and is hereby accorded to the Board of Directors of the Company investing from time to time any sums of money which together with investments already made may exceed 60% of the aggregate of Paid Up Capital and Free Reserves or 100% of the free reserves whichever is higher provided however that the aggregate of the investments at any time shall not exceed Rs. 50 crores (Rupees Fifty crores only).

RESOLVED FURTHER THAT within the overall ceiling aforesaid, the Board be and is hereby authorised to approve and decide from time to time on investments in individual entities in India and/or abroad as deemed expedient in the best interest of the Company and in compliance with the relevant statutory regulations or guidelines or otherwise.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as so required and to execute all such deeds, documents, instruments and writings as deemed necessary or desirable and to incur any expenses as requisite in relation thereto.

**5. INCREASE IN BOARD'S AUTHORITY TO BORROW**

RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose.

Provided that the total amount outstanding shall not exceed at any time Rs.100 crores (Rupees One hundred crores only).

ALSO RESOLVED THAT the Board of Directors of the Company be and is hereby further authorised to create charges or mortgages on the immovable and movable assets of the Company as deemed expedient in favour of the concerned Institutions, banks, or other funding organisations, as security for due repayment of the principal and interest thereon borrowed from one or more of them as loans or by way of privately placed Debentures or other securities as the Board may consider fit and proper and to do such other acts, deeds and things as deemed expedient in the premises.

**6. APPOINTMENT OF MR. SURESH BANSAL, EXECUTIVE CHAIRMAN ON INCREASED REMUNERATION**

RESOLVED THAT in supercession of the earlier Resolution on the subject and in pursuance of the provisions of Sections

198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr.Suresh Bansal as Executive Chairman of the Company for a period of five years effective from 1.4. 2000 on the following terms subject however to the condition that the remuneration payable to Mr.Suresh Bansal in any financial year together with that payable to other Whole-Time Directors of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr.Suresh Bansal shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs.2,75,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs.2,000/- per month.
- (iii) Medical Benefits (for self and family) : Reimbursement of expenses on domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (iv) Reimbursement of Gas & Electricity : At actuals - Upto Rs.8,000/- per month.
- (v) Leave Travel facility : At actuals - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be sanctioned by the Board within the overall ceiling of 10% of the net profits of the Company in any year.
- (vii) Other Benefits :
  - a) Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
  - b) Conveyance - Company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.

- c) Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.
- d) Membership of one club.

**7. APPOINTMENT OF MR. S. M. ARORA, MANAGING DIRECTOR ON INCREASED REMUNERATION**

RESOLVED THAT in supercession of the earlier Resolution on the subject and in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. S. M. Arora as Managing Director of the Company for a period of five years effective from 1.4.2000 on the following terms subject however to the condition that the remuneration payable to Mr. S. M. Arora in any financial year together with that payable to other Whole-Time Directors of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr. S. M. Arora shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs.1,75,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs.2,000/- per month.
- (iii) Medical Benefits (for self and family) : Reimbursement of expenses on domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (iv) Reimbursement of Gas & Electricity : At actuals - Upto Rs.8,000/- per month.
- (v) Leave Travel facility : At actuals - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be sanctioned by the Board within the overall ceiling of 10% of the net profits of the Company in any year.

- (vii) Other Benefits :
- a) Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
  - b) Conveyance - Company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - c) Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.
  - d) Membership of one club.

8. **APPOINTMENT OF MR. SATTAR SHAIKH, EXECUTIVE DIRECTOR ON INCREASED REMUNERATION**

RESOLVED THAT in supercession of the earlier Resolution on the subject, and in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr.Sattar Shaikh as Executive Director of the Company for a period of five years effective from 1.4.2000 on the following terms subject however to the condition that the remuneration payable to Mr.Sattar Shaikh in any financial year together with that payable to other Whole-Time Directors of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr.Sattar Shaikh shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs.1,75,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs.2,000/- per month.
- (iii) Medical Benefits (for self and family) : Reimbursement of expenses on domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (iv) Reimbursement of Gas & Electricity : At actuals - Upto Rs.8,000/- per month.
- (v) Leave Travel facility : At actuals - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a

ceiling of 40% of a month's salary.

(vi) Commission : Not exceeding 100% of the Annual Salary as may be sanctioned by the Board within the overall ceiling of 10% of the net profits of the Company in any year.

(vii) Other Benefits :

- a. Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
- b. Conveyance - Company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
- c. Benefits of Company's contribution of Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.
- d. Membership of one club.

**9. KEEPING OF STATUTORY RECORDS (Special Resolution)**

Resolved that pursuant to the provisions of Section 163 of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded for the Company to keep and maintain the Register of Members, Index of Members and copies of Annual Returns, etc prepared under Section 159/160 of the Companies Act, 1956 at the Registered Office of the Company and/or at the office of the Company's Registrars and Share Transfer Agents - MCS Limited at Sri Venkatesh Bhavan, Plot No.27, Road No.11, MIDC, Andheri East, Mumbai-400093 or at any other office of the Registrars and that the same shall be open for inspection by any member without fee or by any other person on payment of such fee as may be prescribed for such inspection during working hours in accordance with the provisions of said Section 163 of the Act.

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**EXTRACT OF SPECIAL RESOLUTIONS PASSED AT AN EXTRAORDINARY GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED ON MONDAY THE 9TH OCTOBER 2000.**

**1. FURTHER ISSUE OF CAPITAL**

RESOLVED THAT in partial modification of the Special Resolution passed at the Annual General Meeting of the Company held on 25.8.2000, consent of the Members of the Company be and is hereby accorded pursuant to Section 81(1A) of the Companies Act, 1956 to the Board of Directors of the Company issuing further Equity Shares of Rs.10/- each subject to a maximum of 73,49,300 Equity shares of the Company, as the Board may determine from time to time in one or more tranches, over a period of 12 months from the date hereof, on Private Placement or Preferential Allotment basis to Business Associates, corporate entities, Financial Institutions / Banks / Mutual Funds / FIIs / NRIs / OCBs, and others including individuals/ corporates, resident/incorporated in India or abroad, at such premium as the Board may determine being reasonable, having regard to the various factors including the projected growth in the business and profitability of the Company and in accordance with the Govt. Policy, requirements of the Companies Act, the Securities Act, the Foreign Exchange Management Act, Rules and Regulations formulated thereunder including the Guidelines issued by Securities and Exchange Board of India and any other Statutory authority for the time being in force, besides the Memorandum and Articles of Association of the Company.

ALSO RESOLVED THAT for the purpose of raising funds to meet business requirements from funding institutions / corporate bodies, should any such institution / body opt for issue of Preference Shares, convertible into equity shares in accord with SEBI Guidelines or redeemable after a certain period not later than eighteen (18) months from the date of Issue, the Board be and is hereby authorised to designate appropriate number of Equity Shares not exceeding 20,00,000 (Twenty Lacs only) shares in the Authorised Capital of the Company as Convertible and/or Redeemable Preference Shares of Rs.100/- each carrying a fixed rate of Dividend not higher than 15% as the Board may deem expedient in the premises and to issue such shares as Convertible Preference Shares and/or Redeemable Preference Shares as the Board may deem fit and proper and that in the case of convertible Preference Shares, the relevant date for determination of the conversion period shall be the date 30 days preceding the date of the Board Meeting at which such shares are issued.

FURTHER RESOLVED THAT in furtherance of the aforesaid objective and within the limits stated hereinabove and subject to such approvals, permissions and sanctions of any Regulatory authorities as requisite and such conditions and modifications as may be prescribed or imposed by any such authority while

granting such approvals, permissions, or sanctions, which the Board (which expression shall include a Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby empowered to accept at its sole discretion, consent of the Company be and is hereby accorded to the Board to exercise such powers and authority inter-alia in the following cases:

- A. To issue and allot, on Private Placement basis, for consideration other than cash, to the shareholders named hereinafter (“the Sellers”) of Linkhand Limited (a company incorporated and operating under the laws of the United Kingdom), 16,75,450 (Sixteen Lacs, Seventy Five Thousand Four Hundred and Fifty only) Equity Shares of Rs.10/- (Rupees Ten only) each, being the part consideration (around 75% of the total consideration of 4.80 million Pounds, the balance 25% payable in cash) for the transfer of entire business of Linkhand Limited and its two wholly-owned subsidiaries, together with 100% of Linkhand’s fully paid Equity amounting to 68,992 Shares of Pd. One (1) each, at a price higher of the following two :
- a) Rs.140/- (Rupees one hundred forty only) per share aggregating approximately to Rs.23.45 crores (Rupees Twenty three crores and forty five lacs only);

OR

price determined pursuant to the Preferential Issue Guidelines of SEBI, (the relevant date applicable in terms thereof, being the 8th of September, 2000) subject however to the condition that if the price so determined is higher than Rs.140/- per share, the number of shares shall be reduced appropriately and if such price contains a fraction of a Rupee, such fraction shall be rounded off to the next higher rupee, subject to the other terms and conditions contained in the Sale & Purchase Agreement dated 8th September 2000 between the Company and the Sellers and subject to compliance with all Regulatory requirements including the approval of RBI:

<b>Names of Sellers</b>	<b>No. of Equity shares of Rs. 10/- each</b>
(1) First Option Holdings	786,520
(2) A. C. Gale	359,972
(3) K. Osborn	343,677
(4) I. Soden	100,560
(5) G. Goulson	43,423
(6) J. Pile	15,327
(7) M. Baga	25,971
	16,75,450

Provided that the new Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares in the Issued capital of the Company save and except



that in the matter of Dividend the said new shares shall be entitled to dividend on a pro rata basis for the period for which the same have been fully paid up during the relevant financial year.

- B. To issue to the following shareholders of Global Systems Development Inc. of New York (USA) (GSD) Option Warrants convertible into Equity Shares of Rs. 10/- (Ten only) each at a later date at a price to be determined in accord with SEBI Guidelines aforesaid (subject to the condition, however, that, if the price so determined contains a fraction of a Rupee, the same shall be rounded off to the next higher Rupee, for consideration other than cash (towards part payment equal to 75% of the total consideration of USD 1.815 million) (around Rupees 8,34,90,000) for the acquisition of 550 Ordinary Shares (constituting 55% of the Paid up Capital of the said GSD, the Company already holding the remaining 45% amounting to 450 shares) so as to acquire full control on the management and ownership of the said GSD as per the terms of the Agreement dated 31st August, 2000 executed between the shareholders of GSD and the Company, subject to compliance with the Rules, Regulations and Guidelines of the concerned Regulatory authorities, including the Reserve Bank of India, provided that the Warrants so issued shall be converted into Equity Shares twelve (12) months after the date of their issue at the price determined as aforesaid:

<b>Names of shareholders of GSD entitled to Option Warrants</b>	<b>Percentage of holding in GSD</b>
1. Ari L. Sternberg	22.5
2. Hal McIntyre	22.5
3. ITC Consulting GmbH	10.0
	55.0

Provided that the new Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares in the Issued Capital of the Company save and except that in the matter of Dividend the said new shares shall be entitled to dividend on a pro rata basis for the period for which the same have been fully paid up during the relevant financial year.

- C. To issue and allot to Ellis Systems Limited 368,560 (Three lacs sixty eight thousand five hundred sixty only) Equity Shares of Rs.10/- each for cash at a premium of Rs.130/- per share, aggregating to Rs.5,15,98,400/-

OR

at a price as determined under the SEBI formula on 8th September, 2000, being the relevant date for the purpose, subject however to the condition that if the price is higher than Rs.140/-, the number of shares shall be reduced appropriately and if such price contains a fraction of a Rupee, such fraction shall be rounded off to the next higher rupee.



Provided that the new Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares in the Issued capital of the Company save and except that in the matter of Dividend the said new shares shall be entitled to dividend on a pro rata basis for the period for which the same have been fully paid up during the relevant financial year.

- D. To consummate deals with other business entities in India or abroad for the acquisition of business and/or substantial equity with management control on the entity, whose activities are in line with or complimentary to the Company's activities on such terms as the Board may deem fit and proper in the interests of the Company with authority to issue and allot Equity Shares / Warrants or other securities against payment of the consideration in cash, or otherwise than in cash in full or in part, in conformity with the applicable requirements of statutory Regulations, and Guidelines governing such issue(s) in all respects, including the Issue Price of the Company's share or the price at which Option Warrants or other securities are convertible into Equity shares subject however, to the condition that for determining the price as per SEBI Guidelines; the relevant date shall be a date 30 days preceding the date on which the Board resolves to issue shares or convertible securities, as the case may be, and that if the price so determined contains a fraction of a Rupee such fraction shall be rounded off to the next higher Rupee.

Provided however that the new Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares in the Issued Capital of the Company save and except that in the matter of Dividend, the said new shares shall be entitled to dividend on a pro rata basis for the period for which the same have been fully paid up during the relevant financial year.

RESOLVED ALSO THAT the Board be and is hereby further authorised to do all such acts, deeds, matters and things and to execute such documents, instruments and writings as it may deem necessary or desirable and to pay any fees, commission and incur expenses in relation thereto and also to resolve any doubt, question, or other issue that may arise in the course of implementation of these Resolutions.

## 2. **INVESTMENT IN OTHER CORPORATE ENTITIES**

RESOLVED THAT in pursuance of the provisions of Section 372A and other applicable provisions of the Companies Act, 1956, if any, and read with the terms of the Special Resolution passed on the subject at the Annual General Meeting of the Company held on 25.8.2000, consent of the Company be and is hereby accorded to the Board of Directors of the Company making investments in the following corporate bodies with a view to acquire their business and/or Equity control so that such business units and/or corporate bodies become wholly

owned by the Company against payment of sums of money as set forth against their respective names subject to the condition that such investments together with investments already made and intended to be made in future may exceed 60% of the aggregate of Paid up Capital and Free Reserves or 100% of the Free Reserves of the Company, whichever be higher, provided however that the aggregate of the investments made together with those to be made in future shall not at any time exceed Rs.75,00,00,000/- (Rupees seventy five crores only):

<b>Name of the entity</b>	<b>Total Investment (in Rs.)</b>
1. Linkhand Limited (a company incorporated and operating in United Kingdom)	Not exceeding Rs.32 crores
2. Global Systems Development Inc. (USA)	Not exceeding Rs.8.35 crores

RESOLVED FURTHER THAT within the overall ceiling of Rs.75.0 crores, the Board be and is hereby authorised to approve and decide from time to time on investments to be made in future in individual entities in India and/or abroad as deemed expedient in the best interests of the Company and in compliance with the relevant statutory regulations or guidelines or otherwise as deemed expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as so required and to execute all such deeds, documents, instruments and writings as deemed necessary or desirable and to incur any expenses as requisite in relation thereto.

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**EXTRACT OF SPECIAL / ORDINARY RESOLUTIONS  
PASSED AT THE ANNUAL GENERAL MEETING OF  
MELSTAR INFORMATION TECHNOLOGIES LIMITED ON  
TUESDAY THE 31ST JULY 2001.**

**1. APPOINTMENT OF MR. ANTHONY GALE AS A  
DIRECTOR LIABLE TO RETIRE BY ROTATION**

RESOLVED THAT Mr. Anthony Gale who vacates the office of Additional Director at this Meeting and in respect of whom the Company has received a notice from a shareholder pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director be and is hereby appointed as a Director liable to retirement by rotation of directors.

**2. APPOINTMENT OF MR. B. K. BIYANI AS A DIRECTOR  
LIABLE TO RETIRE BY ROTATION**

RESOLVED THAT Mr. B. K. Biyani who vacates the office of Additional Director at this Meeting and in respect of whom the Company has received a notice from a shareholder pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director be and is hereby appointed as a Director liable to retirement by rotation of directors.

**3. APPOINTMENT OF MR. DARIUS PANDOLE AS A  
DIRECTOR LIABLE TO RETIRE BY ROTATION**

RESOLVED THAT Mr. Darius Pandole who vacates the office of Additional Director at this Meeting and in respect of whom the Company has received a notice from a shareholder pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director be and is hereby appointed as a Director liable to retirement by rotation of directors.

**4. APPOINTMENT OF MR. M. R. LAL AS A DIRECTOR  
LIABLE TO RETIRE BY ROTATION**

RESOLVED THAT Mr. M. R. Lal who vacates the office of Additional Director at this Meeting and in respect of whom the Company has received a notice from a shareholder pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director be and is hereby appointed as a Director liable to retirement by rotation of directors.

**5. APPOINTMENT OF MR. BHARAT V. RAMANI AS AN  
EXECUTIVE DIRECTOR**

RESOLVED THAT in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, approval of the Members be and is hereby accorded to the appointment of

Mr. Bharat Ramani as an Executive Director of the Company for a period of five years effective from 1.6.2001 on the following terms subject however to the condition that the remuneration payable to him in any financial year together with that payable to other Whole-Time Directors of the Company shall not exceed ten (10) per cent of the net profits of the Company computed in the manner provided in Section 349/350 of the Act and where in any year the Company has no profits, or its profits are inadequate, the remuneration payable to Mr. Bharat Ramani shall not exceed the applicable ceiling laid down in Schedule XIII to the Act:

- (i) Salary : Rs.1,75,000/- per month with authority to the Board to sanction annual increases as they deem fit, not exceeding Twenty (20) per cent of the salary drawn before such increase.
- (ii) Helper Allowance : Rs.2,000/- per month.
- (iii) Medical Benefits : Reimbursement of expenses on (for self and family) : domiciliary treatment at actuals, besides a mediclaim policy for hospitalization.
- (iv) Reimbursement of Gas & Electricity : At actuals - Upto Rs.8,000/- per month.
- (v) Leave Travel facility : At actuals - The Company shall reimburse the expenditure incurred on travel for Mr. Ramani and his family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
- (vi) Commission : Not exceeding 100% of the Annual Salary as may be sanctioned by the Board within the overall ceiling of 10% of the net profits of the Company in any year.
- (vii) Other Benefits :
  - a. Leave - as per Company Rules and Encashment of unavailed privilege leave at the time of retirement or cessation of employment shall be permitted.
  - b. Conveyance - Company Car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - c. Benefits of Company's contribution to Provident Fund, Superannuation Fund and payment of Gratuity as per Company Rules.

d. Membership of one club.

6. **COMMISSION PAYABLE TO NON-EXECUTIVE DIRECTORS (Special Resolution)**

RESOLVED THAT in accord with the provisions of Section 309 (4) of the Companies Act, 1956 and Article 142 (a) of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the Board of Directors to pay to the non-executive directors of the Company, in addition to the fees payable for each meeting of the Board or Committee thereof attended by them, remuneration by way of commission not exceeding, in the aggregate, 1% of the net profits of the Company per financial year commencing from the 1st of April, 2001, computed as per the provisions of the Act and in such manner and proportion, as the directors may in their absolute discretion deem fit and proper, to some or all of the non-executive Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do such other acts and deeds as deemed expedient in the premises.

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**NAME LICENCE SUPPLEMENTAL AGREEMENT**

**This Agreement** executed at Mumbai on this 26th day of March 2002

**Between**

- (1) Melstar Exports & Technologies Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Melstar House, G-4, MIDC Cross Road, "A", Andheri (E), Mumbai - 400093, (hereinafter, referred to as "Licensor") of the one part;
- (2) Melstar Information Technologies Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Unit Melstar House, G-4, MIDC Cross Road "A", Andheri (E), Mumbai - 400093 (hereinafter, referred to as the "Licensee Company", which expression shall be deemed to include its successors and assigns) of the other part;

**And**

- (3) Melstar Fashions Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at P-2, Jolly High Rise Apartments, Pali Mala Road, Pali Hills, Bandra West, Mumbai - 400 055, (hereinafter, referred to as the Assignee and/or "MFPL" of the third part) being the Assignee of the rights in the trade name / trading style and related other rights of Melstar Exports & Technologies Private Limited in terms of Deed of Assignment dated 26.3.2002 executed between them.

**WHEREAS:**

1. The Licensor is the registered and rightful owner of the name and / or the letters "MEL" or 'MELSTAR' with or without the mark "\*" as part of its corporate name and / or trade name and / or trading style.
2. The parties of the first and second part of this Supplemental Agreement had executed a Name Licence Agreement dated 2nd day of May, 1994 ("Agreement") in terms of which, the Licensor had granted to the Licensee Company the license to use the names and/or words and/or letters "MEL" or "MELSTAR" with or without the mark "\*" as part of its corporate name and/or trade name and/or trading style on the terms stipulated in the said Agreement.
3. In terms of the aforesaid Agreement dated 2nd May 1994, the Licensee Company had been using the aforesaid Trade Marks, trade name, trading style, etc.
4. In terms of the Deed of Assignment dated 26.3.2002, the Licensor assigned the aforesaid Trade Marks in favour of Melstar Fashions Private Limited, a company in the same Group and under the same management control.
5. Consequent upon the assignment of rights in the trade name / trading style, etc by Melstar Exports in favour of MFPL, it was deemed expedient that an Agreement among the Licensor,

the Licensee Company and MFPL be executed so that the Licensee Company can continue to use the said name / trade mark / trading style without any interruption subject to the terms and conditions as set-forth hereinafter.

**NOW THEREFORE this Supplemental Agreement between the Parties hereto witnesseth as under -**

1. Melstar Information Technologies Limited, the Licensee Company shall continue to use without any limitation the said corporate name / trade name / trading style / trademarks until otherwise agreed in writing between the Assignee and the Licensee Company.
2. Both the Assignee Company and the Licensee Company shall be obliged to change their respective names without the inclusion of the common name "Melstar" within the period so agreed, but not later than 120 days from the date of termination of this Agreement.
3. The license and related rights granted to the Licensee Company herein shall also cover the subsidiaries and joint-ventures of the Licensee Company incorporated and operative in India or abroad, both present and future.
4. In the event of dissolution or winding up or liquidation or change of management control of MFPL under any circumstances, it shall not assign or sell or transfer the aforesaid marks / trade name to any entity not controlled by the present management so as to avoid conflict and to ensure continuity of trade name and other rights of the Licensee Company, as also other companies under the present promoters and of the subsidiaries of the Licensee Company in India or abroad.
5. All other terms and conditions contained in the original Agreement dated 2nd May, 1994 as also the Deed of Assignment dated 26th March 2002 shall continue to be operative at all times, unless any provision hereof is found as conflicting with any of the above terms and conditions.

**IN WITNESS WHEREOF**, the Parties have caused this Deed of Supplemental Agreement to be executed by their respective duly authorized officers on the date hereinabove set forth.

**For Melstar Exports &  
Technologies Private Limited**

S. Shaikh  
Director

**For Melstar Information  
Technologies Limited**

S. M. Arora  
Managing Director

**For Melstar Fashions Private Limited**

S. Bansal  
Director

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**

**ORDINARY ORIGINAL CIVIL JURISDICTION**

COMPANY PETITION NO. 306 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 84 OF 2002

In the matter of the Companies Act,  
1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of  
Arrangement of Melstar Indiacentric  
Limited with Melstar Information  
Technologies Limited and their  
Respective Shareholders

**MELSTAR INFORMATION** )  
**TECHNOLOGIES LIMITED**, a Company )  
incorporated under the Companies Act, )  
1956 having its registered office at Melstar )  
House, G-4, MIDC, Cross Road, "A", )  
Andheri (East), Mumbai - 400 093. ) .....Petitioner

Coram : D. K. Deshmukh J.

Date : 26th April, 2002



Upon the Petition of Melstar Information Technologies Limited, the Petitioner Company above named, presented to this Honorable Court on 18th day of March 2002 for sanction of the Scheme of Arrangement of Melstar Indiacentric Limited (hereinafter referred to as “the Transferor Company” or “Melstar Indiacentric”) with Melstar Information Technologies Limited (hereinafter referred to as “the Transferee Company” or “Melstar or “ Petitioner Company”) AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Satish Menon, the Chief Financial Officer and Company Secretary of the Petitioner Company solemnly affirmed on 18th day of March 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co., Advocates for the Petitioner dated 23rd day of April 2002 proving publication of the notice of the date of hearing of the Petition in the issue of the “Free Press Journal” dated 8th day of April 2002 and “Navshakti” dated 8th day of April 2002 and also providing service of notice upon the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and also upon the share warrant holders AND UPON READING the order dated 8th day of February 2002, made by this Hon’ble Court in Company Application No. 84 of 2002 whereby the Petitioner Company was directed to convene meeting of the Equity Shareholders, secured creditors and unsecured creditors of the Petitioner Company to consider and approve the proposed Scheme of Arrangement of Melstar Indiacentric Limited the Transferor Company with Melstar Information Technologies Limited, the Petitioner Company AND UPON READING the affidavit of Mr. Surinder Arora, Chairman of the meeting of the Equity Shareholders, Secured Creditors and unsecured Creditors of the Petitioner Company dated 6th day of March, 2002 proving publication of the notice convening meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company in the issue of the “Free Press Journal” dated 19th day of February 2002 and “Navshakti” dated 19th day of February 2002 and also providing despatch of notice convening meeting to individual equity shareholders, secured creditors and

unsecured creditors of the Petitioner company AND UPON READING the report dated 15th day of March, 2002 of Mr. Suresh Bansal, the Chairman of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors as to the results of the said meeting AND UPON READING the affidavit of Mr. Suresh Bansal, Chairman of the meeting dated 15th of March, 2002 verifying the said report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholder, Secured Creditors and Unsecured Creditors of the Petitioner Company that the arrangement embodied in the Scheme of Arrangement of Melstar Indiacentric Limited, the Transferor Company with Melstar Information Technologies Limited, the Petitioner Company being Exhibit "E" to the said petition and Schedule hereto has been approved by majority in number of the equity shareholders, secured creditors and unsecured creditors and representing more than three-fourths in value of the equity shareholder, secured creditors and unsecured creditors present at the meeting AND UPON HEARING Mr. Rajesh I. Shah, Advocate for the Petitioner Company and Mr. C. J. Joy with Mr. M. M. Goswami, Panel Counsel instructed by Mr. R. P. Singh, Company Prosecutor for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the Order of the Court AND on other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against THIS SAME THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of Melstar Indiacentric Limited with Melstar Information Technologies Limited as set forth in Exhibit "E" to the Petition and also the Schedule hereto; AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company and the Transferor Company and also their respective Members/ Shareholders and Creditors AND THIS COURT DOTH FURTHER ORDER THAT with effect from the opening of business as on 1st day of July, 2001 ("hereinafter referred to as the Appointed Date"), the entire business and whole of the undertakings of the Transferor Company including all its properties and assets of whatsoever nature such as licenses, lease, tenancy right, if any and all other rights, title, interest concessions, consent, approvals and powers of

every kind, nature and descriptions whatsoever shall, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and pursuant to the Orders of the Bombay High Court sanctioning the Scheme, without any further act, deed, matter or thing stand transferred and to vest in and/or deemed to be transferred to and vested in the Petitioner Company, AND THIS COURT DOTH FURTHER ORDER THAT with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the close of business on the date preceding the Appointed Date whether or not provided in the books of the transferor Company shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER THAT if any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the arrangement or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Petitioner Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. AND THIS COURT DOTH FURTHER ORDER THAT subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Petitioner Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Petitioner Company has been a party or beneficiary thereto and that the Petitioner Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required of becomes necessary and the Petitioner

Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the transferors Company to give effect to the provisions of this Scheme AND THIS COURT DOTH FURTHER ORDER THAT all employees of the Transferor Company in service on the date immediately, preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) shall be offered employment in the Petitioner Company on such date and such employees shall be employed with the Petitioner Company without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Company, as the case may be, as on the said date AND THIS COURT DOTH FURTHER ORDER THAT the entire Issued, Subscribed and paid up share capital of the Transferor Company is held by the Petitioner Company, upon the scheme becoming effective, no share of the Petitioner Company shall be allotted in respect of the holding of the Petitioner Company in the Transferor Company and the share capital of the Transferor Company shall stand cancelled AND THIS COURT DOTH FURTHER ORDER THAT on the Scheme becoming effective, the Petitioner Company shall account for the merger in its books as under :

- i) all the assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Petitioner Company pursuant to the Scheme shall be recorded by the Petitioner Company at their fair values;
- ii) the investments in the Transferor Company, appearing in the books of account of the Petitioner Company, will stand cancelled;
- iii) (a) the value of net assets of the Transferor Company transferred to the Petitioner Company, pursuant to the High Court order;
- (b) the book value of the investments in the shares of the transferor Company as recorded by the Petitioner Company and

- (c) adjustment for depreciation, if and to the extent considered appropriate by the Board of Directors of the Petitioner Company, however not exceeding Rs. 3,550 lacs, in the value of assets whether fixed or current (including Investments) of the Petitioner Company as on December 31, 2001.

shall be charged to the Share Premium Account,

AND in case of any differences in accounting policy between the Petitioner Company and the Transferor Company, the accounting policies followed by the Petitioner Company shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the Share Premium Account mentioned earlier to ensure that the financial statements of the Petitioner Company reflect the financial position on the basis of consistent accounting policy and that the reduction of Share Premium Account as aforesaid shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the Order of the Bombay High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction AND THIS COURT DOTH FURTHER ORDER THAT the Petitioner Company do within 30 days from the date of sealing of the order, cause a certified copy of the order sanctioning the Scheme of Arrangement to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai, shall place and transfer all the files relating to the Transferor Company and register with him on the file kept by him in relation to the Petitioner Company and files of both the companies as described above shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER THAT liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary AND THIS COURT DOTH FURTHER ORDER THAT for orders in respect of such incidental, consequential & supplemental matters as are necessary to ensure

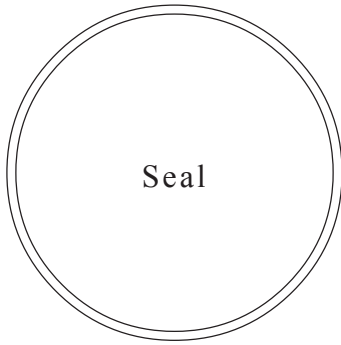
that the said Scheme of Arrangement being Exhibit "E" to the Petition shall be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs. 1500/- (Rupees One Thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition.

WITNESS SHRI CHUNILAL KARSANDAS THAKKER, Chief Justice at Bombay, aforesaid this 26th day of April, 2002.

BY THE COURT

Sd/-

FOR PROTHONOTARY & SENIOR MASTER



Sealer

Dated this 8th day of May, 2002,

ORDER sanctioning the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 drawn on the Application. By M/s. RAJESH SHAH & CO., Advocates for the Petitioner, having their office at 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

--- SCHEDULE ---

**Scheme of Arrangement**

Of

**MELSTAR INDIACENTRIC LIMITED**

With

**MELSTAR INFORMATION TECHNOLOGIES LIMITED**

And

**THEIR RESPECTIVE SHAREHOLDERS**

Under Section 391 read with Section 394 of the  
Companies Act, 1956.

This Scheme of Arrangement is presented for the amalgamation of Melstar Indiacentric Limited with Melstar Information Technologies Limited.

**PART I**

**1. DEFINITIONS**

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

- 1.1 “The Act” means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof.
- 1.2 “Melstar Indiacentric” means Melstar Indiacentric Limited, a Company incorporated under the Companies Act, 1956 having its registered office at Melstar House, G-4, MIDC Cross Road, “A”, Andheri (East), Mumbai 400 093.
- 1.3 “Melstar” means Melstar Information Technologies Limited, a Company incorporated under the Companies Act, 1956 having its registered office at Melstar House, G-4, MIDC, Cross Road “A”, Andheri (East), Mumbai 400 093.

- 1.4 “The Appointed Date” means 1st day of July 2001 or such other date as may be fixed by the High Court of Judicature at Bombay.
- 1.5 “The Effective Date” means the later of the dates on which the sanctions and approvals referred to in sub-clauses (i) and (ii) of Clause 13 of the Scheme have been obtained or the date on which the certified copies of the Orders of High Court of Judicature at Bombay under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- 1.6 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Arrangement in its present form submitted to the High Court having jurisdiction at Bombay or with any modification(s) made under Clause 15 of this Scheme.

## 2. SHARE CAPITAL

- 2.1 The Share Capital of Melstar Indiacentric as on the last Balance Sheet date i.e. March 31, 2001 is as under :

	Rupees
Authorised Capital	
50,000 Equity Shares of Rs. 100 each	50,00,000
Issued, Subscribed and Paid up Capital	
50,000 Equity Shares of Rs. 100 each fully paid up	50,00,000

As on the appointed date, the entire paid up share capital of Melstar Indiacentric is held by Melstar.

- 2.2 The Share Capital of Melstar as on the latest Balance Sheet date i.e. March 31, 2001 is as under :

	Rupees
Authorised Capital	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Issued, Subscribed and Paid up Capital	
1,38,26,149 Equity Shares of Rs. 10 each fully paid-up	13,82,61,490



Subsequent to March 31, 2001 and before the Appointed date, Melstar has issued Share Warrants aggregating to Rs. 6,35,15,925 which are convertible into Equity Shares in April 2002.

## **PART II**

### **3. DATE OF EFFECT AND OPERATIVE DATE**

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

## **PART III**

### **4. VESTING OF UNDERTAKING**

- 4.1 With effect from the opening of the business as on the Appointed Date, the entire business and undertaking of Melstar Indiacentric including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, lease, tenancy rights, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of Section 391 and 394 of the Act and pursuant to the orders of the Bombay High Court sanctioning this Scheme and without further act or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in Melstar so as to become the properties of Melstar.

With effect from the Appointed Date, all debts, liabilities, duties and obligations of Melstar Indiacentric as on the close of business on the date preceding the Appointed Date whether or not provided in the books of Melstar Indiacentric shall be deemed to be the debt, liabilities, duties and obligations of Melstar.

## **5. LEGAL PROCEEDINGS**

- 5.1 If any suit, appeal or other proceeding of whatever nature by or against Melstar Indiacentric is pending, the same shall not abate or be discontinued or be in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Melstar in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Melstar Indiacentric as if this Scheme had not been made.
- 5.2 The transfer of the entire business and the undertaking of Melstar Indiacentric to Melstar and the continuance of all contracts or proceedings by or against Melstar Indiacentric shall not affect any contracts or proceedings already concluded by Melstar Indiacentric on or after the Appointed Date to the end and intent that Melstar accepts and adopts all acts, deeds, matters and things done and/or executed by Melstar Indiacentric in regard thereto as having been done or executed on behalf of Melstar.

## **6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which Melstar Indiacentric is a party, or the benefit to which Melstar Indiacentric may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of Melstar and may be enforced as fully and effectively as if instead of Melstar Indiacentric, Melstar had been a party or beneficiary thereto. Melstar shall enter into and/or issue and/or execute deeds, writings or confirmation enter into any tripartite agreement, confirmations or novations to which Melstar Indiacentric will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, Melstar shall be deemed to be authorised to execute any such deeds, writings

or confirmations on behalf of Melstar Indiacentric and to implement or carry out all formalities required on the part of Melstar Indiacentric to give effect to the provisions to this Scheme.

**7. PROFITS, DIVIDEND, BONUS/RIGHT SHARES**

7.1 Melstar Indiacentric shall not without the prior written consent of Melstar, utilize the profits, if any, for declaring or paying of any dividend and shall also not utilize, adjust or claim adjustment of the profits/losses, as the case may be earned/incurred or suffered after the Appointed Date.

7.2 Melstar Indiacentric shall not issue or allot any further securities, either rights or bonus or otherwise, without the prior written consent of Board of Director of Melstar.

**8. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE**

8.1 With effect from the Appointed Date and upto the Effective Date,

i) Melstar Indiacentric shall carry on and deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertakings for and on account of and in trust for Melstar;

ii) All the profits or income accruing or arising to Melstar Indiacentric or expenditure or losses arising or incurred by Melstar Indiacentric shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of Melstar, and

iii) Melstar Indiacentric shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new business, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business or vary the terms and

conditions of employments of any of its employees in each case without the prior consent of Melstar.

- 8.2 Melstar shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Melstar may require to carry on the business of Melstar Indiacentric.

**9. EMPLOYEES OF MELSTAR INDIACENTRIC**

- 9.1 All employees of Melstar Indiacentric in service on the date immediately, preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) shall be offered employment in Melstar on such date and such employees shall be employed with Melstar without any break or interruption in service and on the terms and conditions not less favourable than those subsisting with reference to Melstar Indiacentric as on the said date.

- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Funds, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of Melstar Indiacentric shall become trust/funds of Melstar for all purposes whatsoever in relation to the administrations or operation of such Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Melstar Indiacentric in relation to such Fund or Funds shall become those of Melstar Indiacentric which are employed with Melstar will be treated as having been continuous for the purpose of the said Funds or Funds.

**10. CANCELLATION OF SHARE CAPITAL OF MELSTAR INDIACENTRIC**

- 10.1 The entire Issued, Subscribed and Paid up share capital of

Melstar Indiacentric is held by Melstar, Upon the scheme becoming effective, no share of Melstar shall be allotted in respect of the holding of Melstar in Melstar Indiacentric and the share capital of Melstar Indiacentric shall stand cancelled.

## 11. ACCOUNTING TREATMENT

11.1 On the Scheme becoming effective, Melstar shall account for the merger in its books as under:

- i) all the assets and liabilities recorded in the books of Melstar Indiacentric and transferred to and vested in Melstar pursuant to the Scheme shall be recorded by Melstar at their fair values.
- ii) the investment in Melstar Indiacentric, appearing in the books of account of Melstar, will stand cancelled;
- iii) the value of net assets of Melstar Indiacentric transferred to Melstar, pursuant to the High Court order, the book value of the investments in the shares of Melstar Indiacentric as recorded by Melstar and adjustment for depreciation, if and to the extent considered appropriate by the Board of Directors of Melstar, however not exceeding Rs. 3,550 lacs, in the value of assets whether fixed or current (including investment) of Melstar as on December 31, 2001 shall be charged to the Share Premium Account.

Further, in case of any difference in accounting policy between Melstar and Melstar Indiacentric, the accounting policies followed by Melstar shall prevail and the difference till the Appointed Date shall be quantified and adjusted in the Share Premium Account mentioned earlier to ensure that the financial statement of Melstar reflect the financial position on the basis of consistent accounting policy.

The reduction of Share Premium Account as aforesaid shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in

respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the Order of the Bombay High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

## 12. **SCHEME CONDITIONAL ON APPROVAL/SANCTIONS**

The Scheme is conditional upon and subject to:

- i) Approval of and agreement by the requisite majority of the respective members of Melstar and Melstar Indiacentric as may be directed by the High Court of Judicature at Bombay.
- ii) Sanctions and Orders under the provisions of Section 391 read with Section 394 of the Act being obtained by Melstar and Melstar Indiacentric from the High Court of Judicature at Bombay.
- iii) All other sanctions and approvals as may be required by law in respect of this scheme being sanctioned.

## 13. **WINDING UP**

On the Scheme becoming effective, Melstar Indiacentric shall be dissolved without being wound up.

## 14. **APPLICATION TO THE HIGH COURT**

Melstar Indiacentric and Melstar shall, with all reasonable dispatch, make applications to the High Court of Judicature at Bombay, under whose jurisdiction the Registered offices of Melstar and Melstar Indiacentric are situated, for sanctioning this Scheme of Arrangement under Section 391 read with Section 394 of the Act and for dissolution of Melstar Indiacentric without being wound up.

## 15. **MODIFICATION/AMENDMENTS TO THE SCHEME**

Melstar and Melstar Indiacentric by their respective Board of Directors may make and/or consent to any modifications/

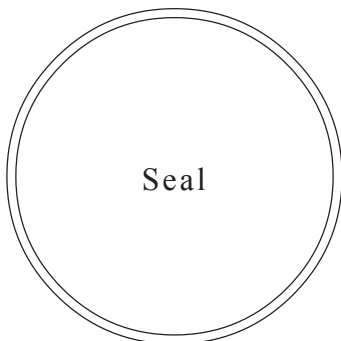
amendments to the Scheme or to any conditions or limitations that the Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). Melstar and Melstar Indiacentric by their respective Board of Director shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

**16. EFFECT OF NON-RECEIPT OF APPROVALS/  
SANCTIONS**

In the event of any of the approvals or conditions enumerated in Clause (13) above not being or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Melstar and Melstar Indiacentric shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay, then the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

**17. COSTS**

Melstar shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc in connection with the Scheme.



CERTIFIED TO BE A TRUE COPY

This 13th day of May, 2002

Sd/-

For Prothonotary and Senior Master

**EXTRACT OF SPECIAL RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED ON TUESDAY THE 31ST JULY 2003.**

**1. MINIMUM REMUNERATION PAYABLE TO MR. S. M. ARORA**

RESOLVED THAT in partial modification of the Resolution passed on the subject at the AGM held on 25th August, 2000 and in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval of the Members of the Company be and is hereby accorded to the payment of the remuneration at present drawn by Mr. S M Arora, Managing Director of the Company, as the “minimum remuneration” w.e.f. 1.4.2003 under Schedule XIII to the Act in the event of loss or inadequacy of profits of the Company in any year.

**2. MINIMUM REMUNERATION PAYABLE TO MR. SATTAR SHAIKH**

RESOLVED THAT in partial modification of the Resolution passed on the subject at the AGM held on the 25th August, 2000 and in pursuance of the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval of the Members of the Company be and is hereby accorded to the payment of the remuneration at present drawn by Mr. Sattar Shaikh, Executive Director of the Company, as the “minimum remuneration” w.e.f. 1.4.2003 under Schedule XIII to the Act in the event of loss or inadequacy of profits of the Company in any year.

**3. APPOINTMENT OF MR. RADHE SHAYM BANSAL AS QUALITY CONSULTANT**

RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956, consent of the Company in General Meeting be and is hereby accorded to Mr. Radhe Shyam Bansal, brother of Mr. Suresh Bansal, Chairman, to hold and continue to hold an office of profit under the Company as a “Quality Consultant” w.e.f. 1.4.2003 on a consolidated salary of Rs.32000/- per month, including usual allowances, perquisites, benefits, amenities and facilities, the benefit of Provident Fund, Gratuity as per Rules as applicable to other employees of the same or similar rank, with authority to the Managing Director / Whole-time Director to sanction reasonable performance related annual increases in salary and periodical general revisions in allowances, perquisites and benefits as the management may sanction to the other employees of the same or similar rank and to consider him



for promotion, on merits, to a position higher in rank if deemed expedient in the interest of the Company on a salary and benefits, allowances and perquisites commensurate with the responsibilities of such position.

**4. APPOINTMENT OF MR. FAROOQ SHAIKH AS QUALITY CONSULTANT**

RESOLVED THAT pursuant to the provisions of Section 314(1B) of the Companies Act, 1956, consent of the Company in General Meeting be and is hereby accorded to Mr. Farooq Shaikh, brother of Mr. Sattar Shaikh, a Director of the Company, to hold and continue to hold an office of profit under the Company as a "Quality Consultant" w.e.f. 15.4.2003 on a consolidated salary of Rs.30000/- per month, including usual allowances, perquisites, benefits, amenities and facilities, the benefit of Provident Fund, Gratuity as per Rules as applicable to other employees of the same or similar rank, with authority to the Managing Director / Whole-time Director to sanction reasonable performance related annual increases in salary and periodical general revisions in allowances, perquisites and benefits as the management may sanction to the other employees of the same or similar rank and to consider him for promotion, on merits, to a position higher in rank if deemed expedient in the interest of the Company on a salary and benefits, allowances and perquisites commensurate with the responsibilities of such position.

**5. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY PURSUANT TO SECTION 31 OF THE COMPANIES ACT, 1956:**

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Act, the Articles of Association of the Company be and are hereby altered in the following manner:

By the insertion of the following Heading and Article along with the marginal notes as Article 111A:

"111A. Postal Ballot

The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Companies Act, 1956 ("the Act") and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company, being a listed company, shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company."

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**EXTRACT OF SPECIAL RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING OF MELSTAR INFORMATION TECHNOLOGIES LIMITED ON MONDAY, THE 19TH DECEMBER 2005.**

**1. RE-APPOINTMENT OF MR.S.M.ARORA AS MANAGING DIRECTOR**

**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, approval of the Members be and is hereby accorded to the re-appointment of Mr.S.M.Arora, as Managing Director in the whole-time employment of the Company for a further period of three years, with effect from 1st April 2005 on the remuneration as set out below:

- i) Mr.S.M.Arora shall be entitled to a monthly remuneration of Rs 1.80 lacs (Rupees One Lac and Eighty Thousand only) comprising Salary, allowances, etc as detailed herein below with authority to the Board of Directors to review the remuneration from time to time and grant such increments as deemed appropriate provided that the annual remuneration shall not exceed Rs.30 Lacs (excluding exempted benefits and/or perquisites as permissible) within the ceiling of 10% of the net profits as laid down in Section 198/309 of the Companies Act, 1956 including that paid to other Executive / Whole-time Directors of the Company.
- ii) In addition to the above, he will be entitled to the following benefits:
  - (a) Reimbursement of medical expenses at actuals including premium paid for hospitalization and domiciliary treatment and health insurance policies for self and immediate dependent family members.
  - (b) Provision of telephone, computer and Internet access at residence.
  - (c) Personal accident insurance for self at a premium not exceeding Rs.10,000/- per annum.
  - (d) Participation in and contribution to provident fund, gratuity, as applicable as per Company rules.
  - (e) Leave with full pay and allowances as per Company rules.
  - (f) Fees for one club including admission fees, but no life membership fees.

- (g) Conveyance - Company car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - (h) Reimbursement of Gas and electricity charges - At actuals, subject to a ceiling of Rs.8,000/- per month.
  - (i) Leave Travel facility - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
  - (j) Such other benefits and perquisites, as admissible to other senior executives of the Company.
- iii) Mr. Arora will be based at Mumbai and will undertake such travel in and outside India as may be necessary from time to time for the due discharge of the functions and responsibilities entrusted to him.
- iv) Mr. Arora shall not be entitled to receive any sitting fees as a Director for attending the meetings of the Board of Directors or any Committee thereof.

(All perquisites, benefits and allowances shall be valued as per Income Tax Rules as amended from time to time).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed with Mr. Arora, so long as the total remuneration does not exceed the limits laid down in Sections 198 and 309 of the Companies Act, 1956.

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated, where in any financial year closing on and after 31.3.2006, the Company incurs a loss or its profits are inadequate, the remuneration payable to Mr.S.M.Arora will be restricted to such limits prescribed by the Government from time to time as "Minimum Remuneration" under applicable provisions of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

**2. RE-APPOINTMENT OF MR.SATTAR SHAIKH AS EXECUTIVE DIRECTOR**

**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such sanctions and approvals as may be necessary, approval of the Members be and is hereby accorded to the re-appointment of Mr.Sattar Shaikh, as Executive Director in the whole-time employment of the Company for a

further period of three years, with effect from 1st April 2005 as per remuneration as set out below:

- i) Mr.Sattar Shaikh shall be entitled to a monthly remuneration of Rs 1.80 lacs (Rupees One Lac and Eighty Thousand only) comprising Salary, allowances, etc as detailed herein below with authority to the Board of Directors to review the remuneration from time to time and grant such increments as deemed appropriate provided that the annual remuneration shall not exceed Rs.30 Lacs (excluding exempted benefits and/or perquisites as permissible) within the ceiling of 10% of the net profits as laid down in Section 198/309 of the Companies Act, 1956 including that paid to other Executive / Whole-time Directors of the Company.
- ii) In addition to the above, he will be entitled to the following benefits:
  - (a) Reimbursement of medical expenses at actuals including premium paid for hospitalization and domiciliary treatment and health insurance policies for self and immediate dependent family members.
  - (b) Provision of telephone, computer and Internet access at residence.
  - (c) Personal accident insurance for self at a premium not exceeding Rs.10,000/- per annum.
  - (d) Participation in and contribution to provident fund, gratuity, as applicable as per Company rules.
  - (e) Leave with full pay and allowances as per Company rules.
  - (f) Fees for one club including admission fees, but no life membership fees.
  - (g) Conveyance - Company car with Chauffeur for official use. Monetary value for the private use, if any, shall be evaluated as per Income Tax Rules.
  - (h) Reimbursement of Gas and electricity charges - At actuals, subject to a ceiling of Rs.8,000/- per month.
  - (i) Leave Travel facility - The Company shall reimburse the expenditure incurred on travel for self and family to and fro any place in India once a year subject to a ceiling of 40% of a month's salary.
  - (j) Such other benefits and perquisites, as admissible to other senior executives of the Company.
- iii) Mr.Shaikh will be based at Mumbai and will undertake

such travel in and outside India as may be necessary from time to time for the due discharge of the functions and responsibilities entrusted to him.

- iv) Mr. Shaikh shall not be entitled to receive any sitting fees as a Director for attending the meetings of the Board of Directors or any Committee thereof.

(All perquisites, benefits and allowances shall be valued as per Income Tax Rules as amended from time to time).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed with Mr. Shaikh, so long as the total remuneration does not exceed the limits laid down in Sections 198 and 309 of the Companies Act, 1956.

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated, where in any financial year closing on and after 31.3.2006, the Company incurs a loss or its profits are inadequate, the remuneration payable to Mr. Shaikh will be restricted to such limits prescribed by the Government from time to time as "Minimum Remuneration" under applicable provisions of Schedule XIII to the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force).

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