

**Memorandum
and
Articles of Association
of
Orient Cement Limited**



प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U26940OR2011PLC013933

2011 - 2012

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

Orient Cement Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक बाईस जुलाई दो हजार ग्यारह को कटक में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U26940OR2011PLC013933

2011 - 2012

I hereby certify that Orient Cement Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given at Cuttack this Twenty Second day of July Two Thousand Eleven.

Digitally signed by
[Signature]
DN: cn=Registrar of Companies, orissa

Registrar of Companies, Orissa

कम्पनी रजिस्ट्रार, उड़ीसा

*Note: The corresponding form has been approved by BIBEKANANDA MOHANTY, Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2008. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

Orient Cement Limited
Unit-VIII, Plot No. 7, Bhojnagar,
Bhubaneswar - 751012,
Orissa, INDIA





व्यापार प्रारंभ करने का प्रमाण-पत्र
कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U26940OR2011PLC013933

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
Orient Cement Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक बाईस जुलाई दो हजार ग्यारह को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक इक्कीस सितम्बर दो हजार ग्यारह को कटक में जारी किया जाता है।

Certificate for Commencement of Business

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

Corporate Identity Number : U26940OR2011PLC013933

I hereby certify that the Orient Cement Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Twenty Second day of July Two Thousand Eleven , and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given at Cuttack this Twenty First day of September Two Thousand Eleven.

Registrar of Companies, Orissa

कम्पनी रजिस्ट्रार, उड़ीसा

*Note: The corresponding form has been approved by BIBEKANANDA MOHANTY, Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.
The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

Orient Cement Limited
Unit-VIII, Plot No. 7, Bhoinagar,
Bhubaneswar - 751012,
Orissa, INDIA



THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
ORIENT CEMENT LIMITED

- I. The name of the company shall be **ORIENT CEMENT LIMITED**.
- II. The Registered Office of the Company will be situated in the State of Orissa.
- III. The objects for which the Company is established are:
 - A. **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 1. To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and bye-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.
 - B. **OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECT :**
 1. To acquire and work mines, licenses, leases and other rights and privileges for the purpose of extraction of limestone and other such substances mentioned in this memorandum, which may be required for the production of cement and other such products that the company intends to produce.
 2. To acquire by concession, grant, purchase, barter, lease, license or otherwise any tract or tracts on land or water in India or elsewhere together with such rights, as may be agreed upon and granted by Government or the rulers or owners thereof, and to expend such sums of moneys as may be deemed requisite and advisable in exploration, survey and development thereof.
 3. To carry on the business of civil, mechanical and water supply and general engineers and contractors, smiths, mill wrights, mechanists, manufacturers and converters of iron, steel and other ferrous and non-ferrous metals, foundry products metal castings, equipments, machinery, implements, tools, accessories, components, spare parts, apparatus and other products and as merchants and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, implements, rolling stock and hardware.

4. To set up, purchase or otherwise acquire, manage electricity generation plants and facilities and to generate, accumulate, distribute, supply, sell or otherwise deal with electricity of all kinds including hydel, thermal, nuclear, gaseous, solar wind and other non-conventional sources or otherwise.
5. To carry on the business of providing technical and managerial know-how, consultancy services and to assist in and to render any other services including for and in connection with planning, developing constructing, working, maintaining, modernising, improving, developing and/or managing industrial factories and other business in India and abroad.
6. To make and conduct all kinds of studies, reports, tests, drilling and exploration, to prospect, examine, search for, obtain information, sink shafts or wells, mine, open work, raise, dig, pump out, win, quarry and extract mineral oils, ores, gases, chemicals, mineral properties and other minerals and substances and to produce, refine, treat, beneficiate, process, purchase, sell, import, export and/or otherwise deal in mineral oils, ores, gases, chemicals, mineral properties and other mineral and substances either absolutely or conditionally and either solely or jointly with others and to carry on all activities incidental to and/or necessary for more effectually carrying on all or any of the foregoing.
7. To purchase and hold in fee or on lease or otherwise and to make advances on any land or lands and to purchase, acquire, hire, hold, make and maintain roads, canals, watercourses, ferries, piers, wharves and other ways and to make, construct, purchase, acquire, hire, hold, improve, alter, manage, let, sell, exchange, barter and dispose of lands, leases, buildings, warehouses, works, railways, siding, tramways and other engines, machinery and apparatus whatsoever.
8. To erect such mills, buildings, houses, and erections as may be required for carrying on the said business or businesses and to purchase and put into working order such, machinery and other accessories as may from time to time be required for carrying on the said business or businesses or any of them.
9. To carry on the business, of warehousemen and wharfingers.
10. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being carried or conducted so as directly or indirectly to benefit this Company and to lend money to or guarantee the contracts of or otherwise assist any such person or company and to take or otherwise acquire shares and security of any such company or in any other of the Company having objects altogether or in part similar to those of this Company and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
11. To distribute any of the property of the Company among the members in specie but so that no distribution amounting to a reduction in capital be made without the sanction of the Court if requisite.
12. To search for and to purchase or otherwise acquire from any Government State or authority, any licenses, concessions, grants, decrees, rights, powers and privileges

whatsoever, which may seem to the Company capable of being turned to account, and to work, develop, operate, carry out, exercise and turn to account the same.

13. To enter into contracts, agreements and arrangements with any other company, firm or person for the carrying out by such other company, firm or person on behalf of the Company, of the objects for which the Company is formed.
14. To employ experts to investigate and examine into the condition, prospects, value, character, and circumstances of business concerns and undertaking and generally of any assets, property or rights.
15. To do business or a branch of a business which the Company is authorised to carry on by means, or through the agency, of any subsidiary company or companies, and to enter into any agreement with such subsidiary company or companies for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to business or branch so carried on including power at any time and either temporarily or permanently to close any such branch or business.
16. To nominate directors or managers of any subsidiary company or of any other company in which this Company is or may be interested.
17. To take part in the management, supervision and control of the business or operation of any company or undertaking having similar objects.
18. For the purpose mentioned in the preceding clause, to appoint and remunerate any Directors, trustees, accountants or other experts or agents.
19. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and, in particular, any land, buildings, basements, machinery, plant and stock-in-trade, and on any such lands to erect buildings, factories, sheds, godowns, or other structures for the works and purposes of the Company and also for the residence and amenity of its employees, staff and other workmen and erect and install machinery and plant and other equipments deemed necessary or convenient or profitable for the purposes of the Company and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
20. To invest and deal with surplus monies of the Company in such manner as may from time to time be determined, subject to provisions of the Companies Act, 1956.
21. To undertake and execute any trusts, the undertaking of which may seem to the company desirable either gratuitously or otherwise.
22. To sell, lease, mortgage, grant licence, easements and other rights over and in any other manner deal with or dispose of the undertakings, property, assets, rights, and effects of the Company, or any part thereof, for such consideration as the Company may think fit and, in particular, for shares, debentures or securities of any other Company whether or not having objects altogether or in part similar to those of the Company.

23. To acquire and undertake the whole or any part of the business, property or liabilities of any person, firm or company carrying on or proposing to carry on business which the Company is authorised to carry on, or interested in carrying on, or which can be carried on in conjunction therewith.
24. To amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other company, whether or not having objects altogether or in part similar to those of the Company, or enter into any arrangement for sharing profits, or for co-operation or for limiting competition or for mutual assistance, with any such company, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture-stock or securities that may be agreed upon, and to hold and retain, or sell mortgage and deal with any shares, debentures, debenture-stock or securities so received.
25. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
26. To enter into partnership or into any arrangement for sharing profits or losses or for any union of interests, joint-venture, reciprocal concession or co-operation with any person or persons, or Company or Companies carrying on, or engaged in or about to carry on, or engage in, or being authorised to carry on or engage in business or transaction which this Company is authorised to carry on.
27. To establish or promote or concur in establishing or promoting any company or companies having similar objects for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose and to place or guarantee the placing, of underwrite, subscribe for other otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company.
28. To promote any other company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
29. To ensure the whole or any part of the property of the Company either fully or partially to protect and indemnify the company from liability or loss in any respect either fully or partially and also to ensure and to protect and indemnify any part or portion thereof either on mutual principal or otherwise.
30. To apply for, promote and obtain any privilege, concession, licence, authorisation or any Government, state, municipality, provincial order or licence of any authority for enabling the Company to carry on any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company's interest.
31. To acquire, purchase, create, apply for, register, deal in, sell and license, intellectual property such as trademarks, trade names, trade secrets, copyrights, patents, designs, technical knowhow and any other industrial or intellectual property rights which it may

seem to the Company desirable to acquire, create, apply for, register, deal in, sell and license for the furtherance of its business and also to protect, prolong and renew, whether in the India or elsewhere any trademarks, trade names, trade secrets, copyrights, patents, designs, technical know-how and any other industrial or intellectual property rights and to disclaim, alter, modify, use, deal in, sell and license and to manufacture under or grant licenses or privileges in respect of the intellectual property and to expand money in experimenting upon, testing and improving any trademarks, trade names, trade secrets, copyrights, patents, designs, technical know-how and other industrial or intellectual property rights which the Company may acquire or propose to acquire.

32. To establish, provide, maintain and conduct, or otherwise subsidise, research, laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on all scientific and technical researches, experiments, and tests of all kinds and to promote, studies and research, both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, price and grants to students or otherwise and generally to encourage, promote and reward studies researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist or benefit directly or indirectly any of the business which the Company is authorised to carry on.
33. To make donations to such persons or institutions and in such cases either of cash or any other assets as may be though directly or indirectly conducive to any of the Company's objects or otherwise expedient and, in particular, to remunerate any person or corporation introducing business to this Company, and also to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public, cultural, educational, or other institutions, objects or for any exhibition or for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employees or ex-employees (including directors) of the Company or the dependents of such person and in particular or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump-sum and to make payment towards insurance and to form and contribute to provident benefit funds and other welfare funds of or for such persons.
34. To establish and maintain or procure the establishment and maintenance of any contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of its predecessors in business or who are or were at any time Directors or officers of the Company, and the wives, widows, families, and dependents of any such persons and to also establish and subsidies and subscribe to any institutions, associations, trusts, clubs or funds calculated to be for the benefit of or to advance the interests and well being of the aforesaid persons or the Company and make payments to or towards the insurance of any such person as aforesaid, and do any of the matters aforesaid.
35. To train or pay for training in India or abroad, any of the Company's employees or officers or any candidate in the interest of or furtherance of the Company's objects.

36. To refer or agree to refer any claim, demand, dispute or any other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and the member or members of his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside India, and to observe and perform and to do all acts, deeds, matter and things to carry out or enforce the award.
37. To pay out of the funds of the Company all expenses which the Company may lawfully pay its respect to the promotion, formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
38. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested, including in such preliminary expenses all or any part of the costs and expenses of owners of business or property acquired by the Company.
39. To pay for any rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the Company's capital or any debentures, debenture-stock, or other securities of the Company, credited as paid-up in full or in part or otherwise.
40. To adopt such means of making known the business of the Company as may seem expedient, and, in particular, by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
41. To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and, in particular, to customers and other having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
42. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time determine and to open and operate any type of bank accounts with the Banks and obtain credit facilities with or without securities for its business.
43. Subject to the provisions of Section 58-A of the Companies Act, 1956 and directives of Reserve Bank of India, to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and, in particular, by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing or the repayment or performance of any debt liability obligation contract guarantee or other engagement incurred or to be entered into by the Company or any other person or company in any way and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) or by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and to purchase, redeem or pay off any securities.

44. To execute any trusts, the undertaking of which may seem to the Company as desirable and either gratuitous or otherwise.
45. To draw, make, accept, endorse, discount, execute and issue, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
46. To sell, improve, manage, develop, exchange, lease, mortgage, dispose-off, turn to account or otherwise deal with all or any part of the property and rights of the Company for the time being and to insure any of the properties, undertakings, contracts, risks or obligations of the Company in any manner whatsoever.
47. Subject to the provisions of the Companies Act, 1956, to distribute among the members in specie any property that may be owned by the Company in the event of winding-up.
48. To insure the whole or any part of the property of the Company, either fully or partially, and to protect and indemnify the Company from liability or loss in any respect, either fully or partially, and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
49. To act as principals, agents, factors, trustees, contractors, or otherwise, either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, body politic or government or colony or dependency thereof.
50. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in India and in any or all states, territories, possessions, colonies and dependencies thereof, in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
51. To ensure that the Company is to be recognised in any part of the world.
52. To purchase, take on lease, hire, take licenses of, or otherwise acquire or sell, let out, or otherwise give any exclusive or other right or interest in aerodromes, landing grounds, airports, helipads, land and seas planes bases hangers, machine shops, engineering shops for servicing, maintaining, and landing all kinds of aircraft in any part of the world and to obtain and hold from any state, sovereign, governmental, or semi-governmental authority, and licenses, authorities or rights necessary, or convenient for such purposes.

C. OTHER OBJECTS :

1. To enter into any contract or arrangement or other dealing for the more efficient conduct of the traffic or business of the company or any part thereof.
2. To carry business of carriers by land, water or air.
3. To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the aforementioned business or any of them or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

4. And generally to do and perform all such other acts and things, which in the opinion of the directors of the Company, for the time being, is incidental or conducive to the attainment of the above objects or any of them.
5. To do all or any of the above things as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company only, shall be deemed to include any firm, partnership or other body of persons whether incorporated or not incorporated and whether domiciled in India or elsewhere and whether existing or hereafter to be formed and that the intention is that the objects specified in each paragraph of this clause shall except where otherwise expressed in such paragraph be independent main objects and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause.

- IV. The liability of the members is limited.
- V. The Authorised Share Capital of the Company is Rs 50,00,00,000 (Rupees Fifty Crore) divided into 50,00,00,000 (Fifty Crore) equity shares of Re 1/- (Rupee one)each . The minimum paid-up capital of the Company shall be Rs 5,00,000 (Rupees Five lakhs).

[This space has been left blank intentionally]

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

SI No	Name, Address, Description And Occupation Of Subscribers	Number of Equity Shares Taken by each Subscriber	Signature of subscribers	Signature, Name, Addresses, Description And Occupation of Witness
1.	Orient Paper and Industries Limited (CIN: L21011OR1936PLC000117) Unit-VIII, Plot No 7, Bhoinagar Bhubaneswar-751012, Orissa	4,99,994.00 (Four lacs Ninety nine thousand Nine hundred ninety four)	Sd/-	Mr.ATUL KUMAR LABH (Practicing Company Secretary) s/o. Sri.M.N.Lbh A.K.LABH & Co. (Company Secretaries) 40, Western Street, 3 rd Floor, Kolkata- 700013 C.P.No.3238
2.	Manohar Lal Pachisia s/o Late Sughan Chand Pachisia 8/12, Alipore Road, Kolkata - 700027 Service	1(One)	Sd/-	
3.	Gautam Mullick s/o Late S M Mullick BD-493, Salt Lake City, Kolkata – 700064 Service	1(One)	Sd/-	
4.	Nirajan Kumar Saha s/o Late Jitendra Kumar Saha BL-6, Sector-II, Salt Lake, Kolkata - 700091 Service	1(One)	Sd/-	
5.	Pradeep Kumar Sonthalia s/o Late Srinivas Sonthalia 'Manikaran', Flat No 7EE, 3B Rammohan Mullick Garden Lane Kolkata – 700010 Service	1(One)	Sd/-	
6.	Amalendu Kuila s/o Dr Late Ardhendu Sekhar Kulia 55A, Russa Road, East, 1 st Lane Kolkata - 700033 Service	1(One)	Sd/-	
7.	Pramod Chand Agarwala s/o Late Chandra Bhan Agarwala Flat No 7, 233, Lower Circular Road Kolkata – 700020 Service	1(One)	Sd/-	
	Total	5,00,000(Five lacs)		

Kolkata, Dated the 19th day of July, 2011

UNDER THE COMPANIES ACT, 1956

(1 of 1956)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

ORIENT CEMENT LIMITED

1. Interpretation

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

The marginal notes heretofore shall not affect the construction hereof and in these present, unless there be something in the subject or context inconsistent therewith:

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

“**Articles**” shall mean these Articles of Association.

“**Board**” or “**Board of directors**” means the board of directors for the time being of the Company.

“**Company**” means **Orient Cement Limited**.

“**Directors**” means the directors for the time being of the Company.

“**Dividend**” includes bonus.

“**General Meeting**” shall mean a meeting of the shareholders of the Company.

“**Member**” means duly registered holder of the Shares of the Company from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s).

“**Memorandum**” shall mean the Memorandum of Association of the Company.

“**Month**” means a calendar month.

“**The Office**” means the registered office for the time being of the Company.

“**Persons**” means and includes corporation, body corporate and individuals.

“**Proxy**” includes an attorney duly constituted under a power of attorney.

“Register” means the register of members to be kept pursuant to Section 150 of the Act.

“The Registrar” means the Registrar of Companies.

“Seal” means the Common Seal of the Company.

“In writing” and **“written”** include printing, lithography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, all other capitalized words and expressions not expressly defined herein shall have the meaning ascribed to them in the Act.

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

2. **Table A to Apply**

The regulations contained in Table A of Schedule I of the Companies Act, 1956, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of the Company.

3. **Company not to purchase its own shares**

Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in purchase of or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for shares in the Company or any Company of which it may, for the time being, be a subsidiary.

4. **Change of Name**

The Company may, to reflect the nature of its business, by special resolution and with the approval of the central government signified in writing, change its name.

SHARES AND SHARE CAPITAL

5. **Division of Capital**

The authorised share capital of the Company shall be such as stated in Clause V of the Memorandum of Association or as altered from time to time, payable in the manner as may be determined by the Directors.

6. **Option to redeem**

Subject to the provisions of Section 80 of the Act, the Company shall have the option to redeem the whole or any part of the redeemable preference shares at par at any time after the time specified by the Company in this connection in the special resolution passed by the Company for the purpose of issuing said redeemable preference shares.

7. Power to issue preference Shares

The Company shall have power to issue preference shares carrying a right to redemption out of profits or out of the proceeds of a fresh issue of shares made for the purposes of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner as may be provided in these Articles.

8. Shares at the disposal of the Directors

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

9. Further Issue of Shares

1. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:
 - (a) Such further shares shall be offered to the persons who, at 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 that date;
 - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty 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 a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this 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 persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) 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 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 so to do, vote in person, or where proxies are allowed, 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 this behalf, that the proposal is most beneficial to the Company.
3. Nothing in sub-clause (c) of (1) hereof shall be deemed:
 - (a) To extend the time within which the offer should be accepted; or
 - (b) To authorize 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.
4. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:
 - (a) To convert such debentures or loans into shares in the Company; or
 - (b) To subscribe for shares in the Company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) in the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

10. Return of Allotment

As regards all allotments made from time to time the Company shall duly comply with Section 75 of the Act.

11. All shares/debentures that are offered on rights basis shall not carry right of renunciation unless the offer document specifically states that the member shall have the right to renounce wholly or in part the shares/debentures offered.

12. Commission and brokerage

The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 (five) per cent of the price at which any share, in respect thereof the same is paid, are issued or 2½ (two and a half) percent of the price at which any debentures are issued. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

13. Shares at a discount

With the previous authority of the Company at a duly convened General Meeting and the sanction of the Court and upon otherwise complying Section 79 of the Act, the Board may issue shares at a discount of a class already issued.

14. Installments on Shares to be duly paid

If, by the condition of allotment of any share, the whole or part of the due 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 is the member registered in respect of the share or by his executor or administrator.

15. Liability of members registered jointly in respect of shares

Members who are registered jointly in respect of a share shall be jointly and severally liable for payment of all installments and calls due in respect of such shares.

16. Trusts not recognised

Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by the statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

17. Who may be registered

Shares may be registered in the name of any person, Company or other body corporate. Unless the Board otherwise consents, not more than 2 (two) persons shall be registered jointly as members in respect of any shares.

18. **Joint holders**

Where 2 (two) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint holders with benefits of survivorship subject to the following and other provision contained in these Articles:

(i) *Company may refuse to register more than 2 (two) persons*

The Company shall be entitled to decline to register more than 2 (two) persons as the joint-holders of any share.

(ii) *Joint and several liability for all payments in respect of shares*

The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(iii) *Title of survivors*

On the death of any such joint-holder, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(iv) *Receipt of one sufficient*

Any one of such joint-holders may give effectual receipts of any dividends or other money payable in respect of such share.

(v) *Delivery of certificate and giving of notices to first named holders*

Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to take delivery of the certificate relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed to be served on all the joint-holders.

19. **Allotment of sweat equity**

Subject to the provisions of section 79A of the Companies Act and any rules or guidelines made thereunder, the directors may allot and issue shares in the capital of the Company as sweat equity towards payment or part payment for any property or assets of any kind whatsoever sold or to be sold or transferred or to be transferred for or goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company for the conduct of its business.

20. Company not bound to recognise any interest in shares other than that of the registered holders

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 a share (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

INCREASE AND REDUCTION OF CAPITAL

21. Power to increase capital

The Company, in a general meeting, may, from time to time by ordinary resolution increase the capital by such sum divided into shares of such amount as the resolution shall prescribe.

22. On what condition new shares may be issued

Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the general meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at option of the Company are to be liable to be redeemed.

23. Provision relating to the issue

Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of new shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium or, subject to the provisions of Section 79 of the Act, at a discount; in default or any such provisions or so far as the Act shall not extend, the new shares may be issued in conformity with the provisions of these Articles.

24. How far new shares to rank with existing shares

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

25. Inequality in number of new shares

If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares, be determined by the board.

26. Reduction of capital, etc.

The Company may, from time to time, by special resolution, reduce its capital and any capital redemption reserve account or share premium account in any manner for the time being authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

27. Conversion of Debentures/Loans into shares

The Company, by special resolution in the general meeting, may provide for an option under section 81 (3)(b) of Companies Act, 1956 to convert certain percentage of debentures/loans into equity shares of the Company in favour of financial institutions, pursuant to agreement/agreements entered into with them from time to time.

ALTERATION OF CAPITAL

28. Power to subdivide and consolidate shares

The Company in general meeting may, by ordinary resolution, alter the conditions of its Memorandum of Association:

- (i) to consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) to sub-divide its existing 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 amount paid and the amount, if any, unpaid on each reduced share, shall be the same as it was in the case of the share from which the reduced share is derived;
- (iii) to cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

29. Rights in respect of shares on subdivision

The ordinary resolution whereby any share capital is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of such shares shall have some preference or special advantage as regards dividend, repayment of capital, voting or otherwise over or as compared with the others or other subject, nevertheless, to the provision of Sections 85, 87, 88 and 106 of the Act.

30. Surrender of shares

Subject to the provisions of Section 100 to 105 inclusive of the Act, the Board may accept, from any member, the surrender on such terms and conditions as shall be agreed of all or any of his shares.

VARIATION OF SHAREHOLDERS' RIGHTS

31. Power to vary rights

If at any time the share capital is divided into different classes of shares, the rights attached to each class, unless otherwise provided by the terms of issue of the shares of that class, may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of $\frac{3}{4}$ th (three fourth) of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of the class. To every such separate General Meeting of the provisions of these Articles relating to General Meeting shall apply, but so that the necessary quorum shall be 2 (two) persons at least holding or representing by proxy $\frac{1}{5}$ th (one-fifth) of the issued shares of the class but so that if at any adjourned meeting of such holder a quorum as above defined is not present, those members who are present, shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and one member shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

32. Buy-back of shares

Pursuant to Section 77A, 77AA and 77B and other applicable provisions of the Companies Act, 1956, if any, for the time being in force and as amended from time to time and notwithstanding anything else contained to the contrary in these Articles, the Company may acquire, purchase, buy back and hold, resell or otherwise deal with its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an issue of shares or other specified securities or by any other mode, manner or method as may be specified under the Companies Act, 1956 and/or upon such terms and conditions and subject to such limits and such approvals as may be prescribed or permitted under the Companies Act, 1956.

CERTIFICATES

33. Issue of Share Scrips

Subject to the provisions of the Companies (Issue of Shares Certificates) Rules, 1960, or any statutory modification or re-enactment thereof, share scrips shall be issued as:

(i) *Certificates*

The certificate of title to shares and duplicates thereof, when necessary, shall be issued under the seal of the Company in such form as the Board of Directors shall prescribe.

(ii) *Limitation of time for issue of certificates*

Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the

company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

(iii) *As to issue of new certificate in place of one defaced lost or destroyed*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

(iv) *Particulars of new certificate to be entered in the Register*

Where a new share certificate has been issued in pursuance of the last preceding paragraph particulars of every such certificate shall also be entered in a register of renewed and duplicate certificates.

34. Power of Board to refuse sub-division in certain cases

Notwithstanding anything contained in Article 28, the Board may refuse any application for sub-division of certificates for shares into denomination of less than marketable lots except where such subdivision is required to be made in compliance with any law or statutory order or regulation or an order or a decree of a competent Court or listing requirements of a Stock Exchange on which the Company's shares are or may be listed. Provided nevertheless that the Board may at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause (on each of which the Board's discretion shall be final and

conclusive) accept any application for sub-division of certificate for shares into denomination of less than 50 shares of the Company.

CALLS

35. Calls

The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times: and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when resolution of the Board authorizing such call was passed.

36. Restriction on power to make calls and notice

No call shall exceed $\frac{1}{4}$ th (one-fourth) of the nominal amount of a share, or be made payable within 1 (one) month after the last preceding call was payable. Not less than 14 (fourteen) days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Provided however that notwithstanding anything contained herein, the Board of Directors may make call of any outstanding unpaid amount on any debenture(s) of the Company as may be determine by the Board from time to time.

(i) Interest on call or installments

If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the member for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 12 (twelve) percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rates as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

37. Amount payable at fixed times or payable by installments as calls

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

38. Evidence in action by Company against member

On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any money due to the Company in respect of his share, it shall be sufficient to show that the name of the defendant is, or was, when the claim arose, in the Company's register as a member or one of the members of the shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member sued in pursuance of the Articles; and it shall not be necessary to prove the appointment of the directors who made such call nor if a quorum was present at the Directors' meeting at which any call was made, that the meeting at which any call made was duly convened, or constituted, nor any other matter whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt in so far as it is permissible by law.

39. Payment in anticipation of call may carry interest

- (i) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (ii) The members 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.
- (iii) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

40. Revocation of calls

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

FORFEITURE & LIEN

41. Notice for payment of call or installment

If any member fails to pay any sum payable in respect of any call or any installment on or before the appointed day for payment thereof, the Board may, at any time thereafter, during such time as the said sum or any installment remains unpaid, serve a notice on such member requiring him to pay the sum together with any interest and all expenses that may have been incurred by the Company by reason of such non-payment.

42. Form of notice

The notice shall name a day, not being less than 14 (fourteen) days from date of the notice, and a place at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment at or before the time, and

on the day appointed, the shares in respect of which such call or installment was payable will be liable to be forfeited.

43. Forfeiture of shares

If the requirements of any such notice as aforesaid be not complied with, and any shares in respect of which such notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. The forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture.

44. Notice after forfeiture

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

45. Forfeited share to become property of the Company

Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

46. Power to annul forfeiture

The Board may, at any time before the sale of any share so forfeited, is sold, re-allotted or otherwise disposed of, annul the forfeiture thereof on such conditions as it thinks fit.

47. Liability on forfeiture

A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay and shall forthwith pay to the Company, all calls, or installments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate not exceeding 12 (twelve) per cent as the Board shall think fit and the Board may realise such payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

48. Evidence on forfeiting

A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or other disposition thereof and may execute a transfer of the shares in favour of the person to whom the share is sold or otherwise disposed of, and such person shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

49. Forfeiture provision to apply to non-payment in terms of issue

The provisions of Articles 43 to 48 hereof shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duty made and notified.

50. Company's lien on shares / debentures

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

51. As to enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or other legal representative as the case may be and default shall have been made by him or them in the payment of the money called or payable at a fixed time in respect of such share for 7 (seven) days after the date of such notice.

52. Application of Proceeds of sale

The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

53. Validity of sales in exercise of lien and after forfeiture

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor 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 damage only and against the Company exclusively.

54. Board may issue new certificates

Where any shares under the powers in that behalf herein contained sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such shares, the Board may issue a certificate for such shares distinguishing it in such manner as it may think fit if the certificate not so delivered up.

TRANSFER AND TRANSMISSION

55. Execution of transfer, etc.

Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation (if any) of the transferee, and the transferor shall be deemed to remain a Member in respect of such share until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of 1 (one) credible witness who shall add his address and occupation.

56. Transfer to be in marketable lots

Without prejudice to the generality of the foregoing Article 55, the Directors shall be entitled to refuse an application for transfer of less than 50 (fifty) equity shares of the Company subject however to the following exceptions:

- (i) Transfer of equity shares made in pursuance of any statutory order or an order of a competent court of law.
- (ii) Transfer of the entire holding of equity shares of a member, which is less than 50 (fifty) to one or more transferees provided that the total holding of the transferee or each of the transferees as the case may be will not be less than 50 (fifty) shares after the said transfer or such transferees are already Members of the Company.

57. Application by transferor

Application for the registration of the transfer of share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to provisions of these Articles, the Company shall, unless objection is made, by the transferee within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

58. Common form of transfer shall be used

The instruments of transfer shall be in writing and all the provisions of section 108 of the Act shall be duly complied with in respect of all transfers of share and the registration thereof.

59. Power of Board to refuse registration of transfer

Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to 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. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

60. No transfer to minor, etc.

No transfer shall be made to a minor or person of unsound mind except through a legal guardian.

61. Instrument of transfer to be left at office

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share, subject of the instrument of transfer or, if no such certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

62. Notice of refusal to register transfer

If the Board refuses whether in pursuance of Article 59 or otherwise to register transfer of, or the transmission by the operation of law of the right to, any share, the Company shall, within 2 (two) months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission as the case may be notice of the refusal, giving reasons for such refusal.

63. No fee on transfer or transmission

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

64. Transmission of shares as to survivorship

The executor or administrator of a deceased member, not being one of several members registered jointly in respect of a share, shall be the only person recognized by the Company as having any title to the share registered in the name of such member, and, in case of the death of any one or more of the members registered jointly in respect of any share, the survivor shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased member from

any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator, the Board may require him to obtain a grant of probate or letters of administration or other legal representation, as the case may be, from a competent court in India; provided, nevertheless, that in any case, where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion may consider adequate.

65. Transfer of shares of insane, minor, deceased or bankrupt persons

Any committee or guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient may, with the consent of the Board, be registered as a Member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share.

66. Rights of persons entitled to share by reason of death, etc. of member

A person so becoming entitled under Article 65 to any share by reason of death, lunacy, bankruptcy or insolvency of the member shall, subject to the provisions of these Articles and Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Member in respect of the share.

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 shares and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the same until the requirements of the notice have been complied with.

67. Election by person becoming entitled to shares

- (i) If the person becoming entitled to a share under Article 63 shall elect to be registered as member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the shares.
- (iii) All the limitations, restrictions and provisions of these Articles pertaining to the right to transfer and the registration of instruments of transfer of shares shall be applicable to such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

DE-MATERIALISATION OF SECURITIES

68. Interpretation

For the purpose of this Article:

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

“**Depositories Act**” shall mean the Depositories Act, 1996 and any rules, regulations and by-laws made thereunder and includes any statutory modification or re-enactment thereof.

“**Depository**” shall mean a Depository as defined in clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

“**Registered Owner**” shall mean a Depository whose name is entered as such in the records of the Company.

“**Security(ies)**” means such security(ies) as may be specified from time to time by the Securities and Exchange Board of India (SEBI).

69. **Dematerialisation of securities**

- (i) Notwithstanding anything contrary contained in the Articles of Association, the Company shall be entitled to dematerialise/rematerialise its securities and/or offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
- (ii) Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold in the form of security certificates as may be permitted under law, or to receive and hold the same in the dematerialised form with a depository. Every person holding securities of the Company with a depository, being the Beneficial Owner thereof may, at any time, opt out of depository in the manner provided under the provisions of the Depositories Act, 1996 and the rules framed thereunder, and the conditions prescribed by the Company, from time to time, and the Company shall in the manner and within the time prescribed, issue the relevant security certificate(s) to the beneficial owner thereof.
- (iii) All securities held by the depository shall be in dematerialised and fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, 1956 shall apply to the depository in respect of the securities held by it on behalf of the beneficial owner(s).
- (iv) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (v) Every person holding security(ies) 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 security(ies) shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his security(ies) which are held by a Depository.
- (vi) Notwithstanding anything in the Act or these Articles to the contrary, where security(ies) 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.

- (vii) Transfer/transmission of securities held in a Depository will be governed by the provisions of the Depositories Act, 1996. Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to transfer/transmission of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.
- (viii) The register and index of beneficial owners maintained by the depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and security holders for the purposes of these Articles.
- (ix) A depository as a registered owner shall not have any voting rights in respect of securities held by it in dematerialised form. However, the beneficial owner as per the register of Beneficial Owners maintained by a Depository shall be entitled to such rights in respect of security(ies) held by him in the Depository. Any reference to the member or joint members in the Articles of Association shall include a reference to Beneficial Owner or joint Beneficial Owners in respect of “the security(ies) held in a Depository”.
- (x) The provisions contained in this Article shall be subject to the provisions of the Depositories Act, 1996 in relation to dematerialisation/rematerialisation of securities, including any modification(s) or re-enactment thereof and Rules/ Regulations made thereunder and shall prevail and apply accordingly.

BORROWING POWERS

70. Power of Board to borrow

Subject to the provisions of Section 292, 293 and 370 of the Act, the Board, may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members, either in advance of calls, or otherwise and generally raise or borrow either from the Directors or secure the payment of any sum or sums of money for the purposes of the Company not exceeding the aggregate paid-up capital of the company and its free reserves, not being reserves set apart for any specific purpose, provided however, where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceed the aforesaid aggregate, the Board shall not borrow such moneys without consent of the Company in General Meeting.

71. Board to determine condition on which money may be borrowed

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

72. Terms of issue of debenture

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings,

allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a special resolution.

73. Instrument of Transfer

The instrument of transfer of any debenture shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of debentures and registration thereof. The Company shall use a common form of transfer in all cases.

74. Notice of refusal to register transfer

If the Board refuses to register the transfer of any debenture, the Company shall, within 2 (two) months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal giving reasons for such refusal.

75. Execution of charge or mortgage by Board

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

GENERAL MEETING OF MEMBERS

76. Statutory Meeting

The Company shall hold a “statutory meeting” as required by Section 165 of the Act at such time not being less than 1 (one) month and not more than 6 (six) months from the date at which the Company shall be entitled to commence business and at such place as the Board may determine, and the Board shall comply with the other requirements of the said Section as to the report to be submitted and otherwise.

77. Annual General Meeting

In addition to any other meetings, General Meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and, subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such General Meeting shall be called an “annual general meeting” and shall be specified as such, in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an extraordinary general meeting is convened under the provisions of Article 67, be called an “extraordinary general meeting”.

78. When other General Meeting to be called

The Board may, whenever it thinks fit, call a General Meeting, and it shall, on the requisition of such number of members as hold, at the date of the deposit of the requisition, not less than 1/10th (one-tenth) of such of the paid-up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting forthwith proceed to call an extraordinary general meeting and in the case of such requisition the following provisions shall apply:

- (i) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (ii) Where 2 (two) or more distinct matters are specified in the requisition, the requisition shall be valid only in respect to those matters in regard to which the requisition has been signed by the member or members herein before specified.
- (iii) If the Board does not, within 21 (twenty one) days from the date of deposit of a valid requisition in regard to any matters, proceed to call a meeting, the requisitionists or such of them as are able so to do by virtue of Section 169(6)(b) of the Act may themselves call the meeting but any meeting so called shall not be held after 3 (three) months from the date of such deposit.
- (iv) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board, but shall be held at the office.
- (v) Where two or more persons hold any shares jointly, a requisition or notice calling a meeting signed by one or some only of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.
- (vi) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be deducted by the Company from any sums due or to become due from the Company to such of the Directors as are in default.

PROCEEDINGS AT GENERAL MEETINGS

79. Notice of meeting

Save as provided in sub-section (2) of section 171 of the Act not less than 21 (twenty one) days' notice shall be given of every General Meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted there at. Where any such business consists of "special business" as hereinafter defined, there shall be annexed to the notice, a statement complying with Section 173 (2) and (3) of the Act.

Notice of every meeting of the Company shall be given to every member of the Company, to any persons entitled to share in consequence of the death or insolvency of a member and to the auditors for the time being of the Company, in the manner hereinafter provided for the giving of notice to such persons.

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

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

80. Circulation of members resolution

The Company shall comply with the provisions of Section 188 of the Act to giving notice of resolutions and circulating statement on the requisition of members.

81. Business of meetings

The ordinary business of annual general meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet, reports of the Directors and of auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and fix their remuneration and declare dividends.

82. Quorum to be present

No business shall be transacted at any General Meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to transact business. Save as herein otherwise provided, 5 (five) members present in person shall constitute quorum.

83. Resolution to be passed by the Company in General Meeting

Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in the General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 189 (1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a special resolution as defined in Section 189(2) of the Act.

84. Resolution to be passed by Company in General Meeting

- (i) Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14 (fourteen) days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (ii) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation

or in any other mode allowed by the Articles not less than 7 (seven) days before the meeting.

85. Chairman of General Meeting

The chairman of the Board shall be entitled to take the chair at every General Meeting. If at any General Meeting the chairman is not present, the vice-chairman shall be the chairman of such General Meeting. If at any meeting they shall not be present or are unwilling to act, the members present shall choose another Director as chairman and if no Director be present or if all the Directors present decline to take the chair then the members present shall on a show of hands or on a poll (if properly demanded) elect 1 (one) of their numbers being a Member entitled to vote to be the chairman of the meeting.

86. Dissolution and adjournment of meeting

If within half-an-hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition as such shall be dissolved, but in any other case, it shall stand adjourned to a day in the next week, at the time and place, or to such other day and such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum is not present, those members who are present not being less than 2 (two) shall be quorum and may transact the business for which the meeting was called.

87. How questions to be decided at meeting

Every question submitted to a meeting shall be decided in the first instance by a show of hands. In the case of an equality of votes, whether by a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or a casting vote.

88. Demand for poll

Before or on the declaration of the result of the voting on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than 1/10th (one-tenth) of the total voting power in respect of the resolution, or on which an aggregate sum of not less than Rs 50,000 (Rupees Fifty thousand) has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

89. Poll

(i) If a poll is demanded as aforesaid, it shall be taken forthwith on a question of adjournment or election of a chairman of the meeting in any other case in such manner and at such time, not being later than 48 (forty eight) hours from the time when the demand was made, and at such place as the chairman of the meeting directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(ii) The demand for a poll may be withdrawn at any time.

- (iii) Where a poll is to be taken, the chairman of the meeting shall appoint 2 (two) scrutineers, one at least of whom shall be a Member (not being an officer or employee of the Company) present at the meeting provided such a Member is available and willing to be appointed, to scrutinize the votes given on the poll and to report to him thereon.
- (iv) On a poll, a Member entitled to more than 1 (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.
- (v) The demand of 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.

90. Power to adjourn general meeting

- (i) The Chairman of a General Meeting may 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.
- (ii) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

91. Vote of Member

- (i) Save as hereinafter provided, on a show of hands, every member present in person and being a holder of equity shares shall have 1 (one) vote and every person with either a General Proxy (as defined in Article 95) on behalf of a holder of equity shares. If he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, being a holder of equity shares, he shall have 1 (one) vote.
- (ii) Save as hereinafter provided, on a poll, the voting rights of a holder of equity shares shall be as specified in Section 87 of the Act.
- (iii) The holders in respect of preference shares shall not be entitled to vote at General Meetings of the Company except:
 - (a) On any resolution placed before the Company at a General Meeting at the date on which the dividend due or any part thereof remains unpaid in respect of an aggregate period of not less than 2 (two) years previous to the date of commencement of such meeting whether or not such dividend has been declared by the Company; or
 - (b) On any resolution placed before the Company at a General Meeting which directly affects the rights attached to the preference shares and for this purpose, any resolution for the winding up of the Company or for the repayment or reduction of its share capital, shall be deemed to affect the right attached to such shares.

- (iv) Where the holder of any preference shares has a right to vote on any resolution in accordance with the provisions of this Article, his voting right on poll as such holder shall, subject to any statutory provision for the time being applicable, be in the same proportion as the capital paid up on the preference shares bears to the total paid up equity share capital of the Company for the time being as defined in section 87(2) of the Act.

Provided that no company or body corporate shall vote by proxy unless a resolution of its Board of Directors under the provisions of Section 187 of the Act is in force.

92. Votes by and power of representative of member companies

A company or body corporate (for the purpose of this Article called "Member Company"), which is a member of the Company, may vote by proxy or by representative duly appointed in accordance with Section 187 of the Act. A person duly appointed to represent the Member Company at any meeting of the Company or at any meeting of any class of members of the Company, shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the Member Company which he represents, as that member company could exercise if it were an individual member.

93. Votes in respect of deceased, insane and insolvent members

Any person entitled under Article 63 to transfer shares may vote at any General Meeting in respect thereof in the same manner if he were the member registered in respect of such shares, provided that at least 8 (eight) hours prior to the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted the right to vote at such meeting in respect thereof. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

94. Member registered jointly

Where there are members registered jointly in respect of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than 1 (one) of such members be present at any meeting either personally or by proxy, that 1 (one) of the said members so present whose name stands first on the register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article be deemed to be members registered jointly in respect thereof.

95. Proxies permitted

On a poll, votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorised as aforesaid.

- (i) *Instrument appointing proxy to be in writing*

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney authorized in writing or if such appointer is a body corporate, be under its common seal or the hand of its officer or attorney duly authorized.

(ii) *Proxies may be General or Special*

A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

(iii) *Restrictions on voting*

A person may be appointed a proxy though he is not a Member of the Company and every notice convening a meeting of the Company shall state this and that a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

96. Instrument appointing proxy to be deposited in office

The instrument appointing a proxy and the power of attorney other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the office not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

97. When vote by proxy valid though authority revoked

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

98. Form of instrument appointing a special proxy

Every instrument appointing a Special Proxy shall be retained by the Company and shall, as nearly as circumstances will admit, be in the following form:

[•] [Name of the Company]

I/We

being a member of _____ **[Name of Member Company]**

Hereby appoint _____ of _____

(or failing him _____ of _____)

(or failing him _____ of _____)

As my/our proxy to attend and vote for me/us, and on my/our behalf at the (Annual or Extraordinary, as the case may be) General Meeting of the Company to be held on the _____ day of _____ and at any adjournment thereof.

As witness my/our hand(s) this _____

Signed by the said member

Provided always that an instrument appointing a proxy may be in any of the forms set out in Schedule IX to the Act.

99. Restriction on voting

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has extended any right of lien.

100. Admission or rejection of votes

- (i) Any objection as to the admission or rejection of a vote made on a show of hands or on a poll shall be referred to the chairman of the meeting, who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.
- (ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

101. Number of Directors

The number of Directors of the Company shall not be less than 3 (three) or more than 12 (twelve) unless otherwise determined by special resolution.

102. First Directors

The persons hereinafter named shall become and be the First Directors of the Company:

- (i) Mr Manohar Lal Pachisia;
- (ii) Mr Pradeep Kumar Sonthalia; and
- (iii) Mr Pramod Chand Agarwala.

103. Share qualification of Directors

Unless otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares of the Company as his qualification.

104. Director's fees

Unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, remuneration by way of a fee for each meeting of the Board or a Committee thereof attended by any such Director and the amount of such fees

shall not exceed such sum as may be prescribed by the Act or the Central Government from time to time.

105. Appointment of a whole-time Director

The Board of Directors shall have the power to appoint at any time and from time to time but subject to the approval by shareholders in General Meeting and also subject to the approval of the central government wherever necessary, any number of Directors from among themselves as whole-time directors for a term not exceeding 5 (five) years at a time and on such terms and conditions as decided by the Board.

106. Board may act notwithstanding vacancy

The continuing Directors may act notwithstanding any vacancy in their body but if the number falls below the minimum number fixed by Article 129 as the necessary quorum, the Board shall not, except for the purpose of filling vacancies or summoning a general meeting, act so long as the number is below the minimum.

107. Office of Director when becomes vacant

The office of a Director shall ipso facto become vacant if:

- (i) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, necessary for his appointment; or
- (ii) he is found to be of unsound mind by a Court of competent jurisdiction; or
- (iii) he applies to be adjudicated an insolvent; or
- (iv) he is adjudged an insolvent; or
- (v) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
- (vi) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within 6 (six) months from the last date fixed 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
- (vii) he absents himself from 3 (three) consecutive meetings of the Board or from all meetings of the Board for a continuous period of 3 (three) months, whichever is the longer, without obtaining leave of absence from the Board; or
- (viii) he (whether by himself or by any person for his benefit or his account) or any firm of which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 295 of the Act; or
- (ix) he acts in contravention of Section 299 of the Act; or

- (x) he becomes disqualified by an order of court under Section 203 of the Act; or
- (xi) he is removed from office in pursuance of section 284 of the Act; or
- (xii) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company; or
- (xiii) by notice in writing to the Company, he resigns his office; or
- (xiv) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of section 314 of the Act and by operation of that section, he is deemed to vacate office.

108. Directors not to hold office of profit under the Company or its subsidiary

Save as permitted by Section 314 of the Act, no Director of the Company, no partner or relative of a Director, no firm in which a Director or his relative is a partner, no private company of which such a Director is a director or member and no director or manager of such a private company shall, without the previous consent of the Company accorded by special resolution, hold any office or place of profit carrying a total monthly remuneration of Rs 500 (Rupees Five hundred) or more, except that of managing director, manager legal or technical advisor, banker or trustee for the holders of debentures of the Company, under the Company or 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.

109. Payment of remuneration to Directors other than a Managing Director or Whole-time Director

Subject to the provisions of Section 309 and the other applicable provisions if any, of the Companies Act, 1956 and other statutory approvals where required, the Directors of the Company including non-resident directors, if any (other than a Managing Director or a whole-time Director), may be paid remuneration in addition to fees, if any, paid to them for meetings of the Board/Committee attended by them, by way of commission or by way of monthly, quarterly or annual payment, if the Company in General Meeting by a special resolution authorises such payment provided that such remuneration to all such Directors shall not in the aggregate exceed 3 (three) per cent of the net profits of the Company when there is no Managing Director and/or whole-time Director or Manager in the Company and 1 (one) per cent of the net profits of the Company in other cases. The said net profits shall be computed in the manner laid down in the Companies Act, 1956 and that such remuneration shall be paid to all the Directors for the time being in office (other than a Managing Director and/or a whole-time Director) or to one or more of them in such proportion, as the Board may in its sole discretion decide or equally amongst all such Directors where the Board does not so decide.

110. Directors may be directors of companies promoted by the Company

A Director of this Company may be or become a director of any company promoted by this Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company.

111. Conditions under which Directors may contract with the Company

Subject to the provisions of section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

112. Disclosure of a Director's Interest

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

113. Discussion and voting by Director interested

No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to: (a) any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company; or (b) any contract or arrangement entered into or to be entered into by the Company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such Director by the Company or in his being a member of the Company holding not more than 2 (two) per cent of the paid-up share capital of the Company.

114. Proportion of directors to retire by rotation

Not less than $2/3^{\text{rd}}$ (two-thirds) of the total number of Directors shall be persons whose period of office shall be liable to determination by retirement of Directors by rotation.

115. Additional Director

The Board shall have power at any time and from time to time to appoint additional Directors who shall hold office until the next following annual general meeting.

116. Retirement of Directors

At each annual general meeting of the Company, $1/3^{\text{rd}}$ (one third) of such of the Directors for the time being as are liable to retire by rotation, or if their number is not 3 (three) or a multiple of 3 (three), then the number nearest to $1/3^{\text{rd}}$ (one third) shall retire from office.

Neither the chairman of the Board nor the Managing Director shall be liable to retire by rotation within the meaning of this Article, subject to the provisions of Section 256(1).

117. Which Directors to retire by rotation

The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall in default of and subject to any agreement among them, be determined by lot.

118. Appointment of Directors to be voted on individually

Save as permitted by Section 263 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one named individual only.

119. Vacancies to be filled at Annual General Meeting

The Company at the annual general meeting at which a Director retires by rotation may, by resolution, fill the vacant office by appointing the retiring Director or some other person thereto.

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 re-appointed at the adjourned meeting unless:

- (i) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost; or
- (ii) the retiring Director has, by notice in writing addressed to Company or the Board, expressed his unwillingness to be re-appointed; or
- (iii) he is not qualified or is disqualified for appointment; or
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or
- (v) the proviso to sub-section (2) of Section 253 or sub-section (3) of Section 280 of the Act is applicable to the case.

120. Increase or reduction in the number of Directors

The Company in General Meeting may, from time to time, increase or reduce the number of directors within the limits fixed by Article 99.

121. Power to remove Director by ordinary resolution on special notice

The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which special notice according to Section 190 of the Act has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 108.

122. Board may fill up casual vacancies

If any Director appointed by the Company in General Meeting vacates his office as a Director before the expiry of his term of office, the vacancy may be filled by the Board at the meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred; provided that the Board may not fill such a vacancy by appointing thereto any person who had been removed from the office of the Director under Article 107.

123. When the Company and candidate for office of Director must give notice

No person not being a retiring Director shall be eligible for appointment of the office of Director at any General Meeting unless he or some member intending to propose him, has not less than 14 (fourteen) days before the meeting; left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as candidate for that office as the case may be along with a deposit of Rs 500 (Rupees Five hundred) which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director. The Company shall inform its Members of the candidature of a person for the office of Director or the intention of a Member to propose such person as a candidate for that office, by serving individual notice on the Members not less than 7 (seven) days before the General Meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than 7 (seven) days before the General Meeting in at least 2 (two) newspapers circulating in the place where the office is located of which 1 (one) is published in the English language and the other in the regional language of that place.

124. Independent Director

Subject to the provision of the Act and these Articles, the Company, if required by law, shall have a right to appoint the requisite number of independent directors on the Board.

124A Nominee Director/ Observer

Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from any Bank(s), Financial institutions, Non-Banking Finance Company or any other Body Corporate ("Lender(s)") and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) holds equity shares in the Company as a result of conversion of such loans / debentures and if the loan agreement of respective Lender(s) provide for appointment of any person or persons as a Director or Directors, (which Director or

Directors is/are hereinafter referred to as “Nominee Director(s)/ Observer(s)” on the Board of the Company, the Company shall appoint such person nominated by such Lender(s) as Nominee Director/ Observer, in accordance with the terms and conditions specified in the loan agreement executed with the Lenders.

ALTERNATE DIRECTORS

125. Power of Board to appoint alternate Director

The Board may appoint any person to act as alternate Director for a Director during the latter’s absence for a period of not less than 3 (three) months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly; but he shall not require any qualification and shall ipso facto, vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

PROCEEDINGS OF THE BOARD

126. Meeting of the Board

The Board shall meet together at least once in every 3 (three) months for the dispatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit; provided that at least 4 (four) such meetings shall be held in every year. Notice in writing of every meeting of the Board shall be given to every Director of the Company.

127. Director may summon meeting

A Director may at any time, and the Chairman of the Board shall, upon the request of a Director convene a meeting of the Board.

128. Chairman

The Board of Directors of the Company shall elect any 1 (one) of them as the chairman to preside over the meetings of the Board and that, the chairman, if he deems necessary, shall appoint any one Director as vice chairman of the Board. If at any meeting, the chairman is not present, the vice chairman shall be the chairman of such meeting of the Board.

129. Quorum

The quorum necessary for the transaction of the business shall be $1/3^{\text{rd}}$ (one-third) of its total strength (any fraction in that one-third being rounded off as one), or 2 (two) Directors, whichever is higher. For the purpose of this Article, an alternate Director shall be counted in a quorum at a meeting at which the Director appointing him is not present. If a quorum is not present within 15 (fifteen) minutes from the time appointed for holding meeting of the Board, the meeting shall be adjourned until such date and time as the chairman of the Board shall appoint.

130. Power of Board meeting

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

131. How questions to be decided

Subject to the provisions of Section 316, 372 (5), 386 of the Act, questions arising at a meeting of the Board shall be decided by a majority of votes, and in case of equality of votes, the Chairman (of the meeting) shall have a second or casting vote.

132. Approval of Director's travel expenses

The Directors may allow and pay to any Director who shall come to the place of the meeting for the purpose of attending such meetings, such sum as the Directors may consider fit and reasonable to cover his travelling, hotel and other out of pocket expenses in addition to his regular fee as herein referred to by Article 103.

133. Directors may appoint Committees

Subject to the restrictions contained in Section 292 of the Act, the Board of Directors may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effects as if done by the Board.

134. Meeting of Committee, how to be governed

The meetings and proceedings of any such Committee of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article 133.

135. When acts of a Director valid notwithstanding defective appointment, etc.

Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in the Act or in these Articles; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

136. Resolution without Board Meeting

Save in those cases where a resolution is required to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or committee thereof, as the case may be, duly called and constituted, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors or to all the

members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case maybe) and has been approved in writing by such of the directors as are then in India, or by majority of such of them, as are entitled to vote on the resolution.

MINUTES

137. Minutes to be made

- (i) The Board shall in accordance with the provisions of Section 193 of the Act, cause minutes to be kept by making within 30 (thirty) days of the conclusion of every meeting of the Board or of every Committee of the Board, entries thereof in books kept for the purpose with their pages consecutively numbered, each page of every such book being initialed or signed and the last page of the record of proceedings of each meeting in such books being dated and signed in the case of minutes of proceedings of a meeting of the Board or Committee thereof, by the chairman of the said meeting or the chairman of next succeeding meeting in the case of minutes of proceedings of a General Meeting by the chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that chairman within that period, by a Director duly authorised by the Board for the purpose provided that in no case shall the minutes of proceedings of a meeting be attached to such books as aforesaid by pasting or otherwise.

The minutes shall contain particulars:

- (a) of the names of the Directors present at each meeting of the Board and of any Committee of the Board and 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;
- (b) of all orders made by the Board and Committees of the Board;
- (c) of all appointments of Directors and other officers of the Company; and
- (d) of all proceedings of General Meetings of the Company and of meetings of the Board and Committees of the Board.

The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that no matter need be included in any such minutes which the chairman of the meeting, in his absolute discretion, is of opinion:

- (a) is, or could reasonably be regarded as, defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.

- (ii) Any such minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the proceedings recorded in such minutes. The minutes book of the General Meetings of the Company shall be kept at the office and shall be open to inspection by members on business days between the hours of 9.30 a.m. and 11.30 a.m. as the Act requires them to be open.

POWER OF THE BOARD

138. General power of Company vested in the Board

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

MANAGING DIRECTOR

139. Power to appoint Managing Director

The Directors may, from time to time, appoint one or more of their body to be the Managing Director or Managing Directors of the Company, for a term not exceeding 5 (five) years at a time for which he or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or other in his or their place.

140. Powers of Managing Director

The Directors may, from time to time, entrust to and confer upon a Managing Director, for the time being, such of their powers as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they consider expedient; and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

141. Remuneration of Managing Director

The remuneration of a Managing Director shall (subject to the provisions of the Act or of any contract between him and the Company), from time to time, be fixed by the Company in

General Meeting, and may be either by way of salary and/or commission on profits or such other mode as may be decided.

142. To what provisions he shall be subject

A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as Director for the purposes of ascertaining the rotation of retirement of Directors, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other directors of the Company, and he shall ipso facto and immediately, cease to be the Managing Director if he ceases to hold the office of Director from any cause.

THE SEAL

143. Custody of Seal

The Board shall provide for the safe custody of the Seal and every instrument to which the Seal shall be affixed shall be signed by a Director and Secretary or some other person appointed by the Board for this purpose. Notwithstanding the provisions herein contained, any instrument bearing the seal of the Company shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

144. Annual Return

The Company shall comply with the provisions of section 159 and 161 of the Act as to the preparation and filing of annual returns.

RESERVES

145. Reserves

The Board may, from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debenture, debts or other liabilities of the Company, for equalization of dividends, for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company; and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time, deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserves or any part thereof in the business of the Company.

146. Investment of Reserves

All moneys carried to the reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation for the payment of dividends and such money and all other moneys of the Company not immediately required for the purposes of the Company may, subject to the provision of Section 370 and 372 of the Act, be invested by Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Board may, from time to time, think proper.

CAPITALIZATION OF RESERVES

147. Capitalisation of Reserves

The Company in General Meeting may upon the recommendation of the Directors resolve that any moneys, investments or other assets forming part of the undivided profits or the Company standing to the credit of the reserves or any capital redemption reserve account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and 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 proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

148. Surplus moneys

The Company in General Meeting may upon the recommendation of the Directors resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

149. Fractional certificate

For the purpose of giving effect to any resolution under the two last preceding Articles and Article 160 hereof, the Board may settle any difficulties which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to the members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trust for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

DIVIDENDS

150. **Division of profits**

Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits which the Company from time to time decides to distribute in respect of any year or other period shall be applied in the payment of a dividend of equity shares of the Company but so that a partly paid-up share shall only entitle the members in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

151. **Declaration of dividends**

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

152. **Restriction on amount of dividends**

No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

153. **Dividend out of profits only and not to carry interest**

Subject to the provisions of Section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the central or state government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

154. **Profits**

The declaration of the Board as to the amount of the profits of the Company shall be conclusive.

155. **Interim dividends**

The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

156. **Debt may be deducted**

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

157. **Dividend and call**

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 be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members, be set off against the call.

158. Dividend in cash

No dividend shall be payable except in cash. Provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the Members of the Company.

159. Effect of transfer

Where any instrument of transfer 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:

- (i) 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
- (ii) 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 subsection (3) of Section 205 of the Act.

160. To whom dividends payable

No dividend shall be paid in respect of any shares except to the Member registered in respect of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a Member to make a separate application to the Company for the payment of the dividend.

161. Dividends to Members registered jointly

Anyone of several persons who are Members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

162. Notice of dividends

Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided.

163. Payment by post

Unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or in the case of Members registered jointly to the registered address of the Member first named in the Register or to such person and such address as the Member or Members, as the case may be, direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

(i) *Unpaid or unclaimed dividend*

- (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".
- (b) The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.

The Board shall forfeit not unclaimed or unpaid dividend.

BOOKS AND DOCUMENTS

164. Books of accounts to be kept

The Board shall cause to be kept proper books of accounts as required under Section 209 of the Act.

165. Where to be kept

The books of account shall be kept at the office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within 7 (seven) days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account shall be open to inspection by any Director during business hours provided that the books of account shall also be open to inspection by the Registrar or by any Officer of Government authorized by the Central Government in this behalf.

166. Inspection by Member

The Board shall, from time to time determine whether and to what extent, and at what times and places, and under what conditions the books of account and books and documents of the Company or any of them shall be open to the inspection of the members not being Directors; and no member, not being a Director, shall have any right of inspecting any books of account or books or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting; and no member, not being a Director, shall be entitled to request or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.

167. Books of account to be preserved

The books of account of the Company shall be preserved in good order for a period of not less than 8 (eight) years from the date of incorporation of the Company and after the said period of 8 (eight) years, the books of account of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year shall be preserved in good order.

BALANCE SHEET AND ACCOUNTS

168. Balance sheet and profit and loss account

At every annual general meeting, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance sheet and Profit and Loss Account shall comply with the requirements of Section 210, 211, 212, 215 and 216 and of Schedule VI to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

169. Annual report of Directors

There shall be attached to every Balance Sheet laid before the Company a report by the Board in accordance with Section 217 of the Act.

170. Right of member to copy of Balance Sheet and Auditor's Report

A copy of every balance sheet (including the profit and loss account, the auditors' report and every other document required by law to be annexed or attached as the case may be, to the balance sheet) which is to be laid before the Company in general meeting shall be sent to every member of the Company as provided in Section 219 of the Act.

171. Copies of Balance Sheet, etc. to be filed

The Company shall comply with Section 220 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDIT

172. Accounts to be audited annually

Once at least in every year, the books of account of the Company shall be examined by one or more auditor or auditors.

173. First Auditors

The first auditor or auditors of the Company shall be appointed by the Board within 1 (one) month of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting of the Company.

174. Appointment and remuneration of Auditors

The Company shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting and shall, within 7 (seven) days of the appointment, give notice thereof to every auditor so appointed. The appointment, remuneration, rights and duties of the auditor or auditors shall be regulated by Section 224 to 227 of the Act.

175. Audit of accounts of branch office of Company

Where the Company has a branch office, the provisions of Section 228 of the Act shall apply.

176. Right of auditor to attend general meeting

All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the auditor of the Company; and the auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as auditor.

177. Auditor's report to be read

The auditors' reports (including the auditor's separate, special or supplementary report, if any) shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

178. When accounts to be deemed finally settled

Every Balance Sheet and Profit and Loss Account when audited and adopted by the Company in General Meeting shall be conclusive, except as regards any error discovered therein within 3 (three) months next after the adoption thereof. Whenever such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES AND DOCUMENTS

179. Service of notice on members

- (i) A notice or other document may be given by the Company to any member either personally or by sending it by post to him to his registered address or, if the Member, not being a resident in India, has no registered address in India, to the address, if any, supplied by such Member not resident of India to the Company for the giving of notice to him.
- (ii) Where a notice or other document is sent by post in India:
 - (a) Service thereof shall be deemed to have been effected by properly addressing, pre-paying postage and posting a letter containing the notice or document;
 - (b) Such service shall be deemed to have been effected:
 - i. in the case of a notice of meeting, at the expiration of 48 (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.
- (iii) Where a notice or other document is sent by post outside of India, service thereof shall be deemed to have been effected by properly addressing and sending a letter by airmail, pre-paid, at the time at which the letter would be delivered in the ordinary course of post.

180. Notices to members who have not supplied addresses

A notice or other document advertised in a newspaper circulating in the neighborhood of the office 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 for the giving of notices to him. Any Member who has no registered address in India shall, if required to do so by the Company, supply the Company with address for the giving of notices to him.

181. Notice to member registered jointly

A notice or other document may be served by the Company on the Member registered jointly in respect of share by giving the notice to the member named first in the Register, in respect of the share.

182. Notice to person entitled by transmission

A notice or other document 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 representatives of the deceased, or assignee of insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or, until such an address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

183. When notice may be given by advertisement

Any notice required to be given by the Company to the Members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.

184. How to be advertised

Any notice required to be given or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighborhood of the office.

185. When notice by advertisement deemed to be served

Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

186. Transferee, etc. bound by prior notices

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

187. Notice valid though member deceased

Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is deceased and whether or not the Company has notice of his demise, whether registered solely or jointly with persons, for all purposes of these presents, be deemed sufficient service of such notice or document on his executors or administrators and all persons, if any, jointly interested with him in any such share.

188. Service of process in winding up

In the event of a winding-up of the Company, every member of the Company who is not for the time being in the place where the office of the Company is located shall be bound, within 8 (eight) weeks after the passing of an effective resolution, to wind up the Company voluntarily or the making of an order for the winding up of the Company, to serve notice in writing on the Company stating the name of some householders, residing in the neighborhood of the office upon whom all summons, notices, process, orders and judgments relating to or under the winding up of the Company may be served, and, in default of such nomination, the Liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such person and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighborhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

189. Registers etc. to be maintained by the Company

The Company shall duly keep and maintain at the office, in accordance with the requirements of the Act in that behalf, the following Registers:

- (i) a register of charges pursuant to Section 143 of the Act.
- (ii) a register of members pursuant to Section 150 and, whenever the Company has more than fifty members, unless such register of members is in a form which itself constitutes an index of members pursuant to Section 151 of the Act.
- (iii) a register of debenture-holders pursuant to Section 152 and, whenever the Company has more than fifty Debenture-holders, unless such Register of Debenture-holders itself constitutes an index, an index of Debenture-holders pursuant to Section 152(2) of the Act.

- (iv) a register of contracts pursuant to Section 301 of the Act.
- (v) a register of Directors, Manager, Managing Director and Secretary pursuant to Section 303 of the Act.
- (vi) a register of Directors' shareholdings pursuant to Section 307 of the Act. .
- (vii) a register of loans etc. made by the Company to companies under the same management pursuant to Section 370 of the Act.
- (viii) a register of investments made by the Company in shares and debentures of bodies corporate in the same group pursuant to Section 372 of the Act.
- (ix) a register of investments not held by the Company in its own name pursuant to Section 49(7) of the Act.
- (x) a register of renewed and duplicate certificates pursuant to Rule 7(2) of the Companies (Issue of Share Certificates) Rules 1960 or any statutory modification or re-enactment thereof.

190. Supply of copies of Registers, etc.

The Company shall comply with the provisions of Sections 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 362, 370 and 372 of the Act as to the supplying of copies of the registers, deeds, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons, on payment of the charges, if any, prescribed by the said Sections.

191. Inspection of Registers, etc.

Where under any provisions of the Act any persons, whether a member of the Company or not, is entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 2 P.M. and 4 P.M. on such business days as the Act requires them to be open for inspection.

192. Closing of Registers of Member and Debenture-holders

The Company may, after giving not less than 7 (seven) days' previous notice by advertisement in some newspaper circulating in the district of the office, close the register of members or the register of debenture-holders as the case may be for any period or periods not exceeding in the aggregate 45 (forty five) days in each year, but not exceeding 30 (thirty) days at any one time.

SECRECY

193. Secrecy

Every Director, Manager, Auditor, Secretary, or Trustee for the Company, its members or debenture-holders, member of a committee, officer, servant, agent, accountant or other person employed in or about the business or the Company shall, if so required by the Board

before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and state of 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 Board or any General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

194. Right of member to enter premises of the Company

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board.

WINDING UP

195. Distribution of assets

If the Company shall be wound-up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up the excess shall be distributed among the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares upon special terms and conditions.

196. Distribution of assets specie

If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a Special Resolution, divide among the members, in specie or kind, the whole or any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members, or any of them, 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 wherein there is any liability.

INDEMNITY

197. Indemnity

Save as provided in Section 201 of the Act, every Director, Manager, Secretary or officer of the Company or any person employed by the Company and any person appointed as Auditor

shall be indemnified out of the funds of the Company against all liability incurred by him as such Managing Director, Director, Manager, secretary, officer, employee or auditor.

AUTHENTICATION OF DOCUMENTS

198. Authentication of documents and proceeding

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not be under its seal.

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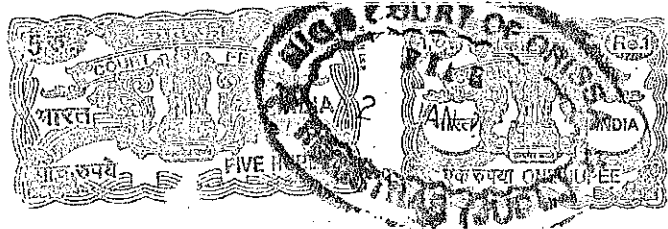
We the several persons, whose names, addresses, and descriptions are subscribed hereunder are desirous of being formed into a Company in pursuance of this Articles of Association.

SI No	Name, Address, Description And Occupation Of Subscribers	Signature of subscribers	Signature, Name, Addresses, Description And Occupation of Witness
1.	Orient Paper and Industries Limited (CIN: L21011OR1936PLC000117) Unit-VIII, Plot No 7, Bhoinagar Bhubaneswar-751012, Orissa	Sd/-	Mr.ATUL KUMAR LABH (Practicing Company Secretary) s/o. Sri.M.N.Lbh A.K.LABH & Co. (Company Secretaries) 40, Western Street, 3 rd Floor, Kolkata- 700013 C.P.No.3238
2.	Manohar Lal Pachisia s/o Late Sughan Chand Pachisia 8/12, Alipore Road, Kolkata - 700027 Service	Sd/-	
3.	Gautam Mullick s/o Late S M Mullick BD-493, Salt Lake City, Kolkata – 700064 Service	Sd/-	
4.	Niranjan Kumar Saha s/o Late Jitendra Kumar Saha BL-6, Sector-II, Salt Lake, Kolkata - 700091 Service	Sd/-	
5.	Pradeep Kumar Sonthalia s/o Late Srinivas Sonthalia 'Manikaran', Flat No 7EE, 3B Rammohan Mullick Garden Lane Kolkata – 700010 Service	Sd/-	
6.	Amalendu Kuila s/o Dr Late Ardhendu Sekhar Kulia 55A, Russa Road, East, 1 st Lane Kolkata - 700033 Service	Sd/-	
7.	Pramod Chand Agarwala s/o Late Chandra Bhan Agarwala Flat No 7, 233, Lower Circular Road Kolkata – 700020 Service	Sd/-	

Kolkata ,Dated the 19th day of July, 2011

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181



In the Hon'ble High Court of Orissa, Cuttack

Original Jurisdiction

Code-060300

Company Petition No. 4 of 2011

Connected with

Company Petition No. 31 of 2011

In the Matter of :

An application under Sections 391(1) and Section 101(1) of the Companies Act, 1956.

And

In the Matter of:

Orient Cement Limited, a Company incorporated in accordance with the provisions of the Companies Act, 1956, having its registered office at Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar 751 012, Orissa, within the aforesaid jurisdiction.

Presented on

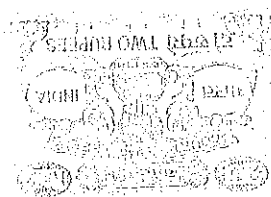
Retained (Judit)



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Orient Cement Limited

... Petitioner



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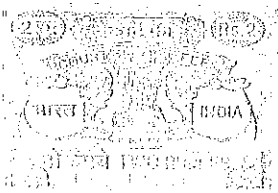
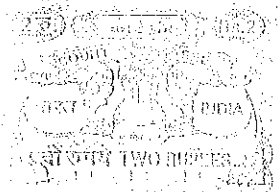
COPET No. 1 of 2012

[Handwritten Signature]
[O. H. C.-98]

Sl. No. of Order	Date of Order	ORDER WITH SIGNATURE	Office note as to action (if any) taken on Order
7.	23.02.2013	<p><u>Misc. Case No. 3 of 2013</u></p> <p>Heard the petitioner in person. Mr. Benudhar Mishra, Registrar of Companies is present in Court.</p> <p>By means of this application, the petitioner prays for condonation of delay and grant of some time to file the certified copy of the order of this Court dated 27.7.2012 before the Registrar of Companies.</p> <p>Considering the submission made by the parties, the delay in filing the certified copy of the order of this Court dated 27.7.2012 before the Registrar of Companies is condoned, subject to the petitioner filing the same before the Registrar of Companies within three days.</p> <p>The misc. case is accordingly disposed of.</p> <p>Issue urgent certified copy in course of the day.</p>	



Sd/- P. Mohantra, A.C.J.
company Judge



copying *[Signature]*
23.2.13

Date of Application : 13.03.13
 Date of Notification : 2.10.13
 Date of Supply : 2.10.13
 Date of Ready : 2.10.13
 Date of Delivery : 2.10.13

13

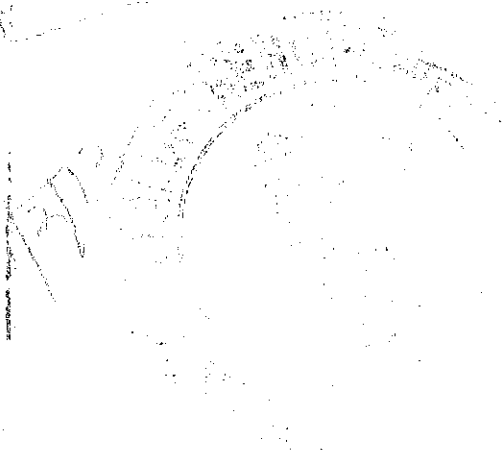
12306/13

MEMO OF COST

Application Fee.....	5	80
Searchers Fee.....	—	—
Extra Fee per Agency.....	3	—
Folio & Paper.....	5	—
Hologram Fee.....	3	00
Other Items & duty.....	1	—
Total	16	80

(Rupees Sixteen & Paise Eighty only)

ASST. EXAMINOR OF COPIES
 CUM
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 COPYING DEPARTMENT

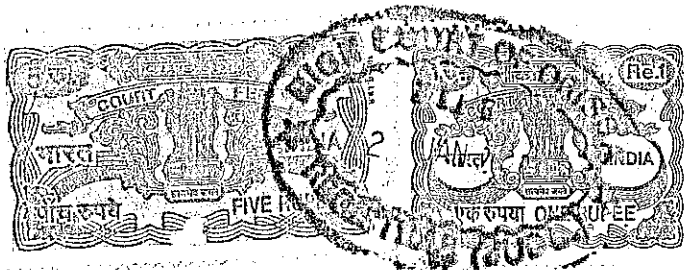


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 Assistant Registrar, IP
 JUDGE HIGH COURT
 Authorized Under Section 76 Act-I of 1872

82

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181



In the Hon'ble High Court of Orissa, Cuttack

Original Jurisdiction

Code-060300

Company Petition No. 4 of 2012

Connected with

Company Petition No. 31 of 2011

In the Matter of :

An application under Sections 391(1) and Section 101(1) of the Companies Act, 1956.

And

In the Matter of:

Orient Cement Limited, a Company incorporated in accordance with the provisions of the Companies Act, 1956, having its registered office at Unit - VIII, Plot No. 7, Bhoingar, Bhubaneswar 751 012, Orissa, within the aforesaid jurisdiction.

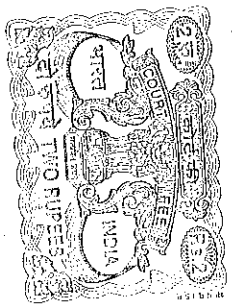
Presented on

Registrar (Judicial)



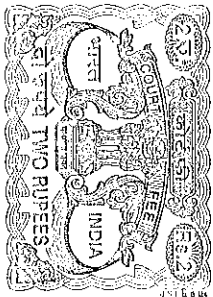
Orient Cement Limited

... Petitioner



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Sl. No. of Order	Date of Order	ORDER WITH SIGNATURE	Office note as to action (if any), taken on Order
6.	27-7-2012	<p>Heard learned counsel for the petitioner.</p> <p>An affidavit is filed in Court today by the Regional Director, Eastern and North Eastern Region, Ministry of Corporate Affairs, Kolkata, in pursuance of the notice issued by this Court.</p> <p>Considering the submissions made by the learned counsel for the petitioner and the Registrar of Companies, the present petition is allowed and the scheme of arrangement vide Annexure-1 is hereby sanctioned subject to compliance of the following by the petitioner-company :</p> <p>The petitioner company shall increase its authorized share capital to enable it to pay the consideration by allotment of shares by filing Form No.5 with the Registrar of Companies, Odisha, Cuttack.</p> <p>The present petition is disposed of with a direction to the Registrar (Judicial) of this Court to draw the order in terms of prayers (a) to (g).</p>	<p>Sd/- B. P. Das - J (Company Judge)</p>



✓

IN THE HON'BLE HIGH COURT OF ORISSA; CUTTACK

COPET NO.01 OF 2012

In the matter of:

Orient Cement Limited, a Company incorporated in accordance with the provision of the Companies Act, 1956, having its registered office at Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar 751012, Orissa.

... Petitioner

Before the Hon'ble Mr. Justice B.P. Das

Dated 27.07.2012

ORDER UNDER SECTION 394

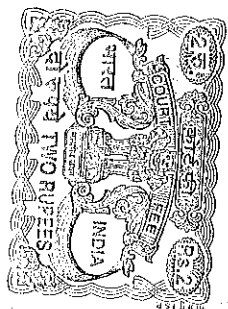
Upon the above petition coming on for further hearing on 27.07.2012 and upon reading the petition and the annexures annexed thereto and upon hearing;

THIS COURT DOTH ORDER

1. The scheme of arrangement mentioned in paragraph 1 of the petition being Annexure-1 to the petition is hereby sanctioned by this Court and the same to be binding with effect from April 1, 2012 on Orient Cement Limited and all concerned subject to compliance of the following by the Petitioner Company.

"The Petitioner Company shall increase its authorized share capital to enable it to pay the consideration by allotment of shares by filing Form No. 5 with the Registrar of Companies, Odisha, Cuttack".

2. All the properties, rights and powers of OPIL pertaining to the Cement Undertaking, including those mentioned in the Schedule of Assets filed, be transferred, without further act or deed to Orient Cement ^{Ltd} and, accordingly, the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in Orient Cement ^{Ltd} for all the estates



and interests of OPIL therein in relation to the Cement Undertaking but subject nevertheless to all charges now affecting the same;

3. All the debts, liabilities, duties and obligations of OPIL pertaining to the cement undertaking be transferred without further act or deed to Orient Cement ^{Ltd}, accordingly, the same shall, pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities, duties and obligations of OPIL Orient Cement Ltd.
4. All proceedings and/or suits and/or appeals now pending by or against the OPIL pertaining to the cement undertaking be continued by or against Orient Cement ^{Ltd}.
5. Orient Cement ^{Ltd}, within 30 days after the date of the order to be made herein cause a certified copy thereof to be delivered to the Registrar of Companies, Orissa for registration.
6. Any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for such directions as may be necessary.

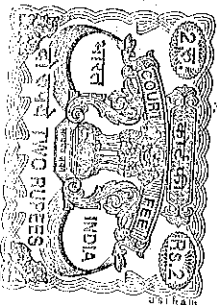
SCHEDULE

PART I

(Short description of freehold property of the Transferor Company)

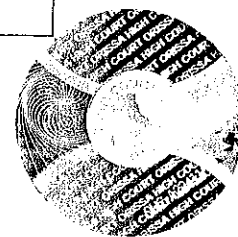
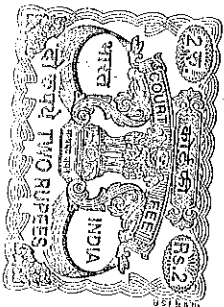
A. DETAILS OF LAND AT DEVAPUR

SL NO	YEAR	SURVEY NO	LAND	COST OF ACQUIT ION	DETAILS
			AREA/ACRES		
1	1981-82	52/2	1.08	487,789.52	Land Acquired for 1st Stage of Plant
		54/2	0.25		
		56	6.28		
		57/2	3.39		
		58	10.12		
		59/2	4.10		
		62/2	8.19		
		61/2	9.03		
		84/126	13.36		
		63	10.28		
		64	5.34		
		65/2	5.27		
		67/2	1.02		
		72/2	2.08		
		84/134	3.27		
		84/124/2	6.02		
84/58/2	4.20				
84/91/2	0.12				
84/90/2	0.05				



		84/125	9.18		
		84/56	2.33		
		84/133	1.24		
TOTAL			113.20		
2	1982-83	55	1.02	569,118.82	Land Acquired for 2nd Stage of Plant
		61	1.17		
		65	7.36		
		67	1.30		
		72	2.34		
		84/124	0.27		
		84/130	3.36		
		84/131	1.09		
		84/92	0.30		
		84/86/2	2.35		
		84/136	1.03		
		84/78	0.10		
		84/50	1.07		
		84/135	1.20		
		84/58/3	2.35		
		84/49	1.31		
		84/56	1.30		
		84/53	1.23		
		84/79	2.25		
		84/84	3.37		
		52/3	5.22		
		84/82	0.19		
		84/81	0.36		
		84/83	2.02		
		57	0.13		
		59	4.22		
		60	2.15		
		62/1	1.24		
		84/85	2.23		
		54	8.18		
		66	9.05		
TOTAL			80.36		

3	1982-83	84/53	2.31	983,231.68	Land Acquired for Township
		84/38	3.15		
		84/66	2.06		
		84/56	2.05		
		84/54	1.12		
		84/14	1.37		
		84/15	5.23		
		84/61	1.35		
		84/11	5.33		
		84/60	4.39		
		84/79	0.06		
		84/55	6.03		
		84/10	0.25		
		84/36	0.20		
		84/63	2.03		
		84/48	0.39		
		84/47	6.05		
		84/77	0.26		
		84/37	2.22		
		84/7	0.05		
		84/18	1.15		
		84/41	1.08		



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	84/84	0.17	
	84/35	1.11	
	84/42	6.07	
	84/13	3.25	
	84/43	4.13	
	84/25	6.05	
	84/44	0.26	
	84/45	6.24	
	84/46	15.24	
	84/4	8.15	
	84/3	6.28	
	84/9	3.12	
	84/20	8.03	
	84/24	2.22	
	84/16	7.12	
	84/40	3.13	
	84/73	0.31	
	84/17	3.34	
	84/12	4.29	
	84/39	5.28	
	84/59	11.21	
	84/65	5.02	
	84/49	4.32	
	84/64	4.18	
	84/23	0.36	
	84/58	6.03	
3	1982-83		
	84/50	1.03	
	84/19	16.00	
	84/78	2.06	
	84/21	1.08	
	84/84	2.21	
	84/80/2	2.14	
	84/81/3	2.21	
	84/82/4	0.08	
	84/51	3.09	
	84/62	5.34	
	84/127	5.31	
	84/128	1.23	
	TOTAL	240.02	

4	1986-87	140.20	1,579,690.89	Land Acquired for Railway Siding & Truck Parking Area
	1987-88	26.08	798,695.84	
	1991-92		198,912.26	
	TOTAL	166.28	2,577,298.99	

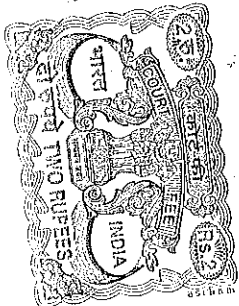
6	1981-82	13.10	46,451.50	Govt Land at Devapur
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7	1985-86		4,994,109.10	Cost of Revaluation
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614.16

B. LAND AT CHITTAPUR

1	2010-11	671.23	295,956,608.00	Land Acquired for Plant
2	2011-12	606.31		



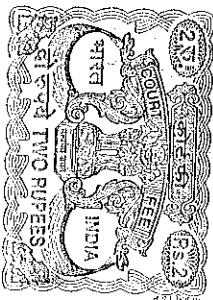
			510,036,275.50	
3	2012-13 (10.08.12)	73.06	89,402,180.00	
Total		1351.20	895395063.50	

ORIENT CEMENT (CGU), NASHIRABAD, JALGAON

S.No.	Description of land			Location of Land	Year of Acquisition	Cost of Acquisition	
	Survey No. (Gat.No.)	AREA					
		H	R	Acres			
1	736	1	59	3.93	Nashirabad Village	1996-97	623169
2	738	1	46	3.60	Nashirabad Village	1996-97	572203
3	740	1	21	2.99	Nashirabad Village	1996-97	474457
4	741	2	92	7.21	Nashirabad Village	1996-97	1143450
5	742	2	72	6.72	Nashirabad Village	1996-97	1065815
6	743/1	0	91	2.25	Nashirabad Village	1996-97	356688
7	743/2	0	91	2.25	Nashirabad Village	1996-97	356688
8	743/3	0	92	2.27	Nashirabad Village	1996-97	360615
9	744	1	95	4.82	Nashirabad Village	1996-97	764246
10	898/1	1	22	3.01	Nashirabad Village	1996-97	484150
11	739	1	19	2.94	Nashirabad Village	1996-97	774431
12	737	1	54	3.80	Nashirabad Village	1997-98	604211
13	2495	1	33	3.29	Nashirabad Village	1997-98	1834631
14	175	0	82	2.03	Jalgaon Khurd	1996-97	321981
15	173	0	24	0.59	Jalgaon Khurd	1996-97	154966
16	166	1	23	3.04	Jalgaon Khurd	1996-97	850601
17	174	1	0	2.47	Jalgaon Khurd	1996-97	698481
18	162	0	22	0.54	Jalgaon Khurd	1996-97	141871
19	168	0	448	1.107	Jalgaon Khurd	2000-01	663285
20	170	0	93	2.297	Jalgaon Khurd	2000-01	1275126
		24	758	61.154			13521065

DETAILS OF LAND ACQUIRED THROUGH GOVT. BY THE COMPANY

Sl No.	GOVT. OFFICE FILE REF. NO.	DATE OF CONVEYANCE/ TITLE DEED	TOTAL LAND ACQUIRED	PURPOSE FOR WHICH LAND ACQUIRED
A-PRIVATE				
01	R.D.O. NIRMAL RC. 1/306/85	20.02.1986	Ac.Gts 113.20 80.36 240.02 434.18	I STAGE CEM. PLANT II - DO - TOWNSHIP
02	R.D.O. NIRMAL RC/A /1054/83	09.10.1986	57.16	RAILWAY SIDING
03	R.D.O. NIRMAL RC/A/1053/83	09.10.1986	83.04	RAILWAY SIDING
04	R.D.O. NIRMAL RC/A/1273/83	25.02.1988	26.08	LAYING OF PIPE LINE FOR WATER SUPPLY/TRUCK PARKING ETC.
		TOTAL	601.06	



B- GOVERNMENTPARTICULARS OF PORAMPOKE (WASTE) LAND - AC 13.10 Guntas
ALIENATED BY GOVT. TO THE COMPANY.

- 01 . GOMS NO.3230 DATED 22.07.1980.
02. PROCEEDING OF THE JOINT COLLECTOR , ADILABAD NKO.B3/6211/80 DATED 12.09.1980.
03. OFFICE OF THE COLLECTOR, ADILABAD LR. NO. B3/2921/84 DATED 11.04.1984.
04. ZIMMAPATRAK DATED 09.10.1980
(HANDING OVER AND TAKING OVER OF LAND)

C- TOTAL LAND - (A-601.06 + B =13.10) = Ac.614.16 Guntas

PART - II

Short description of leasehold property of the Cement Undertaking of OPIL

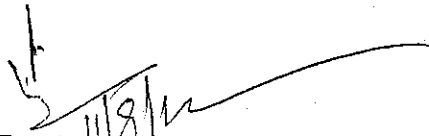
NIL

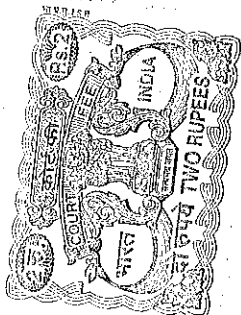
PART - III

Short description of all stock, shares, debentures and other chooses in action of the Cement Undertaking of OPIL

NIL

Dated this 27th July, 2012.


Registrar (Judicial)



CAMP by  19.7.12

Date of Application : 10/10
 Date of Notification : 17/10
 Date of Supply : 18/10
 Date of Ready : 19/10
 Date of Delivery : 19/10

CA

79363/12

MEMO OF COSTS	
	Rs. P.
Application Fee.....	0 00
Searching Fee.....	- -
Extra Fee for Urgency.....	- -
Folio.....	6 00
Fee For Hold.....	8 00
Other items if any.....	8 20
Total	15 70

19/10/12
 EXAMINOR OF COPIES
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Requested within ad fees
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CERTIFIED TO BE A TRUE COPY
 19.10.2012
 Assistant Registrar (Civil) VC
 ORISSA HIGH COURT
 Authorized Under Section 73 & 84 of Act 12





FINAL FILING VERSION

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

AMONG

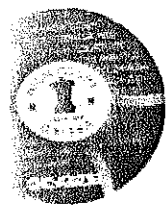
ORIENT PAPER AND INDUSTRIES LIMITED : DEMERGED COMPANY

AND

ORIENT CEMENT LIMITED : RESULTING COMPANY

AND THEIR RESPECTIVE SHAREHOLDERS AND

THEIR RESPECTIVE CREDITORS



Khaitan & Co
Chartered Accountants, Notaries, Patent & Trademark Attorneys
The Imperial Centre, 12th Floor
40, Jnanabai, Bapat Marg
Bhamburda Road
Mumbai 400 017, India
Tel: +91 22 6616 5447
Fax: +91 22 6616 5454
www.khaitan.com

12

PART-I

INTRODUCTION, DEFINITIONS AND INTERPRETATION, APPOINTED DATE AND SHARE CAPITAL

1 INTRODUCTION, DEFINITIONS AND INTERPRETATION, APPOINTED DATE AND SHARE CAPITAL

1.1 Introduction

1.1.1 Orient Paper and Industries Limited

(i) Orient Paper and Industries Limited (hereinafter referred to as 'the Demerged Company') is an existing company for the purposes of the Act incorporated under the Indian Companies Act, 1913 on 25 July 1936 and having its registered office at Unit VIII, Plot No 7, Bhojnagar, Bhubaneswar - 751012, Orissa.

(ii) The main objects of the Demerged Company are as follows:

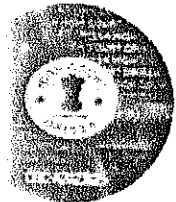
(a) To carry on the manufacture of Pulp, Paper, Boards and other articles and the business of buyers, sellers, dealers, exporters of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw material and manufactured articles.

(b) To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumina cement, Portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and bye-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business.

(c) To carry on the business of designing, manufacturing, processing, treating, preparing, assembling, fabricating, importing, exporting, buying, selling, trading, leasing and/or otherwise dealing in all kinds and types of electrical, mechanical, structural goods, materials, components, apparatus, devices, appliances, equipments and accessories including electrical motor, transformers, generators, accumulators, cables and wires, fans, dynamos, starters and automobile components and accessories.

(iii) The Demerged Company is presently engaged *inter-alia* in the following key businesses:

(a) cement business;



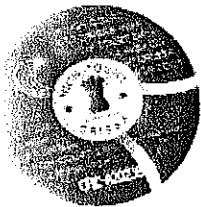
- (b) paper business; and
 - (c) electricals business.
- (iv) The equity shares of the Demerged Company are listed on The Stock Exchange, Mumbai and the National Stock Exchange of India Limited.

1.1.2 Orient Cement Limited

(i) Orient Cement Limited (hereinafter referred to as "Resulting Company") is a company incorporated under the Act on 22 July 2011 and has its registered office at Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar - 751012, Orissa. The equity shares of the Resulting Company are not listed on any stock exchange in India. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

(ii) The main objects of the Resulting Company are as follows:

"To carry on the business of producers, manufacturers, purchasers, refiners, importers, exporters, sellers of and dealers in cement, alumine cement, portland cement, asbestos products, fire bricks, coke, refractories articles, lime and lime-stone, kanker, plasters, artificial stone and materials of every kind used in the manufacture thereof, whiting, clay, gravel, sand, sacks, bricks, tiles, building materials analogous to or connected therewith and compounds, products and bye-products or preparations allied thereto and the business of miners, metallurgists, builders, contractors and to purchase and vend all materials raw, processed or otherwise and all articles in any way connected with the aforesaid business."



1.1.3 Rationale of the Scheme

(i) In order to effectively and efficiently cater to the independent growth plans (both through organic and inorganic means) for each of the respective businesses of the Demerged Company and its subsidiary, diversification and continuous funding support through equity and debt is imperative.

(ii) Therefore, it has been proposed to re-organise the businesses of the Demerged Company and its subsidiary in such a manner as to create a pure play cement company, facilitating greater efficiency in cash management and unfettered access to cash flow generated and thereby unlocking shareholder value.

(iii) Accordingly, it is proposed to demerge the Cement Undertaking (as defined hereinafter) of the Demerged Company into the Resulting Company in compliance with the provisions of Sections 391 to Section 394 and other relevant provisions of the Act.

(iv) The demerger of the Cement Undertaking would increase potential for further growth and diversification to achieve better synergy and optimisation of resources as well as to facilitate cost-effective fund raising

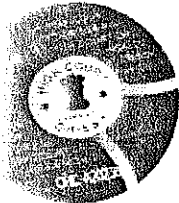


and development of the various undertakings of the Demerged Company. Further, the demerger would facilitate the running of all the undertakings with a greater and focused approach to concentrate on its operations to its greater advantage while also providing an opportunity to optimally utilise assets within its control. Lastly, the demerger would not lead to starving of any business as the management is convinced of the growth and value creation potential of all undertakings of the Demerged Company.

- (v) The transfer and vesting of the Cement Undertaking into the Resulting Company with effect from the Appointed Date (as defined hereinafter) is in the interest of the shareholders, creditors and all other stakeholders of all respective companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or general public at large. The restructuring under this Scheme would enable focused business approach for maximisation of benefits to all stakeholders and provide an opportunity for growth.

1.1.4 The Scheme is divided into 3 (three) parts:

- (i) Part I, which deals with Introduction, Definitions and Interpretation, Appointed Date and Share Capital.
- (ii) Part II, which deals with the mechanics of transfer, by way of demerger of the Cement Undertaking from the Demerged Company to the Resulting Company and issue of shares by the Resulting Company.
- (iii) Part III, which deals with general/residuary terms and conditions.



1.2 DEFINITIONS

"Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof;

"Appointed Date" means 1 April 2012 or such other date as may be approved by the Court;

"Board" means the board of directors of the Demerged Company and/or the Resulting Company, as may be relevant;

"Cement Undertaking" means the undertaking of the Demerged Company carrying on the business of manufacture, production, sale and distribution of cement comprising of *inter alia*:

- (i) All assets and liabilities of the Demerged Company pertaining to the business of manufacture, production, sale and distribution of cement;
- (ii) Notwithstanding the generality of the provisions of Clause (i) above, the Cement Undertaking shall include:
 - (a) all properties and assets, whether moveable or immoveable, including all rights (whether freehold, leasehold or license), title, interest, cash and bank



balances, bills of exchange, covenant and undertakings of the Cement Undertaking in respect of such properties and assets.

(b) all assets (whether movable or immovable, real or personal, corporeal or incorporeal, leasehold or otherwise, present, future, contingent, tangible or intangible) pertaining to the business of manufacture, production, sale and distribution of cement of the Demerged Company including but not limited to the captive power generating plant relating to the Cement Undertaking, plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, receivables, funds, leases, mining leases, licences, tenancy rights, premises, hire purchase and lease arrangements including mining leases, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences including prospecting licences, industrial licences, explosive licences, etc, registrations, quotas, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the business of manufacture, production, sale and distribution of cement;

(c) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, of the Cement Undertaking, comprising of:

i) the liabilities which arise out of the activities or operations of the Cement Undertaking;

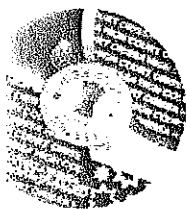
ii) the specific loans or borrowings raised, incurred and utilised solely for the activities and operations of the Cement Undertaking; and

iii) so much of the amounts of general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of assets transferred of the Cement Undertaking bears to the total value of the assets of the Demerged Company immediately before the Appointed Date.

(d) All other debts, duties, obligations and liabilities including contingent liabilities pertaining to the cement business as a going concern for transfer to the Resulting Company.

(i) All intellectual property rights of the Demerged Company pertaining to its cement business including patents, trademarks and copyrights;

(ii) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the cement business of the Demerged Company;



✓

- (iv) All permanent employees of the Demerged Company employed in the business of manufacture, production, sale and distribution of cement;
- (v) All earnest monies, security deposits, or other entitlements, if any, in connection with or relating to the cement business of the Demerged Company.
- (vi) It is clarified that the Cement Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Demerged Company Residual Entity

"Court" means the Hon'ble Orissa High Court, to which this Scheme is submitted for its sanctioning under Sections 391 to 394 of the Act;

"Demerged Company Residual Entity" means all the businesses, assets, properties and liabilities of the Demerged Company other than the Cement Undertaking.

"Demerged Company" shall have the meaning given to it in Clause 1.1.1 (i) of Part I.

"Effective Date" means the date on which the sanctions and approvals and the Order of the Court sanctioning this Scheme under the provisions of Section 391 to 394 of the Act and other related provisions are passed and the certified copies thereof are filed with the Registrar of Companies, Orissa in accordance with the Act and if such date is prior to the Appointed Date, then the Effective Date shall be deemed to refer to the Appointed Date as defined under this Scheme. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term "Encumbered" shall be construed accordingly;

"New Equity Shares" mean equity shares issued by the Resulting Company to the existing shareholders of the Demerged Company referred to in Clause 3.1 of Part II, pursuant to demerger of the Cement Undertaking into the Resulting Company;

"Record Date" means the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom shares would be issued on demerger of the Cement Undertaking to the Resulting Company pursuant to Clause 3.1 of Part II.

"Resulting Company" shall have the meaning given to it in Clause 1.1.2 (i) of Part I.

"Scheme" or "the Scheme" or "this Scheme" means this scheme of arrangement submitted to the Court with any modification/amendments;

"SEBI" means the Securities Exchange Board of India;

"Stock Exchanges" means The Stock Exchange, Mumbai and the National Stock Exchange of India Limited;

"Warrants" means 1,20,00,000 warrants of the Demerged Company issued to Central India Industries Limited and Shekhavati Investments & Traders Limited (95,00,000 issued to Central India Industries Limited and 25,00,000 issued to Shekhavati Investments & Traders Limited) vide Board resolution dated 4 February 2011 and shareholder resolution dated 7 March 2011, each such warrant being convertible, on exercise of such right, into 1 equity share of the Demerged Company.

1.3 INTERPRETATION

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.4 DATE OF TAKING EFFECT AND OPERATIVE DATE

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

1.5 SHARE CAPITAL

1.5.1 The share capital of the Demerged Company as on 27 July 2011 was as under:

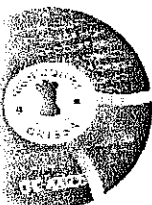
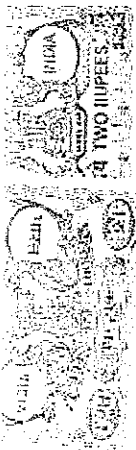
Share Capital	(Amount in Rupees)
Authorised Capital	
75,00,00,000 equity shares of Re 1 each	75,00,00,000
25,00,000 preference shares of Rs 100 each	25,00,00,000
Total	100,00,00,000
Issued, Subscribed and Paid-Up Capital	
19,28,66,740 fully paid-up equity shares of Re 1 each	19,28,68,340*
18,030 partly paid-up equity shares of Re 1 each	9,015
Total	19,28,77,355

*Includes Rs 1600 in respect of forfeited shares

1.5.2 The Demerged Company has issued Warrants to Central India Industries Limited and Shekhavati Investments & Traders Limited.

1.5.3 The share capital of the Resulting Company as on 27 July 2011 was as under:

Share Capital	(Amount in Rupees)
Authorised Capital	
5,00,000 equity shares of Re 1 each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid-Up Capital	
5,00,000 equity shares of Re 1 each fully paid up	5,00,000
Total	5,00,000



PART II

DEMERGER OF THE CEMENT UNDERTAKING OF THE DEMERGED COMPANY INTO THE RESULTING COMPANY

2. TRANSFER AND VESTING OF THE CEMENT UNDERTAKING INTO THE RESULTING COMPANY

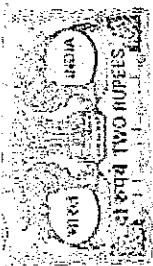
2.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Cement Undertaking, shall, pursuant to the provisions of Sections 391 to 394, all other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, stand transferred as a going concern, to the Resulting Company, at book values as of the Appointed Date and the Cement Undertaking shall consequently vest in the Resulting Company with effect from Effective Date for all the estate and interest of the Demerged Company therein, subject however, to all the Encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which shall also stand transferred to the Resulting Company. The transfer and vesting shall be effected as follows:

2.1.1 Without prejudice to the generality of Clause 2.1, in respect of such of the assets of the Cement Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery or by physical possession, the same may be transferred at the option of the Board of the Demerged Company and the Resulting Company as follows:

(i) All the moveable assets capable of being transferred by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to the Resulting Company along with such other documents as may be necessary towards the end and intent that the property therein passes to the Resulting Company on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.

(ii) The movable assets, other than those specified in Clause 2.1.1 (i) above, including actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred and vested as the property of the Resulting Company. The Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the said Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

2.1.2 In respect of any remaining assets of the Cement Undertaking, other than those referred to in Clause 2.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be



transferred to and vested in the Resulting Company on the Appointed Date, pursuant to an order being made under Section 394 of the Act.

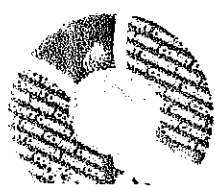
2.2 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties, including land together with the buildings and structure standing thereon, whether freehold or leasehold, relating to the Cement Undertaking and any documents of title, rights, interests, claims, including the mining leases and the prospecting licenses and easements in relation thereto, shall, without any act or deed done by the Demerged Company, be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Resulting Company and shall belong to the Resulting Company.

2.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of the Demerged Company: (i) relating to the Cement Undertaking, if any; or (ii) the general or multipurpose borrowings of the Demerged Company, the amount of which in the aggregate stands in the proportion which the value of the assets transferred to the Resulting Company bears to the assets of the Demerged Company on the Appointed Date, whether provided for or not in the books of accounts of the Demerged Company as on the date preceding the Appointed Date and all liabilities of the Demerged Company relating to the Cement Undertaking which may arise or accrue after the Appointed Date but which relate to the period up to the date immediately preceding the Appointed Date shall, under the provisions of Sections 391 to 394 of the Act (together, the "Transferred Liabilities") and dealt with in accordance with Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause 2.3.

2.4 In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets comprised in the Cement Undertaking and not the assets comprising the Demerged Company Residual Entity, which have been charged and secured in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to Part II of this Scheme. Provided that if any of the assets comprised in the Cement Undertaking, which are being transferred to the Resulting Company have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Provided further that in so far as the assets comprised in the Cement Undertaking are concerned, the security and charge over such assets relating to any loans or liabilities which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such liabilities.



2.5 The existing debentures constituting the Transferred Liabilities shall be listed and/or admitted to trading on the relevant stock exchange(s) in India, where such existing debentures of the Demerged Company are listed and/or admitted to trading.



2.6 With effect from the Appointed Date and upon the Scheme becoming effective, the Resulting Company undertakes to meet, discharge and satisfy the Transferred Liabilities to the exclusion of the Demerged Company Residual Entity and to keep the Demerged Company Residual Entity indemnified at all times from and against all such debts, liabilities, contingent liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.

2.7 It is expressly provided that, save as mentioned in this Part II, no other term or condition of the Transferred Liabilities as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

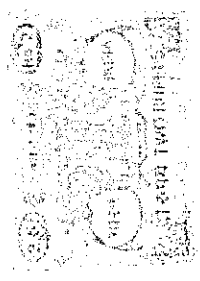
2.8 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by the Demerged Company required to carry on operations in the Cement Undertaking shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Cement Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by the Cement Undertaking and any other undertaking of the Demerged Company shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights of the Cement Undertaking on the one hand and the Demerged Company Residual Entity on the other. The concerned statutory or other authorities and licensors shall endorse and/or mutate or record the separation, make entry in their records and/or upon the relevant document itself so as to give effect to this Scheme in order to facilitate the continuation of operations of the Cement Undertaking in the Resulting Company, without any hindrance, from the Effective Date.



2.9 The Demerged Company may be entitled to various benefits under incentive schemes and policies in relation to the Cement Undertaking, and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Cement Undertaking, to the extent statutorily available, shall be claimed by the Resulting Company, and these shall relate to the Appointed Date, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Demerged Company.

2.10 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Demerged Company and/or Resulting Company shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme.

2.11 Since each of the permissions, approvals, consents, sanctions, remissions, special



reservations, sales tax remissions, tax holidays, incentives, concessions and other authorisations relating to the Cement Undertaking shall stand transferred by the order of the Court to the Resulting Company, the Resulting Company may file the relevant intimations, as may be required, for the record of the statutory authorities who shall take them on file, pursuant to the vesting order of the sanctioning Court.

Upon the Scheme becoming effective and the filing of certified copies of the order of the Court sanctioning this Scheme, and with effect from the Appointed Date it shall constitute a creation/ modification of charge in the name of the Resulting Company in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of the Demerged Company in accordance with Section 138 of the Act, in relation to the existing charges, if any attaching to the Cement Undertaking.

- 2.12 The consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for commencing and undertaking all of the businesses and activities specified in sub-clauses 1 to 5 of the Other Objects under Clause V of the Memorandum of Association of the Resulting Company and that no further resolution under Section 149 (2A) or any other applicable provisions of the Act, would be required to be separately passed by the Resulting Company.
- 2.13 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act, in respect of this Scheme, the Resulting Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the vesting of such assets of the Cement Undertaking in accordance with the provisions of Sections 391 to Section 394 and other applicable provisions of the Act.
- 2.14 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including those resulting from an amendment of law or for any other reason whatsoever ("Inconsistent Terms"), the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification shall, however, not affect other terms of the Scheme apart from the Inconsistent Terms.

3. CONSIDERATION - ISSUE OF SHARES BY THE RESULTING COMPANY

- 3.1 Upon the coming into effect of this Scheme, and in consideration of the demerger of the Cement Undertaking and transfer and vesting thereof with the Resulting Company pursuant to Part II of this Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares") at par on a proportionate basis to each member of the Demerged Company whose name is recorded in the register of members of the Demerged Company as holding equity shares on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Demerged Company in the following proportion:

"For every 1 equity share of face value of Re 1 held in the Demerged Company, as on the Record Date, every equity shareholder of the Demerged Company shall without any



application, act or deed, be entitled to receive 1 equity share of face value of Re 1 each of the Resulting Company, credited as fully paid-up.

3.2 Upon the coming into effect of this Scheme, the members of the Demerged Company holding partly paid up equity shares shall be issued the same number of partly paid equity shares in the Resulting Company.

3.3 The share entitlement ratio stated in Clause 3.1 herein has been determined by the Boards of the Demerged Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of share exchange ratio provided by independent valuer, namely, Doshi Chatterjee, Bagri & Co, Chartered Accountants.

3.4 Pursuant to issuance of shares as aforesaid to the shareholders of the Demerged Company and listing of said shares with stock exchanges, the promoters of the Demerged Company shall become the promoters of the Resulting Company.

3.5 The New Equity Shares shall be issued in dematerialised form to those equity shareholders who hold the shares of the Demerged Company in dematerialised form provided that they shall be required to provide details of their respective accounts with the depository participant and such other confirmations as may be required. All those equity shareholders who hold shares of the Demerged Company in physical form shall be issued New Equity Shares in dematerialised form, provided that they provide details of their respective accounts with the depository participant. The shareholders who fail to provide such details in writing by such shareholders on or before such date as may be determined by the Board of the Demerged Company and the Resulting Company or by a committee created thereof

3.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

3.7 The New Equity Shares to be issued to the members of the Demerged Company under Clause 3.1 shall be subject to the terms of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company in all respects including, but subject to the provisions of Section 205 of the Act, dividend (including interim dividend) for the financial year starting from the Appointed Date. The holders of the equity shares of the Resulting Company and the Demerged Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of the Resulting Company and the Demerged Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Resulting Company and the Demerged Company and subject to the approval of the shareholders of the Resulting Company and the Demerged Company.

3.8 The equity shares of the Resulting Company, subject to the execution of listing agreement and payment of the appropriate fees, shall be listed and / or admitted to trading on the Stock Exchanges. The shares as may be allotted by the Resulting Company (as per Clause 3.1 above) shall remain frozen in the depositories system till listing/trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from Stock Exchanges respectively.

3.9 The equity shares of the Resulting Company issued to a shareholder of the Demerged Company in lieu of the locked-in equity shares of the Demerged Company shall remain locked-in in the Resulting Company for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Demerged Company.

3.10 Statutory exemptions available for inter-se transfer of promoter/group shareholding in the Demerged Company are deemed to be available for the shareholding of the promoters/group in the Resulting Company in relation to any transfer of shares between them.



3.11 Upon this Scheme becoming effective and with effect from the Appointed Date, without any further act or deed, the authorised share capital of the Resulting Company shall be increased to Rs 50,00,00,000 divided into 50,00,00,000 equity shares of Re 1 each and Clause V of the Memorandum of Association of the Resulting Company shall be replaced by the following:

"The Authorised Share Capital of the Company is Rs 50,00,00,000 (Rupees Fifty crore) divided into 50,00,00,000 (Fifty crore) equity shares of Re 1 (Rupee One) each. The minimum paid up capital of the Company shall be Rs 5,00,000 (Rupees Five lakhs)."

3.12 The Demerged Company and / or the Resulting Company, as the case may be, shall make such applications to SEBI as required under any circular, notification, guidelines, rules and regulations issued and to be issued by SEBI and also enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges.

3.13 For the purpose of issue of New Equity Shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities and undertake necessary compliances for the issue and allotment by the Resulting Company of New Equity Shares to the members of the Demerged Company under this Scheme

3.14 For the purpose aforesaid, the Resulting Company shall, if and to the extent required, apply for and obtain the consent of the Reserve Bank of India and other concerned authorities, for the issue and allotment of equity shares, to the respective non-resident shareholders of the Demerged Company, if any.

3.15 The issue and allotment of the New Equity Shares by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. The Resulting Company shall obtain the necessary approval from its shareholders, as required and as may be directed by



the Court, in terms of this Scheme only, under and pursuant to provisions of Section 391 to Section 394 of the Act.

3.16 All existing shares held by the Demerged Company in the Resulting Company, i.e 5,00,000 equity shares of Re 1 each, shall stand cancelled, without any further act or deed as an integral part of this Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the Order of the Court shall be deemed to be the Order under Section 102 of the Act for the purposes of confirming the reduction. The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name and the Resulting Company shall carry on with its current name, "Orient Cement Limited".

3.17 In respect of the Warrants issued by the Demerged Company to Central India Industries Limited and Shekhavati Investments & Traders Limited ("Promoters"), the Promoters have undertaken and committed to the Demerged Company to exercise their option to convert the Warrants, in their entirety, into equity shares of the Demerged Company on or prior to 29 February 2012 which will be prior to the Record Date.

4. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

4.1 The Resulting Company shall record all the assets and liabilities of the Cement Undertaking vested in it pursuant to this Scheme, at their respective book values thereof, as appearing in the books of account of the Demerged Company immediately before the Appointed Date in accordance with Section 2(19AA) of the Income Tax Act, 1961.

4.2 The Resulting Company shall credit the aggregate face value of the New Equity Shares of the Resulting Company issued by it to the members of the Demerged Company pursuant to this Scheme to the Share Capital Account in its books of account.

4.3 The share capital of the Resulting Company shall be cancelled and reduced under Section 100 of the Act to the extent of shares held by the Demerged Company in the Resulting Company pursuant to Clause 3.16 of this Scheme.

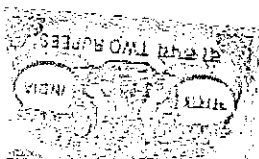
4.4 With effect from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the board of directors of the Resulting Company, be required, all the assets and liabilities of the Cement Undertaking shall be recorded at their book value.

4.5 Pursuant to the demerger and vesting of the Cement Undertaking with the Resulting Company, the difference, if any, arising between:

- (a) The net book value of assets and liabilities of the Cement Undertaking; and
- (b) The aggregate of the issued and paid up share capital pursuant to the equity shares allotted pursuant to this Scheme and the amounts in the Share Warrants Account;

shall be recorded as general reserve in the books of the Resulting Company which shall be treated as free reserves of the Resulting Company.

4.6 In case of any differences in accounting policy between the Demerged Company and the



Resulting Company, the impact of such differences shall be quantified and adjusted in the Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy.

4.7 Notwithstanding the above, the Board of the Resulting Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

5. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY ON DEMERGER OF THE CEMENT UNDERTAKING

5.1 Upon the coming into effect of this Scheme, the Demerged Company shall reduce the book value of assets and liabilities transferred to the Resulting Company from the book value of assets and liabilities of the Demerged Company.

5.2 The value of assets of the Cement Undertaking transferred to the Resulting Company standing in the books of the Demerged Company, which is represented by any revaluation carried out in the past, shall be first adjusted against revaluation reserve in the books of the Demerged Company created for such purpose.

5.3 The value of the Cement Undertaking reduced as above shall be debited by the Demerged Company to various reserves in the following order such that each reserve becomes NIL before another reserve is debited:

- 5.3.1 Capital reserve;
- 5.3.2 Capital Redemption reserve;
- 5.3.3 Securities premium reserve; and
- 5.3.4 General reserve.

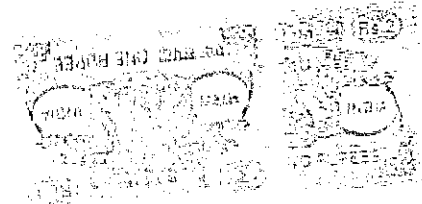


5.4 The reduction of share capital in the Share Premium Account and reserves of the Demerged Company, if any, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103 and other applicable provisions of the Act. The reduction of share capital under Sections 100 to 103, if any, however, shall not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act shall not be applicable.

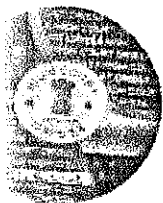
5.5 Notwithstanding the above, the Board of the Demerged Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

6. CONDUCT OF BUSINESS OF THE CEMENT UNDERTAKING

6.1 On and from the Appointed Date until the Effective Date (in the event the Effective Date is on a date after the Appointed Date):



- 316
- (a) The Demerged Company shall carry on and be deemed to have carried on its business and activities in relation to the Cement Undertaking and shall hold and deal with all assets and properties of the Cement Undertaking for and on account of and in trust for the Resulting Company.
- (b) Any income or profit accruing or arising to the Demerged Company in relation to the Cement Undertaking and all costs, charges, expenses and losses incurred by the Demerged Company in relation to the Cement Undertaking shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Resulting Company.
- (c) The Demerged Company shall not utilise the profits or income, if any, relating to the Cement Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of the Resulting Company.
- (d) The Demerged Company shall carry on the business of the Cement Undertaking with reasonable diligence, in the ordinary course of business and the Demerged Company shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Cement Undertaking, save and except, in each case, in the following circumstances:
- (i) If the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the Court; or
 - (ii) If the same is expressly permitted by this Scheme; or
 - (iii) If the written consent of the Resulting Company, as the case may be, has been obtained.
- (e) Pending sanction of this Scheme, the Demerged Company and the Resulting Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub division or consolidation, reorganisation, or in any other manner, affect the reorganisation of capital herein, except conversion of Warrants or as may be expressly permitted under this Scheme or as may be required to give effect to this Scheme.
- (f) The Demerged Company shall not vary or alter, except in the ordinary course of its business and as may be required for re-organisation, the terms and conditions of employment of any of its employees in relation to the Cement Undertaking.
- (g) All assets and properties acquired by the Demerged Company in relation to the Demerged Company Residual Entity on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.
- (h) All assets acquired and all liabilities incurred by the Demerged Company for operation of and in relation to the Cement Undertaking shall also, without any



further act, instrument or deed, stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme; and

(ii) Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Cement Undertaking that have been exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Cement Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of, and in trust for and as an agent of the Resulting Company.

- 6.2 The Demerged Company and/or the Resulting Company shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Cement Undertaking.
- 6.3 On the Effective Date and with effect from the Appointed Date, the Resulting Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Cement Undertaking of the Demerged Company.
- 6.4 In the event the Effective Date for any reason is a date after the Appointed Date, then the Resulting Company shall be entitled to proportionate tax paid including credit of TDS for the period between the Appointed Date and the Effective Date.

7. EMPLOYEES OF THE CEMENT UNDERTAKING

7.1 Upon the Scheme becoming effective, all employees of the Cement Undertaking of the Demerged Company in service on the Effective Date ("Transferred Employees") shall be deemed to have become the employees of the Resulting Company without any interruption in their service as a result of the transfer of the Cement Undertaking to the Resulting Company on the same terms and conditions of employment as were with the Demerged Company. On the basis of continuity of service, the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Cement Undertaking of the Demerged Company on the Effective Date.

7.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of such employees of the Demerged Company, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by the Demerged Company for its employees including the Transferred Employees, shall be transferred to the gratuity fund, provident fund and superannuation fund schemes created by the Resulting Company on the same terms and conditions in relation to the Transferred Employees. With effect from the Effective Date but subject to getting the Scheme approved by relevant authorities, the Resulting Company shall make the necessary contributions for such Transferred Employees in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. Provided that the Resulting Company may



continue to make contributions in the gratuity fund, provident fund and superannuation fund trusts, if any, created by the Demerged Company for the Transferred Employees till such time as necessary statutory approvals are received by the Resulting Company for setting up its own gratuity fund, provident fund, superannuation fund or any other special fund. It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Cement Undertaking in relation to such schemes or funds shall become those of the Resulting Company. It is clarified that the services of all Transferred Employees to the Resulting Company shall be treated as having been continuous for the purpose of the aforesaid schemes or funds.

7.3 In relation to those Transferred Employees who are not covered under the provident fund trust of the Demerged Company, and for whom the Demerged Company is making contributions to the Government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including those relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.

7.4 In relation to any other fund created or existing for the benefit of the Transferred Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including those relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Transferred Employees.

7.5 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Demerged Company Residual Entity are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held *inter alia* for the benefit of the employees of the Demerged Company Residual Entity.

7.6 The Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by the Demerged Company in relation to the Cement Undertaking. The Resulting Company agrees that, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable under applicable law.



8 LEGAL PROCEEDINGS

8.1 Upon the Scheme becoming effective on the Effective Date, all suits, appeals, legal, administrative or other proceedings of whatsoever nature, including those relating to indirect taxation, by or against the Demerged Company in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority pending and/or arising on or after the Appointed Date and relating to the Cement Undertaking of the Demerged Company, shall be continued and enforced by or against the Resulting Company only to the exclusion of the Demerged Company in the manner and to the same extent as would have been continued and enforced by or against the Demerged Company. The Demerged Company shall not be liable to pay any amounts arising out of such proceedings including interest, penalties, damages, costs etc and the same shall be paid only by the Resulting Company. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Cement Undertaking in the name of the



Demerged Company.

8.2 After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 8.1 above, the Demerged Company shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc which the Demerged Company may be called upon to pay or secure in respect of any liability or obligation relating to the Cement Undertaking.

8.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by the Resulting Company, the proceedings shall be pursued by the Demerged Company as per the instructions or and entirely at the cost and expenses of the Resulting Company.

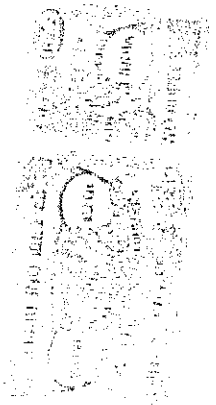
9. CONTRACTS, DEEDS, ETC.

9.1 Notwithstanding anything else contained in this Clause 9, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets pertaining to the Cement Undertaking), agreements and other instruments, if any, of whatsoever nature relating to the Cement Undertaking and to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.

9.2 The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

9.3 Even after this Scheme becomes effective, the Resulting Company shall, in its own right, be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Cement Undertaking in the name of the Demerged Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the parties concerned.

9.4 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Cement Undertaking which the Demerged Company owns or to which the Demerged Company is a party, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.



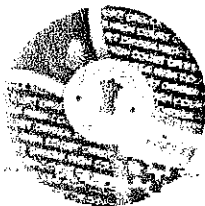
10. SAVING OF CONCLUDED TRANSACTIONS

10.1 The transfer of properties and liabilities relating to the Cement Undertaking pursuant to this Scheme, and the continuance of proceedings by or against the Company under Clause 9 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Demerged Company in connection with the Cement Undertaking subject to the provisions of Clause 9 above, until the Appointed Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

11. REMAINING BUSINESS

11.1 The Demerged Company Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by the Demerged Company. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Demerged Company Residual Entity (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Demerged Company Residual Entity) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall, in any event, not be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Demerged Company Residual Entity.

11.2 If proceedings are taken against the Resulting Company in respect of the matters referred to in Clause 11.1 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.



35

PART III

GENERAL/RESIDUARY TERMS AND CONDITIONS

12. APPLICATION TO HIGH COURT

- 12.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make all necessary applications under Sections 391 and 394 of the Act and other applicable provisions of the Act to the Court for seeking approval of this Scheme.

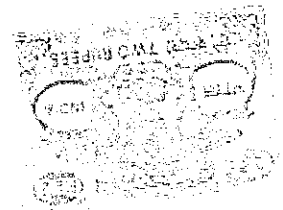
13. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 13.1 The Demerged Company and the Resulting Company by their respective Boards or any persons authorised by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate by them in their sole discretion (i.e. the Board's). The Demerged Company and the Resulting Company, by their respective Boards, be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith.
- 13.2 In the event of any of the conditions that may be imposed by the Court or other authorities which the Demerged Company or the Resulting Company may find unacceptable for any reason, the Demerged Company or the Resulting Company are at liberty to withdraw the Scheme.
- 13.3 If any issue arises as to whether any asset, liability or employee pertains to the Cement Undertaking or not under this Scheme, the same shall be decided by the Boards of the Demerged Company and the Resulting Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for the said purposes.

14. CONDITIONALITY OF THE SCHEME

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

- 14.1 The approval by the requisite majorities of the classes of persons, including shareholders, creditors and such other class of the Demerged Company and the Resulting Company as may be directed by the Court under Section 391 of the Act.
- 14.2 The sanctioning of this Scheme by the Court, whether with any modifications or amendments as the Court may deem fit or otherwise.
- 14.3 The filing of the certified copies of the order of the Court with the Registrar of Companies of Orissa by the Demerged Company and the Resulting Company.



14.4 Any other sanctions and orders as may be directed by the Court in respect of this Scheme.

15. EFFECT OF NON-RECEIPT OF APPROVALS

15.1 In the event that this Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in this Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and the Resulting Company shall bear all the costs, charges and expenses in connection with this Scheme, unless otherwise mutually agreed.

15.2 The non-receipt of any sanctions or approvals for a particular asset or liability forming part of any of the Cement Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme if the Board of the Demerged Company and Resulting Companies so decide.

16. COSTS, CHARGES & EXPENSES

16.1 The Resulting Company shall bear all the costs and expenses including any stamp duty and transfer charges arising out of or incurred in connection with and in implementing this Scheme and matters incidental thereto.

17. MISCELLANEOUS

17.1 The mutation of title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Resulting Company. Any inchoate title or possessory title of the Demerged Company or its predecessor companies in relation to the Cement Undertaking shall be deemed to be the title of the Resulting Company.

17.2 If any Part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties to the Scheme that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any Party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such Part.

17.3 On the sanction of the Scheme and upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder:-

(a) The transfer by way of demerger of the Cement Undertaking of the Demerged Company into the Resulting Company, and

(b) The issue of New Equity Shares by the Resulting Company to the existing shareholders of the Demerged Company.



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TRUE COPY ATTESTED

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ADVOCATE

