

No. 39307



CERTIFICATE FOR COMMENCEMENT OF BUSINESS

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

I hereby certify that the **KAMAT HOTELS (INDIA) LIMITED**, which was incorporated under the Companies Act, 1956, on the **TWENTYFIRST** day of **MARCH 1986**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

Given under my hand at **BOMBAY** this **THIRTYFIRST** day of **MARCH** One thousand nine hundred and **EIGHTYSIX**.



Sd/-

(V. RADHAKRISHNAN)
Addl. Registrar of Companies
Maharashtra,



Form I. R.

CERTIFICATE OF INCORPORATION

No: 39307 of 1986

*I hereby certify that **KAMAT HOTELS (INDIA)**
LIMITED is this day incorporated under the
Companies Act, 1956 (No. 1 of 1956) and that the
Company is Limited.*

*Given under my hand at **BOMBAY**
this **TWENTYFIRST** day of **MARCH** One thousand
nine hundred and **EIGHTY SIX**.*



Sd/-
(V. GOVINDAN)
Registrar of Companies

THE COMPANIES ACT, 1956.

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

KAMAT HOTELS (INDIA) LIMITED

- I. The name of the Company is **KAMAT HOTELS (INDIA) LIMITED.**
- II. The Registered Office of the Company will be situated in the State of Maharashtra.
- III. The Objects for which the Company is established are:

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

1. To manage, administer, own and to carry on the business of running hotels, motels, holiday camps, guest houses, restaurants, canteens, caterers, cafes, taverns, pubs, bars, beer-houses, refreshment rooms, and lodging of apartments, housekeepers, night clubs, casinos, discotheques swimming pools, health clubs, baths, dressing rooms, beauty parlours, shopping arcade licensed vintners, wine, beer and spirit merchants, exporters, importers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusement.

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

2. To equip and furnish any property for the purpose of letting or hiring the same to visitors or guests whether in single or double rooms, suites, chalets, cottages or otherwise.
3. To provide, take on lease, hire, erect or otherwise acquire, establish and equip, act as collaborators, technicians, financiers of any other hotels, motels, holidays, camps, restaurants, canteens, refreshment room, casinos in India or any other part of the world.
4. To act as agents of any hotel / company or as buying and or selling agents of any hotel / company, and to do and perform all duties, services and offices which the agents, buying and selling agents of hotel / company usually do and perform and undertake and to become bound by conditions of agreement entered into for any of the purposes aforesaid.

5. To carry on the business of consultants to the hotels, restaurants, canteens in existence or to be started and to train chefs, cooks, bearers and other staff for hotel industry.
6. To enter into any agreement and arrangement of financial collaboration, technical assistance and management with foreign or Indian experts in hotel and other related industry.
7. To provide cars, taxis and services of booking and reserving accommodation, seats, compartments and other berths on railways, ships, aeroplanes, hotels and other facilities to the public including tourists, visitors and others delegates coming to India from foreign countries, and to members of delegations and missions from foreign countries and to encourage and carry on and facilitate tourist trade in India and to own or hire cars, taxis, and all kinds of public vehicles and transports.
8. To carry on the business of bakery confectionery and any other business which can be carried on for the attainment of the main objects of the Company.
9. To import, export, store or act as import agents, buyers and sellers of all kinds of foodstuffs, canned or otherwise, including meat, sheep pigs, poultry, game and other live dead stock, milk, butter, cream butter, cheese, eggs, sausages, preserved meat, consumable stores and other commodities articles, goods or things of all description and to act as general merchants, for the attainment of objects of the Company.
10. To arrange for and to act as contractors and caterers to conferences, exhibitions, seminars and shows of all kinds, board or other meetings of any companies, corporations, bodies corporate or any other unincorporated bodies or association of persons.
11. To fit up, equip decorate and furnish any buildings, houses, cottages, structures or constructions and any property for the purpose of letting the same to visitors or guests or to customers or person doing business with the Company whether in single rooms, suites, chattels, cottages or otherwise and to establish and provide all kinds of curious and attraction for customers or person doing business with company and or for other requirements.
12. To establish schools, colleges or training centers or institutes or places for instruction in nutritional sciences and for the establishment, management and conduct of the hotel industry.
13. To make provision for theaters, music halls, concert hall, ball room, cinema, picture palace, showmen, exhibition and other entertainments as the Company may think fit conducive to the business of the Company.
14. To do the business of money changers and to deal in foreign exchange either in cash or traveller's cheques, subject to the directives of Reserve Bank of India.

15. To make provision for medical facilities for the customers of the Company or for persons doing business with the company and to appoint doctors and provide medical and surgical attendance and facilities for such customers or persons.
16. To undertake, construct, acquire and carry on works of all kinds relating to business of the Company and to enter into such contracts and make such arrangements as may be necessary for the same.
17. To carry on the business of maisters, poulterers, farmers, dairymen, ice merchants, hair-dressers, perfumers, bakers, confectioners, green-grocers, ice-cream manufacturers, fruiterers, general merchants, tobacco and cigar merchants, launderers, cleaners, dry cleaners, and carpet beaters, tailors and outfitters massagists, manicurists, pedicurists, psychotherapists, carterers and contractors, florists, conductors and managers of baths, swimming pools, beauty parlours, clubs, boat-clubs dressing rooms, laundries, libraries, reading rooms, places of amusement recreation, sport, entertainment and instructions.
18. To acquire the goodwill of any businesses within the objects of the Company and any lands, buildings, privileges, rights, contracts, property, assets, or effects held or used in connection therewith and upon any such purchase to undertake the liabilities of any company, association partnership or person.
19. To apply for purchase or otherwise acquire any patents, brevets, inventions, licences concessions and the like conferring any exclusive non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company and to use exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
20. To contract, execute, carry out equip, improve work, develop, administer manage or control works and conveniences of all kinds for the purpose of the business of the Company including irrigations, reclamations, improvement, sewage, drainage, sanitary, water, gas, electric light.
21. To search for and purchase or otherwise acquire from any Government state or authority any licences, concessions, grants, orders, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and in particular any water rights concessions either for the purpose of obtaining motive power or otherwise and to work, develop, carry out, exercise and turn to account the same.
22. To purchase take on lease or in exchange, hire or otherwise acquire any immovable or moveable property or any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easements, machinery, plants furniture and fittings, stock and either to retain any property so acquired for the purposes of Company's business or to turn one same to account as may seem expedient.
23. To pay for any rights or property acquired by the Company to

remunerate any person or company for services rendered or to be rendered in placing of or assisting to place guaranteeing the placing of shares in the Company's capital or any debentures, debenture-stock, or other securities of the Company or in or about the formation or promotion of the company or the acquisition of the property by the Company or the conduct of its business or otherwise for any of the purposes of the Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part otherwise.

24. To insure 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 insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
25. To pay all or any of the costs, charges and expenses whether preliminary or incidental incurred for the promotion registration, establishment or working of the Company.
26. To be interested in, promote and undertake the formation or establishment of such institutions, businesses, or companies as may be considered to be conducive to the profit and interest of the Company.
27. To take part in the management, supervision and control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors trustees, accountants, or other experts or agents.
28. To amalgamate with any company or companies having objects altogether or similar or otherwise to those of the Company.
29. To enter into partnership or into arrangement for sharing profits or losses, union of interest, co-operation, joint venture or reciprocal concession or for limiting competition with any person or company carrying on or 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.
30. To invest any of the monies and funds of the Company, not immediately required, from time to time in Government securities or in securities guaranteed by Government or in debentures or any other securities or in any shares or securities of a public or private company or in any other way as may from time to time be determined by the directors or on mortgage of immovable properties whether freehold or leasehold or of any other tenure or on the pledge of moveable property as the directors may from time to time determine or in fixed deposits or by way of loans on interest in any of the local banks or with any firms, companies or persons (including the agents of the company) or in such other securities as may from time to time be determined by the directors and from time to time sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.

31. To raise or borrow money from time to time for any of the purpose of the Company by receiving advance of any sum or sums of money with or without security upon such terms as the directors may deem expedient and in particular by taking deposits from or credits or open accounts current with any individual or firm including the agents of the Company or any bankers or bankers (whether with or without any security) or by mortgaging or selling or receiving advances on the sale of any lands, buildings, machineries, goods or other properties of the Company or by the issue of debentures or debenture-stock perpetual or otherwise charged upon all or any of the Company's properties (both present and future) including its uncalled capital or by such other means as the directors may in their absolute discretion deem expedient, provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949, the subject to the provisions of Section 58-A and directives of Reserve Bank of India.
32. To draw, make, accept, endorse, discount execute and issue bills of exchange promissory notes, bills of landing, warrants, debentures and other negotiable or transferable instruments or securities.
33. To open current or fixed accounts with any banks, bankers, shroff or merchant and to pay into and draw money from such accounts.
34. To make advance upon, for the purchase of raw materials, goods, machinery stores consumables and other articles required for the purposes of the Company.
35. To provide for welfare of the directors, employees or ex-employees of the Company or its predecessors in business and the wives, widows, and families or the dependants or connection of such persons by building or contributing to the building of houses of dwelling or quarters or by grants of moneys pensions, gratuities, allowances, bonuses, or profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident fund or other associations, institutions, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and increation, hospitals and dispensaries, medical and other assistance as the Company shall deem fit.
36. To undertake or execute any trust the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
37. To aid pecuniarily or otherwise any association or body or movement having for an object the solution settlement or surmounting of industrial or labour problem or troubles or the promotion of industry or trade.
38. To make donations to such persons or institution and in such cases and either of cash or any other assets as may be thought 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 or other institutions or objects or for any exhibition or for any objects.

39. To establish or support in aid of establishment and support of associations, institutions, funds, trust, private or public, vested, discretionary or of any other kind or convenience for the benefit of the employees or ex-employees, shareholders, ex-shareholders, directors, ex-directors of the company or its predecessors in business or for persons having dealing with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses, either by way of annual payments or lumpsums and to make payment towards insurance and to form and contribute to provident and benefit funds of or for such persons.
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 create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares.
42. To carry out the Company's object as principle agent, factor, trustee, contractor or otherwise and by or through trustees or agents or otherwise and either alone or in conjunction with any other person, firm, association, corporate body, municipality, province, state, public body or Government, or colony dependency thereof.
43. 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 with 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, teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and to encourage, promote and reward, studies, research, investigations, tests and inventions of any kind may be considered likely to assist any of the business which the Company is authorized to carry on.
44. To let on hire all or any of the property of the Company moveable or immoveable including all and every description of apparatus or appliances.
45. 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 or his or their representatives or between the Company and third parties to arbitration and to observe and perform awards made thereon and to do all acts, deeds, matters and things necessary or expedient to carry out or enforce the awards.

46. To sell or dispose of the undertaking of the Company any part thereof in such manner and for such consideration as the Company may think fit and in particular for shares (fully or partly paid up) debentures, debenture- stock, or securities of any other company whether promoted by this Company for the purpose or not and to improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the properties and rights of the Company.
47. To distribute any of the property of the Company amongst members in specie or kind in the event of winding up subject to the provisions of the Companies Act, 1956.
48. To carry on the business of manufacturers, fabricators, processors, producers, growers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaires of the dealers in flour, cakes, pastry, corn flakes, bread, biscuits, chocolates, confectionery, sweets, fruit drops, sugar, glucose, chewing gums, milk cream, ice, ice-cream, aerated or mineral waters, fruit juices wines, liquors and other alcoholic drinks and fermentation products canned fruits proteins milk and malted food, protein foods, maize products butter, ghee, cheese and other dairy products, pickles, jams, jellies, sausages, cider, poultry and eggs, pulses, spices, oils, powder, and condensed milk, honey, fresh and dehydrated vegetables, coffee, tea, cocoa, seeds, concentrate for cattle or poultry feed, fruits and all kinds of process food as well as materials required or used for preparation of or being food articles.
49. To own, establish, manage and conduct farms, orchards, vines or vine yards gardens of all kinds.
50. To own, equip, maintain and work omnibuses, lorries, motorcars and other vehicles or means of transport appropriate for carriage of passengers or goods or to construct garage and store houses and other buildings for housing fueling and repairing of such vehicles, the storage of fuel and other oil substances required for the working of such vehicles and to establish and conduct petrol pumps and service stations for such vehicles, to establish and conduct car parks or places of parking of cars and vehicles.

*50A. "To carry on the business in all the segments of hospitality and hotel industry and build, develop, manage, run, conduct, the business of Holiday Resorts, Time Share Resorts, Vacation Resorts, Apartment Hotels or such Resorts by whatever name called providing accommodation and other holiday and recreational facilities to the members whether individuals, firms, companies, bodies corporate, or such other entities or to any other person (s) in India and/or abroad and obtain, acquire, invite, grant, extend membership, registration, recognition or licenses of to other Holiday Exchange Resorts, Time Share Resorts. Vacation Exchange Resorts or such other Resorts including Hotels for providing the Time Share Exchange, Holiday Exchange and/or Vacation Exchange facilities and to invite, enroll, float, develop, time share holiday schemes and to grant membership against refundable or non refundable deposits schemes for time share hospitality facilities, benefits, amenities and to conduct, manage, run, operate, club facilities for members or otherwise for general public and to carry on the business of sports club, night clubs, card game clubs, entertainment clubs, eating joints,

permit room, health clubs and spa units, boat clubs, and to tie up associate, affiliate with other time share operators, agencies, condominiums, hotels, resorts for providing facilities, amenities, accommodation, apartments to members and guests and for providing food and beverage services and other recreating services and to carry on the business, manage and act as agents and or collaborators, franchisers, technicians, managers, interior decorators, architectures, consultants, advisors, operators for any other hotels, motels, holiday resorts, restaurants, canteens cafes, coffee houses, pubs, health apartments, adventure sports, bars, clubs, casinos, discotheques and to provide services of recruiting, training to chefs, cooks, bearers, house keepers and any type of managerial, technical and supervisory managerial services required in the management of hotel industry and also to carry on all the business directly or indirectly related in the Hospitality Industry including but not limited to wind farming, carbon trading, power generation including solar power etc.”

(*Inserted vide Hon'ble Bombay high Court's Order dated 9th December, 2005)

(C) OTHER OBJECTS :

51. To buy, sell, import and export, manufacture, fabricate, repair, convert, alter, let on hire and deal in plant, machinery, implements, tools, instruments, accessories and equipments of whatsoever, description and material and laboratory equipments and other apparatus and goods and generally as machinists, refiners, spinners, turners, polishers, metal workers, dye casters, sinkers, oxidizers, enamollers, galvanizers, japaners, annealors piaters and painters.
52. To install and run cold storage plants, to store ice, fish and prawns of all varieties, vegetables perishable or otherwise as are normally cold stored.
53. To carry on the business of consultants, advisers, on the means and methods of establishing, expanding, developing and improving all types of business and industries.
54. To purchase, sell, re-sell, to give or take on lease or rent, construct, demolish, erect, develop, repair any property, buildings, flats, hotels, schools, recreation centers, theaters, and any public or private properties of whatsoever nature.
55. To undertake construction, erection, repair, demolition, work of any roads, bridges, gardens, power transmission lines, factory sites, godowns, warehouses, agricultural farms, land and houses, and to carry on the business of civil engineers, architects and also to undertake contracts for any type of civil construction work.
56. To carry on business of investment and finance in real estate, land, building, office premises, godowns, shops, farms and buy, sell, rent, construct reconstruct repairs and develop, properties and finance in any other business.
57. To carry on the business of manufacturers of and dealers in ice-creams and to build, manage, run, control, give and take on lease ice cream factories.

AND IT IS HEREBY DECLARED THAT :

- (i) the objects incidental or and ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the other objects of the Company herein mentioned.
- (ii) The word 'Company' (save used with reference to this Company) in this Memorandum shall be deemed to include any partnership, other body, or association of persons whether incorporated or not and wherever domiciled.
- (iii) The objects set forth in each of the several clauses of paragraph III hereof shall extend to any part of India.
- (iv) Subject to the provisions of the Companies Act, 1956, the objects set forth in any clause of sub-paragraph (C) above shall be independent and shall be in no way limited or restricted by reference to or reference from the terms of any of the clause of sub-paragraph (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned on any of the clause of sub-paragraph (A).
- (V) Nothing in this paragraph shall authorized the Company to do any business which may fall within the purview of the Banking Regulations Act, 1949 and the insurance Act, 1938.

IV. The Liability of the members is Limited.

- V. * The Authorised Share Capital of the Company is Rs. 34,25,00,000 (Rupees Thirty Four Crores Twenty Five Lakhs only) divided into 3,42,50,000 (Three Crores Forty Two Lakhs Fifty Thousand only) Equity Shares of Rs. 10/- (Rupees Ten only) each with such rights privileges and conditions attaching thereto as are provided in the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or subdivide the capital of the Company for the time being and time to time divide the shares in the capital of the Company into several classes and denominations and to issue any shares of the original or further capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend and distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 1956, for the time being in force.

(*Inserted pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of judicature at Bombay on 13th January, 2012)

We, the several persons, whose names and addresses and occupations are hereunder subscribed below, are desirous of being formed into a Company in pursuance of this **MEMORANDUM OF ASSOCIATION** and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Name, address, description and occupation of each Subscribers	Number of Equity Shares taken by each Subscribers	Signature of Subscribers	Signature of Witness, and his name, address, description and occupation
VENKETESH KRISHNA KAMATH S/o Shri Krishna Raman Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	50 (FIFTY) Equity Shares	Sd/-	RAJESH CHOUDHARY S/o Shri Vishwambhar Choudhary 410, Rew Chambers, 31, New Marine Lines, Bombay - 400 020. Chartered Accountant
KRISHNA VENKETESH KAMATH S/o Shri Venketesh Krishna Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	50 (FIFTY) Equity Shares	Sd/-	
VITHAL VENKETESH KAMAT S/o Shri Venketesh Krishna Kamath 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	50 (FIFTY) Equity Shares	Sd/-	
SHIVANAND VENKETESH KAMAT S/o Shri Venketesh Krishna Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	50 (FIFTY) Equity Shares	Sd/-	
VIDHYA VITHAL KAMAT W/o Shri Vithal V. Kamath 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	50 (FIFTY) Equity Shares	Sd/-	
RAMESH NARAYAN SHANBHAG S/o Shri Narayan Ramnath Shanbhag, 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	50 (FIFTY) Equity Shares	Sd/-	
LATA SHIVANAND KAMAT W/o Shri Shivanand V. Kamat 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	50 (FIFTY) Equity Shares	Sd/-	
TOTAL	350 (Three Hundred Fifty Equity Shares)		

Bombay, Dated : 12th day of March, 1986

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

KAMAT HOTELS (INDIA) LIMITED

PRELIMINARY

1. Unless the context otherwise requires words of expressions contained in the articles shall bear the same meaning as in the Act. Interpretation

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

"Board" means the Board of Directors of the Company.

"Dividend" includes bonus.

Independent Director means an independent director referred to in sub section (5) of Section 149 of the Companies Act, 2013.

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

"Month" means calendar month.

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

"Rules" means rules made by the Central Government under the provisions of the Companies Act, 2013.

"Seal" means the Common Seal of the Company.

"The Act" means the Companies Act, 2013.

"These Articles" means these Articles of Association as originally framed or as from time to time altered by special Resolution.

"The Company" means **KAMAT HOTELS (INDIA) LIMITED.**

"The Register" means the Register of members to be kept pursuant to section 88 of the Act.

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

Words importing the masculine gender also include the feminine gender.

Words importing "person" shall include corporation.

"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2[41] of the Act.

Table 'F' not
to apply 2.

Save as provided here in, the regulation contained in Table 'F' in Schedule I to the Act shall not apply to the Company.

SHARES

Share Capital 3.

Authorized Share Capital of the Company shall be in accordance with the Clause V of the Memorandum of Association of the Company from time to time with power to increase or reduce the share capital of the Company and to divide the share capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate and such rights, privileges or conditions in such manner as may, for the time being, be provided by the Articles of Associations of the Company.

Preference
Shares 4.

The Company shall have power to issue Preference Shares carrying a right to redemption within a period not exceeding twenty years, out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption and the Board may, subject to the provisions of Section 55 of the Act, exercise such power in such manner as it thinks fit.

Provided that a company may issue preference shares for a period exceeding twenty years for infrastructure projects, subject to the redemption of such percentage of shares as may be prescribed under Rules on an annual basis at the option of such preferential shareholders.

Shares under
control of
Directors 5.

Subject to the provisions of these Articles the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as the Directors think fit and with power to issue any shares as fully paid-up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 62 of the Act, will be complied with. Provided further that the option or right to call of share shall

not be given to any person except with the sanction of the Company in General Meeting.

6. The Company having a share capital may, alter its memorandum in its general meeting to:- Power to alter share capital
- (a) increase its authorised share capital by such amount as it thinks expedient.
 - (b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless and if required, it is approved by an appropriate authority.
 - (c) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.
 - (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association of the Company, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. Such cancellation of shares shall not be deemed to be a reduction of share capital.
- 6.[A] Where the board decides to increase the subscribed capital of the Company by allotment of further shares then, such shares shall be offered as per requirements of Section 62 of the Act :- Further issue of shares
- i) to the persons who, on the date of the offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit to the paid up share capital paid upon that date by sending letter of offer.
- The offer aforesaid shall be made by the notice specifying the number of shares offered and limiting a time not being less than seven days and not exceeding fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to be declined.
- After expiry of the time specified in the notice aforesaid or on receipt of earlier information from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as the Board thinks most beneficial to the company.

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 favor of any person, subject to such person being approved by the Board and the notice referred above shall contain a statement of this right.

- ii) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed under the Act or rules ;
- iii) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in above clause i) or ii) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under Rules.

6 [B] Whenever any shares are to be offered to the members including shares issued to any person under Article 6(A) (iii) or on conversion of debentures or loans the Board may dispose of any shares, which by reason of the proportion borne by them to the number of persons entitled to such offer or by reasons of any other difficulty in apportioning the same, cannot in the opinion of the Board be conveniently offered to the members in such manner as the Board thinks beneficial to the Company.

6 [C] Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by exercise of option as a term attached to the debentures issued or loans raised by the company to convert such debentures or loans into shares in the company or to subscribe for shares in the company provided that the terms of issue of such debentures or loans which include a term providing for an option to convert the debentures or loans into shares or to subscribe for shares in the company have been approved by a Special Resolution passed by the Company in general meeting before the issue of the debentures or the raising of the loans.

6 [D] Nothing in sub-clause (i) of (A) here of 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.

6[E]. The Company may make a preferential offer of shares or other securities and such preferential offer shall be made in accordance with the provisions of the Act and Rules and regulations

made by the Securities and Exchange Board of India and any other applicable rules, regulations, laws.

7. Except for issue of sweat equity shares as provided in Section 54 of the Act, a company shall not issue shares at a discount. Prohibition on issue of shares at discount
- 8 [A] The Company may subject to compliance with the provisions of Section 40 of the Act and Rules, exercise the power of paying commission on the issue of shares, debentures and any other securities, to any person in consideration of: - Commission for placing shares
 - (i) His subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures, and any other securities, to any other securities of the company, OR
 - (ii) His procuring or agreeing to procure subscriptions whether absolutely or conditionally, for any shares in, or debentures of securities of the Company.
- [B] Such commission may be paid out of proceeds of the issue or the profit of the company or both and shall be paid as per Securities Contracts [Regulation] Rules 1957, promulgated by Government under the Securities Contracts [Regulation] Act, 1956.
- [C] The rate of commission paid or agreed to be paid shall not exceed, in case of shares, 5% of the price at which the shares are issued and in case of debentures, shall not exceed 2.5% of the price at which the debentures are issued.
9. Save as herein provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of Competent Jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof. Trust not recognized
10. The Company shall have the powers to buyback its shares or other securities, in accordance with the provisions of Section 68, 69, 70 and such other applicable provisions of the Act, the Rules and procedures prescribed therein and in compliance with the regularity provisions in force at the time and any future amendments or re-enactments. Buy Back of shares

SHARE CERTIFICATE

11. The certificate of title to shares shall be issued under the Seal of the Company. Certificate
12. Every member shall be entitled free of charge to one certificate for all the share of each class registered to his name or if any member so wishes to several certificates each for one or more of such shares, but in respect of each additional certificate which does not comprise shares in lots of market Member's rights to certificate

units or trading, the Board may charge a fee of ₹ 2/- or such lesser sum as the Board may determine. Unless the conditions of issue of any shares otherwise provide, the company shall either within two months after the date of allotment and on surrender to the Company of its letter making the allotment of its fractional coupons of requisite value [save in the case of issue against letters of acceptance or of renunciation or in the case of issue of bonus shares] or within one month of receipt of the application for registration of the transfer, sub-division, consolidation, renewal or exchange of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour it is issued, amount paid up thereon, certificate number of every certificate issued and the distinctive number of shares to which it relates and the date of issue of share certificate. Provided that the provision relating to numbering etc. shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

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| Register of members | 13. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Act and Rules and the Depositories Act, 1996 with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. |
| Certificates in fungible form | <p>14. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p>15. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.</p> <p>16. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.</p> <p>17. Save as otherwise provided in this Article, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.</p> |

18. Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

Beneficial
owner
deemed as
member

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED.

19. 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 without payment of fees and if any certificate lost or destroyed then with prior consent of the Board or any Committee of Directors and 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, without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe, provided that no fees shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where there is no further space on the back thereof for endorsement of transfer.

issue of
new
certificates

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

The provision of this Article shall mutatis mutandis apply to debentures of the Company, if any.

- [ii] No fee shall be charged for sub-division and consolidation of share and debenture certificate and for sub-division of letter of allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub-division of renounceable letter of rights, for issue of new certificates in replacement of those which are old decrepit or worn out, or where the cages on the reserve for recording transfers have been fully utilized. Provided that the Company may charge such fees as may be agreed to by it with the stock exchange with which its shares may be listed for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed and for sub-division and consolidation of shares and debenture certificates and

for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

- (iii) Notwithstanding anything contained in the Articles, unless otherwise resolved by the Board, no request for sub-division or consolidation of Equity Shares Certificate into denominations of less than 100 equity Shares shall be accepted except when such subdivisions or consolidation is required to be made to comply with a statutory order or an order of a competent court of law.
- (iv) Without in any way derogating from the powers conferred on the Board by these Articles, the Board shall be entitled to refuse an application for transfer of less than 100 Equity Shares of the Company, subject however to the following exceptions:-
 - [a] Transfer of Equity Shares made in pursuance of any provision of law or a statutory order of a competent court of law.
 - [b] Transfer of not less than 100 Equity Shares in the aggregate in favour of the same transferee under two or more transfer deeds, out of which one or more relate to the transfer of less than 100 Equity Shares, provided that where a person is holding Equity Shares in lots higher than the market trading unit and sells the market trading unit the remaining Equity Shares even though less than 100 in number shall be permissible to stand in his own name.
 - [c] Transfer of entire Equity Shares of the existing member holding less than 100 Equity Shares to one or more transferees whose holding in the Company will be less than 100 Equity Shares after the said transfer.
 - [d] Transfer of Equity Shares made at the discretion of the Directors under special circumstances, which are less than 100 to avoid undue hardship in genuine cases.

The provisions relating to issue, delivery of physical shares, stated herein shall not be applicable to dematerialised Shares and shares held in fungible form with a Depository.

JOINT HOLDERS OF SHARES

- Joint holders 20. Where two or more persons are registered as holders of any shares they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to the provisions following

and to the other provisions of these Articles relating to joint-holders.

- [a] The Company shall not be bound to register more than four persons as the joint-holders of any shares.
- [b] The joint-holders of shares shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.
- [c] On the death of any such joint-holders the survivor or survivors shall be the only person/persons recognized by the company as having any title to or interest in such shares but the Board may require such evidence of death as it may deem fit.
- [d] Only the person whose name stands first in the Register as one of the joint holders of any shares shall be entitling to delivery of the certificate relating to such share.

CALLS

- 21. The Directors may, from time to time, subject to the terms Calls on which any shares may have been issued, make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. The option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
- 22. A call shall be deemed to have been made at the time when When call deemed to have been made the resolution of the Directors authorizing such call was passed at a meeting of the Directors.
- 23. Not less than 15 days' notice of any call shall be given specifying Notice of call the time and place of payment and to whom such call shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members, revoke the same.
- 24. If by the terms of issue of any shares or other wise, the whole Amount payable or part of the amount of issue price thereof is made payable, at any fixed time or by installment at fixed times, every such amount or issued price or installment thereof shall be payable as if it were a call duly made by Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installment accordingly.
- 25. If the sum payable in respect of any call or installment be Interest to be charged on non-payment of calls not paid on or before the day appointed for the payment

thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay, interest for the same at the rate of not less than 18 percent per annum, from the day appointed for the payment thereof to the actual payment or at such other lower rate as the Directors may determine but they shall have power to waive the payment of interest thereof wholly or in part.

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| Extension of time for payment of calls | 26. | The Directors may from time to time at their discretion extend the time fixed for the payment of any call for all or any of the shareholders who for residence or any other cause, the Directors may deem fairly entitled to such extension but no shareholder shall be entitled to such extension save as a matter of grace and favour. |
| Evidence in actions by Company against shareholders | 27. | On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of the company as a holder or one of the holders of the number of shares in respect of which such claim is made that the resolution making the cash is duly recorded in the minutes book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the Appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| Payment of calls in advance | 28. | The Board may, if it thinks fit, subject the provision of section 50 of the Act receive from any Member willing to advance the same, all or any part of the money due upon the share(s) held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of calls made upon the share(s) in respect of which such advance has been made, the company may pay interest at such rate not exceeding, unless the company in General Meeting shall otherwise direct, 6 per cent per annum as the Member paying such sums as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing. |

FORFEITURE AND LIEN

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| Notice may be given at calls or installment not paid | 29. | If any Member fails to pay any call installment on or before the day appointed for the payment of the same, directors may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member |
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requiring him to pay the same together with any interest that may have accrued and expenses that may have been incurred by the Company by reasons of such non-payment.

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

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

32. When any share(s) have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make entry as aforesaid. Notice after forfeiture

33. Any Share(s) so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit. Forfeited shares property of the Company

34. The Directors may, at any time before any share(s) so forfeited is sold or re-allotted, otherwise dispose of or annul the forfeiture thereof upon such conditions as they think fit. Power to annul forfeiture

35. Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and the expenses, owing upon or in respect of such standing shares at the time of forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12 percent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so. The liability of the ex-shareholder will be only up to the amount not paid by the purchaser. Arrears to be paid notwithstanding forfeiture

36. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the forfeited share, and all other rights Effect of forfeiture

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

Evidence of 37.
forfeiture

A duly verified declaration in writing that the declarant is a Director or the secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration of any, given for the shares on the sale or disposition thereof, shall constitute a given title to such shares.

Company's 38.
lien on
shares

The Company shall have a first and paramount lien upon all the shares [other than fully paid up shares] 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 a fixed time in respect of such shares and no equitable interests in any share shall be created except upon the footing and condition that Article 9 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may, at any time, declare any shares, wholly or in part, to be exempt from the provisions of this Article.

Intention as 39.
to enforcing
lien by sale

For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the lien by intention to sell have been served on such member, his committee, curator bonis or other person recognized by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for fourteen days after service of such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residue [if any] shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to such member, his executors, administrators, or other representatives or person so recognized as aforesaid.

Validity of 40.
shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by the any person and the remedy of any person aggrieved by the

sale shall be in damages only and against the Company exclusively. Such person to whom such shares is sold, re-allotted or disposed of may not [unless by express agreement] be liable to pay any calls, amounts, installments, interest and expenses owing to the company prior to such purchase or allotment nor shall be entitled [unless by express agreement] to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

41. Where any shares under the powers in that behalf herein contained are sold by the Director and the certificate thereof has not been delivered to the Company by the former holder of the said shares the Director may issue new certificate in lieu of certificate not so delivered. Power to issue new certificate

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

42. The instrument of transfer shall be in writing and the provisions of Section 56 of the Act, rules and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. Form of transfer
43. Application for the registration of the transfer of a share may be made either by the transferee or the transferor provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company has given notice of the application to the transferee in the manner prescribed by the Act and subject to the provision of any of relevant Articles hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee. Application for transfer
44. Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within seven days from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Notice of transfer to registered holder
45. The Company shall keep a "Register of Transfers" and herein shall be fairly and distinctly entered particulars of every transfer of any share. Register of transfers
46. The Board may refuse on legal grounds any transfer or transmission of any shares or interest of a member in or debentures of the Company. In case of such refusal, the Board shall within one month from the date of such application for Power to refuse transfer

transfer or transmission, send notice of refusal to the transferee and transferor or to person giving intimation of such transmission as the case may be, giving reason for such refusal.

In case of refusal for transfer by Board of Directors, all the provisions of Act and section 22A of Securities and Contract [Regulation] Act, will be followed.

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

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| No transfer to minor etc. | 47. | <p>(i) No transfer shall be made to minor or person of unsound mind.</p> <p>(ii) No fee shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.</p> |
| When instrument of transfer to be retained | 48. | All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instrument of transfer shall be returned to the person who lodges the transfer deed. |
| Notice of refusal to register | 49. | If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal giving reasons for refusal. |
| Power to close transfer book & Register of members | 50. | On giving seven days' notice by advertisement in a newspaper circulating in the District in which the Registered office of the Company is situated, the Register of Members and share transfer register may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time. Directors may in consultation with Stock Exchange [s] fix a day as a record date in case of Bonus, Right issue and dividend. The company shall inform dates of book closure 7 days in advance to the Stock Exchange(s). |
| Transmission | 51. | On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person whom the company shall recognize as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognized by the company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person, before |

recognizing any legal representative or heir or a person otherwise claiming title to the shares, the Company may require him to obtain grant of probate or letters of administration or succession certificate, or other legal representation as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board of to dispense with production of probate or letter of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

52. Any person becoming entitled to or to transfer shares in consequence of the death 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 Directors think sufficient, may with the consent of the Directors [which they shall not be under any obligation to give] be registered member as a member in respect of such shares or may subject to the regulations as to transfer herein before contained transfer such shares. This Article is hereinafter referred to as "The Transmission Article". Subject to any other provisions of these Articles, if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a 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. If he shall elect to transfer to some other person he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitation, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice or transfers as aforesaid.
53. Subject to any other provisions of these Articles if the Directors, in their sole discretion are satisfied, in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.
54. Notwithstanding anything to the contrary contained in the Act, Rules or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
55. Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

Transfer of
shares of
deceased or
insolvent
member

Right of
Executors &
Trustee

Depository
deemed as
registered owner

Depository to
inform about
transfer

Notwithstanding anything in the Act, Rules or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such

Depository on the Company by means of electronic mode or by delivery of floppies or discs.

ALTERATION OF CAPITAL

Power to
sub-divide &
consolidate

56. The Company may alter its memorandum in its general meeting to:-
- [a] Increase its authorised share capital by such amount as it thinks expedient to be divided into shares of such amount as may be specified in the resolution;
 - [b] Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - [c] Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - [d] Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived; and
 - [e] 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.
57. The resolution whereby any share is subdivided or consolidated may determine that, as between the members registered in respect of the shares resulting from such sub-division or consolidation, one or more of such shares shall have some preference or special advantage as regards dividend capital, voting or otherwise over or as compared with the other or others subject nevertheless to the provisions of Section 43 of the Act.

Surrender

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

MODIFICATION OF RIGHTS

Power to
modify
rights

59. If at any time the share capital is divided into different classes of shares, the rights attached to any class [unless otherwise provided by the terms of issue of the shares of that class] may, whether or not the Company is being wound up, be carried or varied with consent in writing of the holders of not less than three fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the share of that class. To every such separate meeting the provisions of these Articles, relating to General Meeting shall apply but so that the necessary quorum

shall be two persons at least holding or representing by proxy one-tenth of the issued shares of the class, but so that if at any adjourned meeting of such holders of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder. The Company shall comply with the provisions of Section 117 of the Act as to forwarding a copy of any such agreement of resolution to the registrar.

If variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation.

BORROWING POWERS

60. [a] The Board may, from time to time, at its discretion, Power to borrow subject to Section 180 of the Act and Rules, raise or borrow, either from the Directors, members or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company, provided however, that where the moneys to be borrowed; together with moneys already borrowed by the company [apart from temporary loans obtained from the Company's bankers in the ordinary course of business] exceed the aggregate of the paid-up share capital of the company and its free reserve the Directors shall not borrow such moneys without the consent of the company by a special resolution. Every special resolution passed by the company in General Meeting in relation to the exercise of the power to borrow moneys shall specify the total amount up to which money may be borrowed by the Board of Directors.

For the purpose of this Article, temporary loans means loans repayable on demand or within six months from the date of the loan such as short-term loan, cash credit arrangements, the discounting of bills and the issue of other short term loans of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.

- [b] The Board may, by a resolution passed at a meeting, delegate to any committee of directors, the Managing Director, the Manager or any other Principal Officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, its power to borrow or secure payment for the purpose of the company specifying the total amount (including outstanding at any time] upto which moneys may be borrowed by such delegate.
- [c] No debt incurred by the company exceeding the limit imposed by this Article shall be valid or effectual unless

the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article has been exceeded.

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| Condition on which money may be borrowed | 61. | 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 think fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company [both present and future] including its uncalled capital for the time being provided that debenture with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting and subject to the provision of the Act. |
| Issue at discount etc. or with special privileges | 62. | Any debentures, debenture-stock, bond or other debt securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise, debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-bonds or other securities with a right to allotment of or conversion into shares shall not be issued except with sanction of the Company in General Meeting by Special Resolution. |
| Instrument of transfer | 63. | Save as provided in Section 56 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures. |
| | 64. | If the board refuses to register the transfer of any debentures, the Company, shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor of notice of the refusal. |

RESERVES

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| Reserves | 65. | Subject to be provisions of the Act the Board may, in accordance with Section 123 of the Act, before recommending any dividend, set aside, out of the profits of the Company, such sums as it thinks proper as reserve which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the discretion of the Board, either be employed in the business of the Company or be invested in such investments [other than shares of the Company, as the Board may from time to time think fit]. The Board may also carry forward any profit which it may think prudent not to divide without setting then aside as reserve. |
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66. Any General Meeting may resolve that the whole or any part of the undivided profits of the company, which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without paying [dividend], be capitalized 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 amount be applied on behalf of such Members in paying up in full any unissued shares, debentures, 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 amount. Provided that any such sum standing to a credit of a securities premium account or a Capital Redemption Reserve Account or other free reserves may for the purpose of this Article only be applied in the paying up in unissued shares to be issued to the Members of the company as fully paid bonus shares. Capitaliza-
tion
67. For the purpose of giving effect to any resolution under last two preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate, and may fix the value for distribution of any specific assets and may determine that each payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all the parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized funds as may seem expedient to the Directors. Where requisite, a proper contract shall be and the Directors may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalized fund and such appointment shall be effective. Fractional
Certificates

Issue of Bonus Shares

68. The company may capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares as per provisions of Section 63 of the Act and Rules made thereunder, provided i) the issue of bonus shares has, on the recommendation of the Board, been authorised in the general meeting of the Company, ii) the Company has not defaulted in payment of interest or principal in respect of fixed deposits, if any or debt securities issued by it, the Company not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus, the partly paid-up shares, if any outstanding on the date of allotment, are made fully paid-up, the Company complies with such conditions as may be prescribed by Rules. The bonus shares shall not be issued in lieu of dividend.

INSPECTION AND COPIES OF STATUTORY REGISTERS ETC.

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| Memorandum and Articles of Association and certain contracts and resolutions | 69. | The company shall, on being so requested by a member, send to him within seven days of the request and subject to the payment of a Fee of ₹10/- (Rupees Ten only) per page or such fees as may be prescribed in applicable Rules, a copy of, the memorandum; the articles; and every agreement and every resolution referred to in sub-section (1) of Section 117 of the Act, if and in so far as they have not been embodied in the memorandum or articles. |
| Register of Charge | 70. | <p>The register of charges and the instrument of charges kept by the Company under section 85 of the Act, shall be open for inspection during business hours-</p> <p>(a) by any member or creditor of the company without any payment of fees;</p> <p>(b) by any other person on payment of fee which shall be ₹10/- (Rupees Ten Only) per page or such fee as may be prescribed under applicable Rules.</p> |
| Minutes of General Meeting | 71. | <p>The books containing the minutes of the proceedings of any general meeting of a Company or of a resolution passed by postal ballot, shall be open, during business hours, to the inspection by any member without charge.</p> <p>Any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the company any minutes of any general meeting on payment of ₹10/-(Rupees Ten Only) for each page or part of any page or such amount as may be prescribed in any Rules.</p> <p>Provided that a member who has made a request for provision of soft copy in respect of minutes of any previous general meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost.</p> |
| Register of members and Annual Returns | 72. | <p>The registers and indices kept under Section 88 of the Act, except when they are closed under the provisions of the Act and copies of returns prepared under Section 92 of the Act, shall be open for inspection during business hours, on every working day, by any member, debenture holder, other security holder or beneficial owner without payment of any fee and by any other person on payment of fee of ₹ 50/- (Rupees Fifty Only) for each inspection or such amount as may be prescribed under any applicable Rules as fee for such inspection.</p> <p>Any such member, debenture holder, security holder or beneficial owner or any other person may take extracts from any register, index or return mentioned above without payment of any fee and require a copy of any such register or entries therein or return mentioned above on payment of ₹10/- (Rupees Ten only) per page or such amount as may be prescribed under</p> |

applicable Rules. Such copy or entries or return shall be supplied within seven days of written requirement along with deposit of such fee.

73. The register of directors and key managerial personnel and their shareholding kept under sub-section (1) of section 170 of the Act shall be open for inspection during business hours and any member shall have a right to take extracts there from and copies thereof, on a request by any member, shall be provided by the Company to them free of cost within thirty days of receipt, by the Company of written request from the member. Register of directors and key managerial personnel and their shareholding
74. The register of loans, guarantees, securities and investment kept under sub-section (9) of Section 186 of the Act shall be kept at the registered office of the company and shall be open to inspection at such office, the extracts may be taken therefrom by any member and copies thereof may be furnished to any member of the Company on payment of ₹10/- (Rupees Ten Only) for each page or such amount as may be prescribed under applicable Rules. Register of loans, guarantees, securities and investment
75. The register maintained under Section 187 of the Act for investments made by the Company in any shares or securities which are not held by the Company in its own name, shall be open to inspection by any member or debenture-holder of the company without any charge during business hours subject to such reasonable restrictions as may be imposed by the Board. Register of investments not held in the name of the Company
76. The register in Section 189 of the Act shall be kept at the registered office of the company and it shall be open for inspection at such office during business hours. The company shall provide extracts from such register maintained to a member of the company on request, within seven days from the date on which such request is made upon the payment of ₹10/- (Rupees Ten Only) per page or such amount as may be specifically prescribed in any rules/circulars/law as fee. Register of Contracts or arrangements
77. The copies of the contract of service with a managing or whole-time director or the written memorandum setting out its terms where such a contract is not in writing kept under sub-section (1) of Section 190 of the Act shall be open to inspection by any member of the company without payment of fee. Contract of employment with managing or whole-time director

GENERAL MEETINGS

78. The Company shall, in pursuance to the provision of Section 96 of the Act, in each year hold in addition to any other General Meeting, a General Meeting as its Annual General Meeting and shall specify the meeting as Annual General Meeting in the notices calling the same by giving not less than clear 21 days' notice either in writing or through electronic mode as per Rules or such shorter notice as provided in Section 101 of the Act. Annual general Meeting shall be called during Annual General Meeting

business hours, that is between 9.00 a.m. to 6.00 p.m. on any day that is not a National Holiday at any place within the city, town or village in which the registered office of the Company is situated.

For the purpose of this Article, National Holiday means and includes a day declared as National Holiday by the Central Government.

Extra Ordinary General Meeting 79. All meeting of the company other than the Annual General Meeting, shall be called 'Extra Ordinary General Meeting'. The directors may whenever they think fit, call an Extra-ordinary General Meeting provided however if at any time they are not in India, Directors capable of acting who are sufficient in number to form a quorum, any Directors present in India may call an Extra Ordinary General Meeting in the same manner as nearly as possible as that in which such a Meeting may be called by the Board.

Meeting on requisition 80. The Board of Directors of the Company shall on the requisition of such member or members of the company as is specified in sub-section [2] of Section 100 of the Act forthwith proceed to call an Extra-ordinary General Meeting of the Company and in respect of any such requisition and of any Meeting may be called pursuant thereto, all the other provisions of Section 100 of the Act and of any statutory modification thereof for the time being shall apply.

Notice of General Meeting 81. A General Meeting whether Annual or Extraordinary may be called by giving not less than clear 21 days notice in writing. Provided that a General Meeting be called after giving shorter notice as provided by the Section 101 of the Act.

The accidental omission to give any such notice to or the non receipt of any such notice by any of the Members to whom it should be given shall not invalidate any resolution passed or proceedings held at any such meeting.

No General Meeting [either Annual or Extraordinary] shall be competent to enter upon, discuss or transact any item of business deemed to be special unless notice thereof is given in the notice convening the meeting.

Quorum 82. The quorum for general meeting shall be

- (i) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- (iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

When more than one of the joint-holders of a share is

present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purposes of this clause be deemed joint holders thereof.

83. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.
84. If within half-an-hour from the time appointed for the Meeting a quorum be not present the Meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, unless the same shall be a national holiday and in such case the meeting shall stand adjourned to the next day not being a national holiday at the same time and place and the meeting, if called by requisitionists under section 100 of the Act, shall stand cancelled and if at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for the meeting those members who are present shall be a quorum and may transact the business for which the meeting was called. Provided that in case of an adjourned meeting due to absence of quorum or change of day, time or place of meeting, the Company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
85. At every General Meeting the chair shall be taken by the Chairman Chairman of the Board of Directors. If at any meeting, the Chairman of the Board of Directors be not present within fifteen minutes of the time appointed for holding the meeting or though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no director shall be willing to take the chair, then the members present shall choose one of their members, being a member entitled to vote, to be Chairman.
86. No business shall be discussed at any General Meeting except election of a chairman while the chair is vacant.
87. No resolution submitted to a meeting, unless proposed by the chairman of the meeting, shall be discussed or put to vote, until the same has been proposed by a member present and entitled to vote and seconded by another member present and entitled to vote at such meeting.
88. Any act or resolution which, under the provisions of this Article Sufficiency of ordinary resolution or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act, or the Articles specifically require such act, to be done or Resolution passed by a Special Resolution.

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| Casting
vote | 89. | In the case of any equality of votes the Chairman shall both on a show of hands and at a poll shall have a casting vote in addition to the vote or votes to which he may be entitled as a member. |
| Power to
adjourn
General
Meeting | 90. | 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. It shall not be necessary to give notice to the members of such adjournment or to the time, date and place appointed for the holding of the adjourned meeting. |
| | 91. | Subject to the provisions of Section 108, 109 of the Act and as per Rules, at any general meeting a resolution put to vote at the meeting shall unless a poll is demanded or the voting is carried out electronically, be decided on a show of hands.

The Company shall provide to its members facility to exercise their right to vote at general meetings by electronic means. A member may exercise his right to vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the provisions of the Act and Rules. |
| | 92. | A declaration by the chairman that on a show of hands a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the company, shall be conclusive evidence of the fact without proof of passing of a resolution and of the number or proportion of the votes cast in favour of or against such resolution. |
| Demand for
poll | 93. | Before or on the declaration of result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say:-

(i) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution;

(ii) by any member or members present in person or by proxy and holding shares in the company conferring a right to vote on the resolution being shares on which an aggregate sum of not less than five lakh rupees has been paid-up;

The demand for poll may be withdrawn at any time by the person or persons who made the demand. |
| | 94. | Subject to the provisions of the Act, where a Poll is taken or where members exercise their right to vote by e-voting or at general meeting by electronic means the Chairman of the meeting shall have power to appoint scrutinizer and regulate |

the manner in which a poll shall be taken. The result of the poll shall be deemed to be the decision of the meeting or the resolution on which the poll was taken.

95. Any poll duly demanded on the question other than of adjournment and on the election of chairman, shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time, when the demand was made as the Chairman may direct. Time of taking poll
96. If a poll be demanded, 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. Business may proceed notwithstanding demand of poll

VOTES OF MEMBERS

- 97 (i) On a show of hands every member present in person and being a holder of equity shares shall have one vote and every person present either as a duly authorized representative of a body corporate being a holder of equity shares, if he is not entitled to vote in his own rights shall have one vote. Vote of members
- (ii) On a poll the voting rights of a holder of equity shares shall be as specified in Section 47 of the Act.
- (iii) The voting rights of the holders of the Preference Shares shall be in accordance with the Provisions of Section 47 of the Act.
- (iv) No Company or body corporate shall vote by proxy so long as a resolution of its Board of directors under Section 113 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
98. A person becoming entitled to a share shall not before being registered as member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to meetings of the Company. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee, or other legal curator and such last mentioned persons may give their votes by proxy provided that at least twenty four hours before the time of holding the meeting, or adjourned meeting, as the case may be, at which any such, person proposes to vote he shall satisfy the board of his rights under this Article and the Board shall have previously admitted his right to vote at such meeting in respect thereof. Vote in respect of deceased, insolvent & insane members
99. Where there are joint holders of any Share any one of such persons may vote at any meeting either personally or by proxy in respect of such Shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy then that one of the said Joint holders

persons so present whose name stands prior in order on the Register in respect of such share shall alone be entitled to vote in respect thereof Several executors or Administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holder thereof.

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| Proxy | <p>100. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under its common seal or the hand of its Attorney.</p> <p>101. The instrument appointing proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote and on default the instrument of proxy shall not be treated as valid.</p> |
| When vote by proxy valid through authority revoked | <p>102. 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 of 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 at the office or by the Chairman of the meeting before 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 to the due execution of an instrument of proxy and that the same has not been revoked.</p> |
| Form of proxy | <p>103. Every instrument appointing a proxy shall, as nearly as circumstances will admit, be in the form set out in the Act or Rules.</p> |
| Objection to vote | <p>104. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered and every vote not disallowed at such meeting, shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.</p> |
| Restrictions of voting | <p>105. No member shall be entitled to exercise any voting rights either personally or by proxy at any Meeting of 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 exercised and right of lien.</p> |

DIRECTORS GENERAL PROVISIONS

106. Until otherwise determined by the Company in General meeting the number of directors shall not be less than three and not more than fifteen.
107. The First Directors of the Company are

- 1) **SHRI VITHAL KAMAT**
- 2) **SMT. VIDHYA KAMAT**
- 3) **SHRI SHIVANAND KAMAT**
- 4) **SHRI KRISHNA KAMAT**

108. The Directors shall have power at any time to appoint any person as a Director as an addition to the directors but so that the number of directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the company and shall be eligible for re-election. Additional Directors
109. A person who is not a retiring director shall subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has, not less than 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 a candidate for that office, as the case may be, alongwith a deposit of one lakh rupees which shall be refunded to such person or as the case may be, to such member, if the person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution. The Company shall duly comply with the provisions of Section 160 of the Act or Rules for informing the members of the candidature of a person for the office of Director. Appointment of Directors other than retiring Director
110. (a) The remuneration of every director by way of sitting fees for each meeting of the Board or Committee, those attended by him shall be such sum as the Board may determine from time to time but not exceeding such sums as may be prescribed by the Act or Rules or the Central Government from time to time. Remuneration of Directors
- (b) All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of these Articles and of the Act and Rules. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending at Board and Committee Meetings and otherwise in the execution of their duties as Directors.
111. If the number of directors falls below the minimum number above fixed for the Director, the continuing Directors may, notwithstanding any vacancy in their body act only for the purpose of filling vacancies or for summoning a General Meeting to fill the vacancy, so long as the number is below the minimum. Continuing Director may act

Director may
contract with
Company

112. Subject to the provisions of Sections 184, 188 of the Act, the directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the company with a relative of such Directors or the Managing Director or with any firm in which any other partner or a relative shall be a partner or with any other partner or with a Private Company in which such Director is a member of Director interested, be avoided nor shall any profit realized by Director or otherwise so contracting or being such member or so in such contract or arrangement by reason of any of such Directors holding that office of the fiduciary relation there by established.

It shall be duty of the Director to act in accordance with the provisions of the Article of the Company and the Act.

APPOINTMENT OF DIRECTORS

Appointment
of Directors

113. The company in General Meeting, may, subject to the provisions of these Articles, the Act and Rules, at any time increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office.

Casual
Vacancies

114. If any Director appointed by the Company in General Meeting Vacates office as a Director, his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a Meeting of the Board but any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not vacated. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from office of director under Section 169 of the Act.

Nominee
Directors

- 115 (a) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to any financing Corporation or Company or body (hereafter referred to as "the financial Institutions") or so long as the Financial Institutions hold any shares, debentures in the company as a result of direct subscription or underwriting or conversion, of loans / debentures into Equity capital of the Company, each such Financial Institutions shall have a right to appoint from time to time one or more persons as Directors on the Board of Directors of the Company which Director is hereinafter referred to as " the Nominee Director". The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation of Directors. The Financial Institutions may at anytime and from time to time remove the nominee Director appointed by it and may, in the event of such removal

and also in the case of death or resignation of the Nominee Director, appoint another in his place and also fill any Vacancy which may occur as a result of the Nominee ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Financial Institutions and shall be delivered to the Company at its Registered office. Each such Nominee Director shall be entitled to attend all General Meeting, Board meeting and Meetings of the Committee of which he is a Member and the Financial Institutions appointing him shall also be entitled to receive notices of all such Meeting as also the minutes of all such Meetings. The Nominee Directors shall be paid all remuneration fees, allowances, expenses and other money to which other Directors are entitled, subject as aforesaid the Nominee Director shall be entitled to the same rights and privileges and subject to the same obligations as any other director of the Company. The Nominee Director shall ipso facto vacate his office, immediately on the moneys owing by the Company, to the Financial Institutions are paid off or on the financial Institutions ceasing to hold Shares / Debentures in the Company.

- b) In connection with any collaboration arrangement with any Company on Corporation or any firm or person for supply of technical know how and or machinery or technical advice, the Directors may authorize such company, corporation, firm or person hereinafter in this clause referred to as "Collaborator" to appoint from time to time any person as a Director of the Company (hereinafter referred as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation so however that such Special Director shall hold office so long as such collaboration Agreement remain in force, unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any such Special Director appointed by it and may at any time thereafter. The collaborator may at any time and from time to time remove any such Special Directors appointed by it and may at any time such removal and also in case of death or resignation of the person so appointed at any time appoint any other person as a Special director in the place and such appointment or removal shall be made in writing signed by such Company or corporation or any partner or such person and shall be delivered to the Company at its Registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

Special
Director

- Alternate Director 116. The board may appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from India and such appointment shall have effect and such appointee whilst he shall hold office as an Alternate Director, shall be entitled to notice of meeting of the Board and to attend and vote thereat accordingly, but he ipso facto vacate office if and when the absent Director return to India in which Meetings of the Board are accordingly held or the absent Director vacates office as a Director.
- Full time Director 117. The director may from time to time appoint one or more of their number to be whole time Director or Directors with such designation, for such period, on such remuneration with such functions and on such terms as the directors may think fit, necessary or expedient and subject to the terms of the Agreement entered into, if any in any particular case, may revoke any such appointment.

ROTATION OF DIRECTORS

- Rotation of Directors 118. (a) Not less than two-third of the "total number of Directors" shall be persons whose period of office is liable to determination by retirement of directors by rotation. For the purpose of this Article, "total number of directors" shall not include independent directors whether appointed under the Act or other law for the time being in force, on the Board of the Company.
- (b) At each Annual General Meeting of Company one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office.
- (c) The Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those to retire shall in default of and subject to any agreement among themselves be determined by lot.
- (d) If at Annual General Meeting all the Directors appointed under Articles 115 and 136 hereby are not exempted from retirement by rotation under Section 152 of the Act then to the extent permitted by the said Section the exemption shall extend to the Director or Directors appointed under, any of the Articles referred to above, Articles 115 subject to the foregoing provisions as between Directors appointed, under, any of the Articles referred to above the director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

119. A Retiring Director shall be eligible for re-election and shall act as a Director throughout the Meeting at which he retires. Eligibility for re-election
120. Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of retiring Directors is not filled up by the meeting, it shall stand adjourned till the same day in the next week at the same time and place or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time and place and if at the adjourned meeting the places of the Retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting. Demand re-election
121. (a) The Directors may meet together for the dispatch of any business, adjourn any meeting and otherwise regulate their meetings and proceedings as they think fit. The Company shall hold a minimum number of four meetings of the Board every year in such manner that not more than 120 days shall intervene between two consecutive meetings of the Board. Meeting of Directors
- (b) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as per Rules, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
- (c) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to condition that at least one independent director shall be present at the meeting. Provided further that in case of absence of independent director from such a meeting of the Board, decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any. Notice of Board Meeting
122. The quorum for a meeting of the directors shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors it shall be adjourned until such date and time as the Directors present shall appoint. Quorum
123. The Secretary shall at the time, and upon request of any two Directors shall summon a meeting of the Directors. Summoning Director Meeting

- Chairman to have casting Vote 124. Subject to the provisions of the Act and Rules, question arising at any meeting shall be decided by a majority of votes, each Director having one vote and in case of equality of votes the chairman of the meeting shall have a second or casting vote.
- Chairman and Vice Chairman 125. The Directors may from time to time elect one of their number to be the Chairman of the Board of Directors and determine the period for which he is to hold office. The Directors may likewise appoint a Vice chairman of the Board of Directors to preside at the Meetings of the Directors at which the Chairman shall not be present. If at any time at a Meeting of the Board of Directors, the Chairman and Vice-Chairman are not present within five minutes of the time appointed for holding the meeting, the directors present shall choose one of their number to be the chairman of such meeting.
- An individual may be appointed or reappointed as the chairperson of the company as well as the managing director or Chief Executive Officer of the Company at the same time.
126. A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the Act and Rules for the time being vested in or exercisable by the Directors generally.
- To appoint Committee, delegate power, revoke it 127. The Directors may subject to compliance of the provisions of the Act, from time to time delegate any of their powers to committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time impose on it by the Directors. The meetings and proceedings of any such Committee, if consisting of two or more members, 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 regulation made by the Directors under this Article.
- Validity of acts 128. All acts done at any meeting of the Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee of persons acting as aforesaid or that they or any of them were disqualified.
- Resolution by circulation 129. A resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions Section 175 of the Act and as per Rules. Such resolution shall be noted at a subsequent meeting of the Board of Directors or of any Committee thereof, as the case may be and made part of the minutes of such meeting.

POWERS OF DIRECTORS

130. Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and do all such acts and things as may be exercised or done by the Company and /or not hereby or by law expressly required or directed to be exercised or done by the Company at General Meeting but subject nevertheless to the provisions of any law and of these present from time to time made by the Company in the General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made. General powers
131. Notwithstanding anything contained in these Articles of Association including inter alia in Articles 5 & 6 of the Articles of Association of the Company and in view of the provisions of Securities & Exchange Board of India (SEBI) and the guidelines and clarifications issued by the SEBI from time to time, the Board of Directors shall proceed with any proposal to increase the subscribed capital of the Company by issue of securities including inter alia equity shares convertible debentures, cumulative redeemable preference shares, subject to any directions to the contrary which may be resolved by the Company in General Meeting. Issue of shares and securities
- (i) In case of a rights issue to such share-holders who are registered with the Company on the date, empowered to be fixed by the Board of Directors by this Article as the record date with power to the Board to make simultaneously with the rights issue an additional offer by way of reservation to such persons at such percentage as may be prescribed by SEBI or any other appropriate Authority.
 - (ii) In case of a public issue of securities being a further issue of capital, a reservation of such percentage of further issue would be made for employees [including working Directors] / workers on the record date on an equitable basis, provided, however, that the shares not taken up by the employees [including working Directors] / workers would be added to the public category of the public issue or such other category as may be permitted by the SEBI or any other appropriate Authority.
 - [iii] The rights issue of Securities made in accordance with the guidelines issue by the SEBI to the reservation for employees [including working Directors], workers or any other category shall require further consent of the Company in General Meeting.
 - [iv] Offer to any persons, if it is authorised by a special resolution, whether or not those persons include the

persons referred to in Article 133(i), (ii) or (iii) either for cash or for a consideration other than cash subject to such conditions as may be prescribed under Act or Rules and in accordance with Regulations framed by any other Regulatory Authority.

- [v] The Board of Directors is further empowered to consolidate any fractions that may arise on account of any fractional rights in a further issued or securities including inter alia shares, convertible Debentures, Cumulative Redeemable preference Shares and the Board is empowered to appoint one or more Director and / or designated employee of the company or any Registrar or Manager to the issue to sell the securities resulting on consolidation of such fractional rights to any person whatsoever as may be authorized / permissible as part of the terms of the issue. The Board is further empowered and to distribute in cash the sale proceeds [after deducting expenses and costs, if any of or incidental to the sale] prorate among the members having the fractional right to any person whatsoever as may be authorized / permissible as part of the terms of the issue. The Board is further empowered and or distribute in cash the sale proceeds [after deducting expenses and costs, if any of or incidental to the sale] pro-rata deducting expenses and cost, if any of or in dental to the sale] pro-rata among the members having the fractional right on the record date of the issue. The Board of Directors is specifically empowered to make the issue capital without issuing fractional coupons on fractional certificate by providing for payment to the members having fractional rights of cash amount equivalent to the net value thereof after deducting sale expenses.

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| Power to delegate | 132. Without prejudice to the general powers conferred by the preceding Article, the Directors may, from time to time, and at any time, subject to the restriction contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other person [including any firm or body corporate] any of the powers authorized and discretion for the time being vested in the Directors. |
| Sub-delegation | 133. The Directors may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. |
| Signing of documents | 134. All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for monies paid to the company, shall be signed, drawn, accepted or endorsed or otherwise executed as the case may be by such person [including any firm or body corporate] whether in the employment of the Company or not and in such manner as the Directors shall from time to time by resolution determine. |

135. The Directors may make such arrangement as may be thought fit for the management of the Company's affairs abroad and may for this purpose [without prejudice to the generality of their powers] appoint local bodies and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instrument sealed therein shall be signed by such person as the Directors shall, from time to time, by writing under the common seal appoint. The Company may also exercise the powers of keeping Foreign Registers, such regulations not being inconsistent with provisions of Section 88 of the Act. The Board may, from time to time, make such provisions as it may think fit relating there to and may comply with the requirements of any local law. Management abroad
136. A manager or Secretary may be appointed by the Directors on such terms and on such remuneration and upon such conditions as they may think fit, and any Manager or Secretary so appointed may be removed by the Directors. A Director may be appointed as Manager or Secretary, subject to Sections 196, 197 and 203 of the Act. Manager and Secretary
137. A provision of the Act or these regulations required or authorizing a thing to be done by a Director, Manager or Secretary shall not be satisfied by its being done by the same person acting both as Directors, and as, or in place of the Manager or Secretary. Act of Director, manager and Secretary

MANAGING DIRECTORS

138. Subject to the provisions of Sections 196, 197, 203 of the Act, the Board may from time to time appoint one or more Directors, to be Managing Director or Managing Directors of the Company and may from time to time, [subject to the provisions of any contract between him or them and the company], remove or dismiss him or them from office and appoint another or others in his place or their places. Appointment of Managing Director
139. Subject to the provisions of Sections 152 of the Act, and Article 117[d] hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation, of retirement of Directors or in fixing the number of Directors to retire, but [subject to the provisions of any contract between him and the company] he shall be subjected to the same provisions as to resignation and removal as the other Directors, and he shall, ipso fact and immediately, cease to be a Managing Director, if he ceases to hold the office of Director for any cause.
140. Subject to the provisions of Sections 196 and 197 of the Act and provisions of Rules, a Managing Director shall, in addition to the remuneration payable to him as a Director of Company under the Articles, receive such additional remuneration as may from time to time be sanctioned by the Company. Remuneration of Managing Director

Power of
Managing
Director

141. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and be exercised for such objects and purposes, and upon such terms and conditions and such restrictions as it think fit, and the Board may confer such powers either collaterally with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
142. Notwithstanding anything contained hereinabove, the Promoters Group shall be entitled, as and when it considers appropriate to do so, to notify the Company the name of a person who shall be appointed as the Managing Director of the Company and upon receiving such intimation, the Board of Directors of the Company, shall appoint the person so nominated on behalf of the Promoters Group as the Managing Director of the Company upon the terms and conditions as set out in such intimation. The person so appointed as Managing Director of the Company shall continue to be the Managing Director of the Company for such time and upon such terms and conditions as would be specified in the intimation received by the Company. If during any time a person other than the person nominated by the Promoters Group is Managing Director of the Company and if the Promoters Group notifies that it proposes to appoint its nominee as the Managing Director then such person nominated other than by the promoters group shall resign as Managing Director of the Company. The person so nominated for appointment as Managing Director of the Company may be removed by the Promoters Group at its discretion and a new appointee may be appointed in his place and stead on such terms and conditions as may be considered appropriate by the Promoters Group. Intimation in regard to appointment and removal of the Managing Directors by the Promoters Group shall be given on behalf of the Promoters Group by a letters in writing addressed to the Company and the letters so received on behalf of the Promoters Group as aforesaid shall be final, conclusive and binding not only upon the Company but also upon the members of the Promoters Group.

COMMENCEMENT OF BUSINESS

143. The Company may commence business in relation to any of the objects stated in clause III [c] of this Memorandum of Association in accordance with the provisions of the Act and Rules.

SEAL

144. The Directors shall provide for the safe custody of the Seal ^{Seal} which shall only be used by the authority of the Directors or a committee of the Directors authorized by directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose, provided that the Certificate of shares or Debentures [if any] of the company shall be sealed and signed in the manner provided for by under Section 46 of the Act or provisions of Rules or any statutory amendment thereof for the time being in force.

DIVIDENDS

145. Subject to rights of members entitled to shares [if any] with ^{Divisible profits} preferential or special rights attached to them the profits of the Company from time to time determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during portion or portions of the period in respect of which dividend always that subject as aforesaid any capital paid-up on a share during any portions in respect of which dividend is declared shall [unless the Board otherwise determine on the term of issue otherwise provide, as the case may be], only entitled the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profit.
146. The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits and may, subject to the provisions of Section 123 of the Act, fix the time for payment. ^{Declaration of Dividend}
147. No larger dividend shall be declared than is recommended by the Directors, but Company in General Meeting may declare a smaller dividend. ^{Restriction on amount}
148. No dividend shall be payable except out of the profits of the Company of the year on any other undistributed profits/ ^{Dividend out of profit} accumulated free reserves and no dividend shall carry interest as against the Company.
149. The declaration of the Directors as to the amount of the net profits of the Company for any year shall be conclusive.
150. The directors may from time to time pay to the members such interim dividends as in their judgment the position of the ^{Interim Dividend} Company justifies.

- Debts may be deducted 151. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists subject to Section 123 of the Act.
- Dividends and call together 152. Any General Meeting declaring a dividend may take 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 the dividend may, if so arranged between the Company and the member, be set off against the call.
153. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
- Retention in certain cases 154. 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 notwithstanding anything contained in any other provisions of the Act:
- [a] Transfer the dividend in relation to such shares to the special account in Section 123 of the Act unless the Company is authorized by the registered holder of such share in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- [b] Keep in abeyance, in relation to such shares, an offer of right shares under section 62 of the Act and any issue of fully paid-up bonus shares in pursuance of Section 63 of the Act.
- Dividend to joint holders 155. Any one of the several persons who are registered as joint-holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
- Mode of payment of dividend 156. Unless otherwise directed any dividend may be paid by electronic clearing service (ECS) by transfer to the bank account of the person entitled to it and registered with the depository or by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose names stands first on the Register in respect of the joint-holders or to such person and such address and the member or person entitled or such joint-holders as the case may be, direct and every cheque or warrant so sent shall be made payable to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holder as the case may be may direct.
- When payment a good discharge 157. [1] The payment of every cheque or warrant sent under the provisions of the last preceding Articles shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof provided nevertheless that the Company shall not be

responsible for the loss of any cheque, dividend warrant or postal money order which shall be sent by post to any members or by his order to any other Person in respect of any dividend.

- [2] Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Kamat Hotels (India) Limited" (Unpaid Dividend Account) and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed. Any person claiming to be entitled to any money transferred to Unpaid Dividend Account of the Company may apply to the Company for payment of the money claimed.
- (i) The Company shall, within a period of 90 days of making any transfer of any amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed by the Central Government.
 - (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund. Any person claiming to be entitled to the amount or money so transferred to the Investor Education and Protection Fund may, as per Section 125(4) of the Act, apply to the designated authority for the payment of the money or amount claimed.
 - (iii) All shares in respect of which unpaid or unclaimed dividend has been transferred as per the Article shall also be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing prescribed details. Provided that any claimant of shares transferred as per this Article shall be entitled to claim the transfer of shares from Investor Education and

Protection Fund in accordance with procedure and on submission of such documents as may be prescribed by the Central Government.

- (iv) No unclaimed or unpaid dividend shall be forfeited by the Board and the Company's shall comply with all the provisions of Section 123, 124 of the Act, in respect of any unclaimed or unpaid dividend.

ACCOUNTS

- Books to be kept by the Company
158. [1] The company shall keep at its Registered Office proper books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of affairs of the Company including its branch office, if any. And such books shall be kept on accrual basis and according to the double entry system of accounting. The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed by Rules. The books of accounts shall be with respect to: -
- [a] all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - [b] all sales and purchases of goods by the Company;
 - [c] the assets and liabilities of the Company;
 - [d] such particulars relating to utilization of material or labour or other items of cost as may be prescribed by Section 128 of the Act, as amended.
- All or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- [2] Where the Company has a branch office whether in or outside India, the Company shall be deemed to have complied with the provision of clause (1) of proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns made upto dates at intervals of not more than three months are sent by the branch office to the Company at its Registered Office or other place referred to in Clause [1].
- [3] The books of account and other books and papers/ financial statements shall be open to inspections by any Director during business hours.

- [4] The books of account/financial statements relating to a period of not less than eight years immediately preceding the current year together with the vouchers relative to any entry in such books of account shall be preserved in good order.
- [5] Where a Registrar or inspector calls for the books of account and other books and papers under Section 206 of the Act, it shall be the duty of every director, officer or other employee of the Company to produce all such documents to the Registrar or inspector and furnish him with such statements, information or explanations in such form as the Registrar or inspector may require and shall render all assistance to the Registrar or inspector in connection with such inspection.
159. [1] The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of Members not being Directors. Inspection
- [2] no member [not being a Director] shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.
160. [1] At every Annual General meeting of the Company, the Directors shall lay before the Company financial statements for the financial year: Annual
Accounts
and
Balance
Sheet
- The term Financial Statement in these Articles means and includes
- [a] Balance Sheet as at the end of the financial year;
 - [b] Profit and Loss Account for the period specified in sub-clause [2] hereof;
 - (c) cash flow statement for the financial year;
 - (d) statement of changes in equity, if applicable and
 - (e) any explanatory note annexed to or forming part of any document referred to in (a) to (d) above.
- [2] The profit and Loss Account shall relate to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than 6 months, or in cases where an extension of time has been granted for holding of the meeting under Section 96 of the Act, by more than 6 months and the extension so granted.
161. [1] Every Balance Sheet of the Company shall give a true and fair view of the state of affairs of the Company as Forms
and
contents
of final
accounts

at the end of the financial year and shall subject to the provisions of Section 129 of the Act, be in the form set out in part I of Schedule III to the Act, or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparing the Balance Sheet due regard shall be had as far as may be, to the general instruction for preparation of the Balance sheet under the heading 'Notes' at the end of the Part.

- [2] Every Profit and Loss Account of the Company shall give a true and fair view of the Profit and Loss of Company for the financial year and shall comply with the requirements of Part II of Schedule III to the Act, so far as they are applicable thereto.
- [3] The Balance sheet and the Profit and Loss Account of the Company shall not be treated as not disclosing a true and fair view of the state of affairs of the Company, merely by reason of the fact that they do not disclose any matters which are not required to be disclosed by virtue of the provisions contained in the said Schedule III or by virtue of a notification or order issued under Section 129 of the Act.
- [4] The Financial Statement, including consolidated financial statement, if any, shall be signed on behalf of the Board of Directors, at least be chairperson of the Company where he is authorized by the Board or by two Directors of the Company one of whom shall be a Managing Director, where there is one, the Chief Financial Officer and the Company Secretary of the Company, where they are appointed.
- [5] The Financial Statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on their behalf and before they are submitted to the Auditors for their report thereon.
- [6] The Auditor's Report shall be attached to financial statement.

Board's
Report

162. [1] There shall, to the extent it is applicable, be attached to every financial statement laid before the Company in General Meeting, a Report by its Board of Directors which shall include: -
- (a) the extract of the annual return as provided under sub-section (3) of section 92 of the Act;
 - (b) number of meetings of the Board;
 - (c) Directors' Responsibility Statement;

- (d) a statement on declaration given by independent directors under sub-section (6) of section 149 of the Act;
- (e) in case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act;
- (f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - (i) by the auditor in his report; and
 - (ii) by the company secretary in practice in his secretarial audit report;
- (g) particulars of loans, guarantees or investments under section 186 of the Act;
- (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Act in the prescribed form;
- (i) the state of the company's affairs;
- (j) the amounts, if any, which it proposes to carry to any reserves;
- (k) the amount, if any, which it recommends should be paid by way of dividend;
- (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
- (o) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;
- (p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner

in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;

(q) such other matters as may be prescribed under the Act or Rules.

[4] The Board shall give the fullest information and explanations in their report on every reservation, qualification or adverse remark contained in the Auditor's Report.

[5] The Board's report and any addendum or annexures thereto shall be signed by its Chairperson of the Company if he is authorized in that behalf by the Board and where he is not authorized, shall be signed by at least two Directors one of whom shall be a managing director, if there is one appointed.

Sending of
financial
statement
etc.

163. [a] A copy of the financial statements, including consolidated financial statements, if any, Auditors' Report and every other document required by law to be annexed or attached to the financial statements, shall at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to every member of the Company, to every trustee for holders of debentures issued by the Company, whether such member or trustee is or is not entitled to have notice of General Meeting of the Company sent to him and to all persons other than such members or trustee being the persons so entitled, provided that the Company shall not be required to send the aforesaid documents, if the said documents are made available for inspection at its Registered office during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents, in the prescribed form, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting, unless the members ask for full financial statements. The Company shall also place its financial statements including consolidated financial statements, if any, on its website, which is maintained by or on behalf of the Company.

(b) The Company may send financial statements, including consolidated financial statements

(i) by electronic mode to such members whose shareholding is in dematerialised format and whose email Ids are registered with Depository for communication purposes;

(ii) where Shareholding is held otherwise than by

dematerialised format, to such members who have positively consented in writing for receiving by electronic mode; and

- (iii) by dispatch of physical copies through any recognized mode of delivery as specified under section 20 of the Act, in all other cases.

- [c] Any member or holder of debentures of the Company and any person from whom the company has accepted a sum of money by way of deposit, shall, on demand be entitled to be furnished, free of cost, with a copy of the last Balance Sheet of the Company and of every document required by law to be annexed or attached thereto, including the Profit & Loss account and the Auditor's Report.

164. [1] The Company shall within Thirty days from the date on which the financial statements, including consolidated financial statements, if any, along with all the documents which are required to be or attached to such financial statements under the Act, have been laid before and duly adopted at the Annual General Meeting file with the Register a copy of the, financial statements including consolidated financial statements, if any, along with all the documents which are required to be or attached to such financial statements.

Filing of
financial
statements

- [2] Where the financial statements under sub clause [1] are not adopted at annual general meeting or adjourned annual general meeting, such unadopted financial statements along with the required documents under sub clause (1) shall be filed with the Registrar within thirty days of the date of annual general meeting and the Registrar shall take them in his records as provisional till the financial statements are filed with him after their adoption in the adjourned annual general meeting for that purpose.

The financial statements adopted in the adjourned annual general meeting shall be filed with the Registrar within thirty days of the date of such adjourned annual general meeting with requisite fees.

- [3] Where the annual general meeting of the company for any year has not been held, the financial statements along with the documents required to be attached under sub clause [1], duly signed along with the statement of facts and reasons for not holding the annual general meeting shall be filed with the Registrar within thirty days of the last date before which the annual general meeting should have been held and in such manner, with such fees or additional fees as may be prescribed under the Act or Rules.

165. The Company shall comply with the provision of Section 20,101 and 115 of the Act, as to serving of notices.
- Transfer etc. bound by prior notice 166. Every person who, by operation of law or by transfer or by other means, whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previous to his name and address being entered on the register shall be duly given to the persons from whom he derives his title to such share.
- Notice valid though member deceased 167. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all the purpose of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any jointly interested with him or her in any such share.
- Signing of notice 168. The signature to any notice to be given by the Company may be written or printed or digitally signed.

RECONSTRUCTION

169. On any sale of the undertaking of the Company the directors or the Liquidators on a winding up may, if authorized by a special resolution accept fully paid or partly paid up shares, debentures or securities of any other company whether incorporated in India or not, other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors [if the profit of the Company permit], or the Liquidators [in winding-up] may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits of property otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto save only in case the Company, is proposed to be or is in the course of being wound up, such statutory right, if any, as are incapable of being varied or executed by these presents.

SECRECY

- No shareholder to enter the premises of the Company 170. (a) 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 Company's premises or

properties of the Company without permission of the Director, or subject to Article 138 to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of Directors it will be inexpedient in the interest of the Company to communicate.

- [b] Every Directors, Manager, Secretary, Auditor, Trustee, member or a Committee, Servant, Officer, Agent, Accountant or other person employed in the business of the Company shall observe strict Secrecy respecting all transactions of the statement 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 directors or by court of law except so far as may be necessary in order to comply with any of the provision in these present contained, Except as may be specifically permitted by the directors or otherwise required under law, all proceedings of the directors shall be strictly confidential and no Direct shall knowingly disclose such proceedings to a third party.

WINDING UP

171. 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 as the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up is 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 the holders of shares issued upon special terms and conditions. Distribution of assets
172. In the event of Company being wound-up, whether voluntarily or otherwise, the liquidators may with the sanction of a special Resolution divide among the contributories, in species or in kind any kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in Trustee upon such trust for the benefit of the contributories or any of them, as the liquidators with like sanction, shall think fit. Distribution of assets in specie

- Indemnity 173. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and Officer of employee of the Company shall be indemnified against and it shall be the duty of the directors to pay out of the funds of the company all costs losses and expenses including traveling expenses which any such Director, Manager or Secretary or other officer or employee may incur or become liable to, by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him or by them as such Director, Manager, Secretary Officer or employee in defending any proceedings whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 463 of the Act, in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as between property of the company and have priority as the members over all other claims.
- Individual responsibility of Directors 174. Subject to the provisions of the Act, and so far as such provisions permit, no director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipt or act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property required by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss occasioned by any error of judgment, commission, default or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his Office or in relation thereto unless the same happens through his own dishonesty.

THE SEAL

175. The board shall provide a common seal for the purposes of the company and from time to time destroy the same and substitute new seal in lieu thereof and shall provide for the safe custody of the seal for the time being. The seal of the Company shall not be affixed to any instrument except by the authority of the Board Directors or of a committee of the Board by it in that behalf.
176. The Company may exercise the powers conferred by Section 22 with regard to having an official seal for use abroad and such powers shall be vested in the Board.
- Appointment of arbitrators 177. Whenever any difference arises between the Company on one hand and any of the members, their executors, administrators or assigns on the other hand with regard to the true intent or interpretation or the incidence or consequences of these articles or of any relevant statutes with regards to anything done executed, omitted or suffered in pursuance of these

Articles or any relevant statutes, or with respect of any breach or alleged breach or otherwise relating to these Articles or to any statute affecting the Company or to any of the affairs of the Company, including determination of the fair value of the shares of the Company, every such difference shall be referred to the decision of two or to more arbitrators [but not one] one each to be appointed by each of the parties in difference.

178. The costs of an incidental charges to any such reference and award shall be borne by the parties in differences in such proportion as any be determined by the arbitrators. Payment of cost of Arbitration

179. The submission to and award of arbitration shall be governed by the provisions of the Arbitration Act in force in India for the time being. Application of Arbitration Act

We, the several persons, whose names, addresses and occupations are hereunder subscribed below, are desirous of being formed into a Company in pursuance of these ARTICLES OF ASSOCIATION

Name, Address and Occupation of each Subscribers	Signature of the Subscribers	Signature of Witness, his / her name, address and occupation
VENKETESH KRISHNA KAMATH S/o Shri Krishna Raman Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	Sd/-	SD/- RAJESH CHOUDHARY S/o Shri Vishwambhar Choudhary 410, Rew Chambers, 31, New Marine Lines, Bombay - 400 020. Chartered Accountant
KRISHNA VENKETESH KAMATH S/o Shri Venketesh Krishna Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	Sd/-	
VITHAL VENKETESH KAMAT S/o Shri Venketesh Krishna Kamath 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	Sd/-	
SHIVANAND VENKETESH KAMAT S/o Shri Venketesh Krishna Kamath 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	Sd/-	
VIDHYA VITHAL KAMAT W/o Shri Vithal V. Kamath 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	Sd/-	
RAMESH NARAYAN SHANBHAG S/o Shri Narayan Ramnath Shanbhag, 32, Anand Nivas Mansion, 'A' Road, Churchgate, Bombay - 400 020. Business	Sd/-	
LATA SHIVANAND KAMAT W/o Shri Shivanand V. Kamat 7, Shankar Sheth Mansion, 296/A, Tardeo Road, Nana Chowk, Bombay - 400 007. Business	Sd/-	

Bombay, Dated : 12th day of March, 1986



CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 27TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 10TH SEPTEMBER, 2014.

“RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and the Companies (Incorporation) Rules, 2014, the Articles of Association of the Company be and are hereby amended by adopting, in lieu and substitution of the existing Articles of Association of the Company, the new set of Articles of Association of the Company as placed before the meeting duly initialled by the Chairman for identification purpose.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution.”

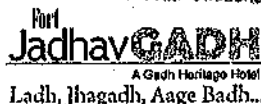
Certified True Copy
For Kamat Hotels (India) Limited


Mahesh Kandoi
Company Secretary

REGD OFF. 70-C NEHRU ROAD, VILE PARLE (EAST), MUMBAI 400 099. TEL.: 2616 4000 FAX : 2616 4115

CIN No. L55101MH1500PLC030307

Email Id : ec@khl.com, Website : www.khl.com



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

COMPANY PETITION NO.737 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO.532 OF 2005

In the matter of the Companies Act,
1956;

AND

In the matter of the Scheme of
Amalgamation of The Himco (India)
Limited with Kamat Hotels (India)
Limited.

Kamat Hotels (India) Limited).. Petitioner

Mr.Hemant Sethi for the Petitioner.
Mr.C.J.Joy with Mr.R.C. Master for the
Regional Director.

CORAM : SMT. NISHITA MHATRE, J.
DATED: 9TH DECEMBER 2005

P.C.:

In view of the Scheme of Amalgamation having
been approved in Company Petition No.736 of 2005,
this Company Petition is allowed in terms of prayer
clauses (a) to (h), subject to payment of costs to
the Regional Director quantified at Rs.2,500/-
(Rupees Two Thousand Five Hundred only).

2. All concerned parties including concerned
Registrar of Companies to act on the ordinary copy
of the Order and Scheme annexed to the Petition,
authenticated by the Company Registrar, High Court,
Bombay.

TRUE - COPY



3. Filing of drawn up order is dispensed with.

TRUE - COPY

M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

M.V. 13 14,60,45,500/-

③ Certificate u/s 32(1) (b) of the Bombay
Stamp Act, 1958.

Collector of the
Collector of stamps

Received from *Kamat Hotels (India) Ltd.*
126/06/2294
23/11/06

1,46,04,550/- (One
Crore Forty Six Lakh Four Thousand Five Hundred Fifty only)

92/84, 163/14, 163/13
10/11/06

Full duty of
Rs. 1,46,04,550/- (One crore forty six lakh four thousand
Five Hundred Fifty only) has been
paid in accordance with the provision of
section 25 (a) of Bombay Stamp Act, 1958.

Place, C.S.D.

Date, 23/11/06

M. D. Narvekar
Collector of stamps



**SCHEME OF AMALGAMATION
OF
THE HIMCO (INDIA) LIMITED
WITH
KAMAT HOTELS (INDIA) LIMITED**

Under Section 391 read with Section 394 of the Companies Act, 1956 in respect of the Amalgamation of The Himco (India) Limited with Kamat Hotels (India) Limited.

Background

- (i) **KAMAT HOTELS (INDIA) LIMITED** is a well-reputed existing company carrying on the business of Running Hotels, Restaurants and other related activities.
- (ii) **THE HIMCO (INDIA) LIMITED** is a well reputed exiting company engaged in the business of Running Hotels, Apartment house and other related activities.

DEFINITIONS

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

1.1 'The Transferor Company' means "THE HIMCO (INDIA) LIMITED" a Company incorporated under the Companies Act, 1956, having its Registered Office at Nanodham, Kondivita Road, Off. Andheri Kurla Road, Andheri (East), Mumbai - 400 059.

1.2 'The Transferee Company' means "KAMAT HOTELS (INDIA) LIMITED" a Company incorporated under the Companies Act, 1956 having its Registered Office at 70-C Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai - 400 099.

'The Act' means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof.

'The Appointed Date' means 1st July, 2005.

1.5 'The Effective Date' means the last of the dates on which certified copies of the Hon'ble High Court's orders vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company, are filed with the Registrar of Companies, Maharashtra, after obtaining all consents, approvals, permissions, resolutions, agreements, sanctions and orders, as are necessary.

1.6 'Scheme', or 'This Scheme' or 'The Scheme' means this Scheme of Arrangement in its present form or with any modification approved or imposed or directed by the Shareholders of the respective companies or the Hon'ble High Court of Judicature at Bombay.

1.7 "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to this Scheme in terms of Clause 11.1 hereof.

2. SHARE CAPITAL

- 2.1 The Authorised, Issued and Subscribed capital of the **Transferor Company** is as under:

SHARE CAPITAL**AUTHORISED**

2,00,00,000 Equity Shares of Rs. 10/- each Rs. 200,000,000

ISSUED SUBSCRIBED AND PAID UP

1,80,00,000 Equity Shares of Rs. 10/- each fully paid up Rs. 180,000,000

- 2.2 The Authorised, Issued and Subscribed Capital of the **Transferee Company** is as under:

SHARE CAPITAL**AUTHORISED**

1,55,00,000 Equity Shares of Rs. 10/- each Rs. 155,000,000

2,45,00,000 Cumulative Redeemable Preference Shares
of Rs. 10/- each Rs. 145,000,000

ISSUED, SUBSCRIBED AND PAID UP :

1,07,42,850 Equity Shares of Rs. 10/- each
fully paid up Rs. 107,428,500

3. JUSTIFICATION FOR THE SCHEME:

- a) The Business of the Transferee Company has optimised in terms of volume, with occupancy rate of about 85%. In order to build another 150 – 200 rooms to achieve critical size, the Transferee Company can set-up new properties. However, the same shall take about 18 months time. Proposed Amalgamation shall enable the Transferee Company to acquire an existing unit, which can provide cash flow from the date of amalgamation. This shall also save on implementation time, risk and costs.
- b) With proposed Amalgamation, the Transferee Company would be able to reach a size of about 351 rooms immediately and 428 in next 6 months upon completion of construction of balance rooms in Himco in Mumbai metro. This would take the Transferee Company in to the league of bigger hotels, which shall mean further improved perception.
- c) Post proposed merger, the Transferee Company would be able to recover its cost of acquisition in accelerated manner than time required for recovery of cost of newly constructed property.
- d) The Transferor Company and the Transferee Company are engaged in the same line of business but serving different class of customers. The Amalgamation of the two companies will enable the Transferee Company to enhance its services across different class of customers more efficiently. The Amalgamated Company will benefit from synergies, economies and consolidation of management.

- e) The Amalgamation of the two companies will create a synergy, which will enable the Transferee Company to grow and prosper at a faster pace.
- f) The losses suffered by the Transferor Company has adversely affected its borrowing capacities, both fund based and non fund based, and has also resulted in borrowings at higher costs. The Amalgamation of the two Companies will enable consolidation and optimum utilisation of financial resources with the additional benefit of lower interest costs.
- g) The Transferor Company has carried forward losses. This will provide tax shield to the Transferee Company in future years, thereby enhancing the value for its stakeholders.
- h) Combining the activities and operations of the Transferor and the Transferee Company in a single Company would provide synergistic linkage besides economies in costs by combining the total business functions and the related operations and activities contributing to the overall growth and profitability, coupled with better working capital management and better administration of affairs for the merged entity.

The amalgamation would result in most optimum utilization of the facilities, reserves, financial, managerial, technological and marketing expertise, marketing networks, manpower and other resources which will be conducive to enhance the capability to face competition in the market more effectively, thereby strengthening the combined market position and growth prospects.

- i) It would also lead to growth prospects for the personnel and organisations connected with these companies and thus, be in the interest of and for the welfare of, the employees of the companies concerned in this Scheme, and will also be in the larger interest of the public.
- k) Amalgamation will result in the larger pool of various resources as well as manpower and will create a synergy, which will enable the Amalgamated Company to grow and prosper at a faster pace.
- l) The combined managerial and financial resources will enhance the capability of the Amalgamated Company to invest in larger and more sophisticated projects to ensure rapid growth, and will consolidate the strategic strength of the Amalgamated Company.

4. MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- 4.1 With effect from the opening of business as on the Appointed Date, the entire business and undertaking of the Transferor Company, including all the debts, liabilities, duties and obligations of the Transferor Company of every description

and also including, without limitation, all the movables and immovable properties, in possession or reversion, present or contingent, of whatsoever nature and where so ever situated, held or entitled by the Transferor Company, and assets of the Transferor Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorizations if any, brands, rights and benefits of all agreements including all statutory incentives of the Transferor Company and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, without any further act or deed, be transferred and/or deemed to be transferred to and vest in the Transferee Company, free from all encumbrances, but subject to the charges existing, so as to become the properties of the Transferee Company in their same form, under the provisions of Sections 391 and 394 of the Companies Act, 1956. Provided always that, the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date.

4.2 All the moveable assets of the Transferor Company shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company in pursuance of the provisions of Section 394 of the Act.

4.3 In respect of such assets and movables other than those referred to above in 4.2 i.e. sundry debtors, outstanding loans, all advances recoverable in cash or in kind or for value to be received, bank balances and deposits with Government, Semi-Government, local and other authorities and bodies, the same shall, without any further act, deed or instrument, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.

With effect from the Appointed Date, all the liabilities shall, without any further act or deed, stand transferred to the Transferee Company pursuant to the applicable provisions of the said Act, so as to become, as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company from that date, provided always that, the Scheme shall not, by virtue of the amalgamation, operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall, not be obliged to create any further or additional security thereof on or after the amalgamation has become effective, or otherwise.

4.5 With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure (including payment of penalty, damages or such litigation) arising or incurred by the Transferor Company shall, for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be, of the Transferee Company.

4.6 With effect from the Appointed Date, loans or other obligations if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company, and held by

the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company and the Transferee Company, as the case may be, shall have no further rights or obligations outstanding in that behalf.

4.7 All assets and liabilities resulting from the operations of the Undertaking of the Transferor Company from the Appointed Date onwards, shall stand transferred to and vested in the Transferee Company on the Effective Date.

4.8 The transfer of property and liabilities and continuance of proceedings by the Transferee Company under this clause and Clause 5, shall not affect any transaction or proceedings already concluded by the Transferor Company or after the Appointed Date till the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto as if it was done and executed by the Transferee Company on behalf of itself. Furthermore, as from the Appointed Date, the Transferor Companies shall be deemed to have carried on and to be carrying on the business on behalf of and in trust for the Transferee Company until such time as the Scheme takes effect.

4.9 It is clarified that, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Effective Date, shall be the debts, liabilities, duties and obligations of the Transferee Company, including any encumbrances on the assets of the Transferor Company or on any income earned from those assets.

4.10 Upon the amalgamation becoming effective, the Transferee Company will continue to run the business of the Transferor Company on the same lines as carried on by the Transferor Company. For the aforesaid purpose, upon the amalgamation becoming effective, the objects clause of the Memorandum of Association will be deemed to be amended, without requiring any further approvals of shareholders of Transferee Company under Sections 17 and 149(2A) of the Companies Act, 1956 or otherwise and so as to enable the Transferee Company to continue the business of the Transferee Company, by adding the following clause as sub-clause 50A after sub-clause 50 in the Objects Clause of the Memorandum of Association of the Transferee Company.

"To carry on the business in all the segments of hospitality and hotel industry and to build, develop, manage, run, conduct, the business of Holiday Resorts, Time Share Resorts, Vacation Resorts, Apartment Hotels or such Resorts by whatever name called providing accommodation and other holiday and recreational facilities to the members whether individuals, firms, companies, bodies corporate, or such other entities or to any other person(s) in India and/or abroad and obtain, acquire, invite, grant, extend membership, registration, recognition or licenses of to other Holiday Exchange Resorts, Time Share Resorts, Vacation Exchange Resorts or such other Resorts including Hotels for providing the Time Share Exchange, Holiday Exchange and/or Vacation Exchange facilities and to invite, enroll, float, develop, time share holiday schemes and to grant membership against refundable or non refundable deposits schemes for time share hospitality facilities, benefits, amenities and to conduct, manage, run, operate, club facilities for the members or otherwise for general public and to

carry on the business of sports club, night club, card game clubs, entertainment clubs, eating joints, permit room, health clubs and spa units, boat clubs, and to tie up, associate, affiliate with other time share operators, agencies, condominiums, hotels, resorts for providing facilities, amenities, accommodation, apartments to members and guests and for providing food and beverage services and other recreating services and to carry on the business, manage and act as agents and or collaborators, franchisers, technicians, managers, interior decorators, architectures, consultants, advisors, operators for any other hotels, motels, holiday resorts, restaurants, canteens cafes, coffee houses, pubs, health apartments, adventure sports, bars, clubs, casinos, discotheques and to provide services of recruiting, training to chefs, cooks, bearers, house keepers and any type of managerial, technical and supervisory managerial services required in the management of hotel industry and also to carry on all the business directly or indirectly related in the Hospitality Industry including but not limited to wind farming, carbon trading, power generation including solar power etc".

Upon the coming into effect of this Scheme, the Transferee Company shall file an amended copy of Memorandum and Articles of Association with the Registrar of Companies, Mumbai.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

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

6. LEGAL PROCEEDINGS

All legal proceedings of whatsoever nature, by or against the Transferor Company, pending and/or arising at the Appointed Date, or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4, shall be continued and/or enforced until the Effective Date as desired by the Transferee Company, and as and from the Effective Date, shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

7. OPERATIVE DATE OF THE SCHEME

The Scheme shall become operative from the Appointed Date.

8. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company.

- 8.1 Shall carry on and be deemed to carry on all the business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be .
- 8.2 Shall carry on its business and activities with reasonable diligence and business prudence and shall not, without the written consent of the Transferee Company, undertake any new business or alienate, charge mortgage, encumber or otherwise deal with its property otherwise than in the ordinary course of business or vary the terms and conditions of employment of any of their employees without the prior written consent of the Transferee Company.
- 8.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Transferee Company may require, to carry on business of the Transferor Company.

9. TREATMENT OF THE SCHEME IN THE ACCOUNTS



All the reserves, the debit balance of Miscellaneous Expenditure Account and Profit & Loss Account of the Transferor Company as on Appointed Date, shall be transferred to the "Amalgamation Reserve Account" in the books of the Transferee Company.

- 9.2 The excess of the book value of the net assets of the Transferor Company, as appearing in the Books of Account of the Transferor Company, over the paid up value of the shares, to be issued and allotted, pursuant to Clause 11 below, shall also be credited to the said "Amalgamation Reserve Account".
- 9.3 Upon the Scheme coming into effect, to the extent that there are inter-company loans, bonds, debentures, advances, deposit balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the cancellation of any such assets or liabilities, as the case may be, and difference if any arising by such effects in the books of account, shall be adjusted to the said "Amalgamation Reserve Account".

9.4 In case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation date will be quantified and adjusted in the "Amalgamation Reserve Account".

9.5 All such amounts standing to the credit of the said Amalgamation Reserve Account shall constitute the Transferee Company's Free Reserves available for distribution, as if the same were created by the Transferee Company out of its own earned and distributable profits and accordingly, shall form part of the Net Worth of the Transferee Company.

10. COMPANY STAFF, WORKMEN AND EMPLOYEES

10.1. The Transferee Company will, on such transfer, take over all the staff, workmen if any, in the service of the Transferor Company, who were in employment immediately preceding the Effective Date. They shall become the staff, workmen and employees of the Transferee Company on the basis that their services shall be deemed to have been continuous and not interrupted by reasons of the said transfer. The terms and conditions of service applicable to such staff, workmen or employees after such transfer, shall not, in any way, be less favourable to them than those applicable to them immediately preceding the transfer.

10.2. As far as the Provident Fund, Gratuity Fund or any other Special Fund or schemes existing for the benefit of the employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall be substituted for the Transferor Company for all purposes whatsoever related to the administration / operation of such Funds or schemes or in relation to the obligation to make contribution to the said Funds or schemes in accordance with provisions of such Funds or schemes according to the terms provided in the respective Trust Deeds or other documents. All the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or schemes shall become those of the Transferee Company and the services of the employees will be treated as being continuous for the purpose of the aforesaid Funds or schemes.

11. ISSUE AND ALLOTMENT OF SHARES UNDER THE SCHEME

11.1 Issue of Shares

Upon the Scheme being finally effective, in consideration of the Transfer, vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall subject to the provisions of this Scheme, without any further act, application or deed, issue and allot, 3 (three) Equity Share of Rs.10/- (Rupees ten only) each fully paid up in the capital of the Transferee Company for every 22 (Twenty two) Equity Shares of Rs.10/- (Rupees ten only) fully paid up and held in the capital of the Transferor Company, to the Equity Shareholders of the Transferor Company whose names are shown in the Register of Members on a date (Record Date) to be fixed by the Board of the Transferee Company. Such Equity Shares, on allotment, will rank

pari passu in all respects with the existing Equity Shares of the Transferee Company.

- (a) The new Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.
- (b) As a result of the issue and allotment of the share capital of the Transferor-company in the manner specified in sub-clause 11 hereinabove, if any equity shareholder of the Transferor-company becomes entitled to any fraction of equity shares of the Transferee-company, no such fractional coupon shall be issued in respect of or representing such equity shares of the Transferee-company, but such fractional coupon shall be consolidated into whole equity shares and the Board of Directors of the Transferee-company, or a Committee thereof may allot any one or more of such consolidated shares to any nominee (s) as the Board of Directors or the Committee may in their absolute discretion deem fit for the purpose of holding and selling of such consolidated equity shares. Every such sale of the consolidated equity shares shall be at such price or prices as may be approved by the Board of Directors or the Committee and upon receipt of the purchase price in respect of such sale (provided the Board of Directors or the Committee approved the purchaser), the Board of Directors or the Committee shall allot the equity shares to the approved purchaser/s. The total net sale proceeds of such consolidated equity shares (after defraying there from all costs, charges and expenses of sale) shall be distributed and divided among those equity shareholders of the Transferor Company as would otherwise have been entitled to such fractions of the equity shares of the Transferee Company in proportion to their respective interest in such fractions.
- (c) The Share Certificates held by the Shareholders of the Transferor Company shall be surrendered to the Transferee Company for cancellation.
- (d) The shares held in the electronic form in the Transferor Company shall stand automatically cancelled and the requisite number of new shares shall be issued in the same electronic form by the Transferee Company.
- (e) The New Equity shares of the Transferee Company issued in terms of clause 11 shall, subject to the execution of the listing agreement and payment of the appropriate fees, be listed on recognised stock exchanges in India, where the shares of the Transferee Company are already listed.
- (f) Approval of the Scheme by the Shareholders of the Transferee Company shall amount to compliance with the provisions of Section 81(1A) of the Act for the offer and allotment of New Equity Shares pursuant to clause 11.1 to the members of the Transferor Company in accordance with and subject to the provisions of the Scheme.

12. APPLICATION TO HON'BLE HIGH COURT

The Transferor and Transferee Company hereto shall, with all reasonable despatch, make an application under Section 391 and 394 of the Act to the Hon'ble High Court of Judicature at Bombay for necessary dispensation and sanctioning of this Scheme.

13. MODIFICATION/AMENDMENTS TO THIS SCHEME

13.1 The Transferor Company through their Directors, may consent on behalf of all persons concerned, to any modification/s or amendment/s of this Scheme or to any conditions which the Hon'ble High Court and/or any other authorities under law may deem fit to approve of or impose, which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect. In construction herein, the word "Scheme" shall, also mean the scheme as so modified.

13.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Directors of the Transferor and Transferee Company are authorised to take such actions and/or to take such steps as may be necessary or desirable, including any actions for settling any questions, doubts or difficulty whatsoever that may arise.

APPROVALS/SANCTIONS

This Scheme is conditional and subject to:-

Both the Companies obtaining such consents or approvals as may be required under any statute or contract not specifically referred to in this Scheme.

14.2 The approval of the Scheme by the requisite majority of the members of the Transferor and Transferee Company.

14.3 The sanctions of the Hon'ble High Court of Judicature at Bombay with or without modification, and necessary orders passed under Sections 391 and 394 of the Act, in favour of the Transferor and Transferee Company and to the necessary order or orders under section 394 of the Act, being obtained.

14.4 The filing of the necessary certified copies of the said order or orders with the Registrar of Companies, Mumbai, Maharashtra State.

14.5 Any other sanction or approval of any concerned Authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and

granted in respect of any of the matters for which such sanction or approval is required.

15. EFFECTS OF NON RECEIPT OF APPROVALS/SANCTIONS

15.1 In the event of any of the sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the order or orders not being passed as aforesaid or for any other reason this Scheme cannot be implemented on or before 31st March 2006, or any such date mutually extended by both the companies, then the Board of Directors of the Transferor Company and the Transferee Company, shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, this Scheme shall become null and void, and each party shall bear its respective costs, charges and expenses in connection with this Scheme.

15.2 Although this Scheme comes into operation from the Appointed Date, it shall become effective on the date on which the necessary certified copies of the order under Sections 391 and 394 of the Companies Act, 1956, are duly filed with the Registrar of Companies, Mumbai, Maharashtra.

16. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, expenses, taxes including duties, levies in connection with the Scheme of the Transferor Company in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of this Scheme, shall be borne and paid by Transferee Company alone.

17. DISSOLUTION OF TRANSFEROR COMPANY

Upon the Scheme being sanctioned by an Order made by the Court under Section 394 of the Act, the Transferor Company shall stand dissolved without winding up on the Effective Date. Similarly, the Board of Directors (or any committee thereof) of the Transferor Company shall, without any further act, instrument or deed, be and stand dissolved as on the Effective Date.

TRUE - COPY

M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

In The High Court of Judicature
at Bombay

Ordinary Original Civil
Jurisdiction

Company Petition No 737 of 2005

Connected with

Company Application No 532 of
2005

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

And

In the matter of Scheme of
Amalgamation of The Himco
(India) Limited with Kamat
Hotels(India) Limited

Kamat Hotels (India) limited
.....Petitioner



AUTHENTICATED COPY OF ORDER
DATED 9TH DECEMBER 2005

20-12-2005
Appointed on
Engrossed on
Written by
Sd/-
Examined by
Compared with
Ready on
Delivered on

HEMANT SETHI
ADVOCATE FOR PETITIONER

8

HIGH COURT, BOMBAY

0169674

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 614 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 479 OF 2011

Kamat Holiday Resorts Private Limited

.....Petitioner/First Transferor Company

AND

COMPANY SCHEME PETITION NO 615 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 480 OF 2011

Kamats Restaurants Private Limited

.....Petitioner/Second Transferor Company

AND

COMPANY SCHEME PETITION NO 616 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 481 OF 2011

Kamats Holiday Resorts (Silvassa) Limited

.....Petitioner/Demerged Company

AND

COMPANY SCHEME PETITION NO 617 OF 2011

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 490 OF 2011

Kamat Hotels (India) Limited

.....Petitioner/Transferee Company

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

"Disclaimer Clause : Authenticated copy is not a Certified Copy"

HIGH COURT, BOMBAY

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0169673

AND
In the matter of Sections 391 & 394 of the
Companies Act, 1956;
AND
In the matter of Scheme of Arrangement
And Amalgamation
BETWEEN
Kamat Holiday Resorts Private Limited
AND
Kamats Restaurants Private Limited
AND
Kamats Holiday Resorts (Silvassa) Limited
AND
Kamat Hotels (India) Limited
AND
their Respective Shareholders

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the
Petitioner Company in all the Petitions.

Mrs. R.N.Sutar, Asst. Official Liquidator, present in Company
Scheme Petition Nos. 614 of 2011 and 615 OF 2011.

Ms. Soma Singh, i/b Mr. H. P. Chaturvedi for Regional Director in
all the Petitions.

CORAM: S. C. Darmadhikari, J.

DATE: 13th January 2012

P.C.:

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to a Scheme of Arrangement and Amalgamation for Amalgamation of Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited into Kamat Hotel (India) Limited and demerger of Lotus Resort Goa undertaking' of Kamats Holiday Resorts (Silvassa) Limited into Kamat Hotels (India) Limited.

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3. Counsel appearing on behalf of the Petitioners has stated that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioners undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the rules made there under. The said undertaking is accepted.

4. The Regional Director has filed an affidavit stating therein that save and except as stated in paragraph 6, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said Affidavit it is stated that :-

"That the Deponent further submits that as per clause No. 18.7 of the scheme states that the difference, if any, between the amount recorded in terms of clause 18.1 to 18.6 of the scheme and share capital issued pursuant to Clause 16 of the scheme shall be adjusted in the general reserves of the amalgamated Company. The clause 30.1.3 of the scheme states that the surplus, if any pursuant to the above accounting treatment shall be credited to general reserve of the Transferee Company. In this connection it is submitted that the Reserve arising out of this scheme shall not be utilized for the purpose of declaring dividend by the Transferee Company in future".

HIGH COURT, BOMBAY

0169671

5. In reply to the aforesaid query raised by the Regional Director, the Transferee Company through its Counsel undertakes that the reserve arising out of the Scheme shall not be utilized for the purpose of declaring dividend by the Transferee Company in future. The said undertaking is accepted.
6. The Official Liquidator has filed his report stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved.
7. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the Scheme.

Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No 614 of 2011, 615 of 2011, 616 of 2011 and 617 of 2011 are made absolute in terms of prayer Clause (a) of the respective Petitions.
9. The Petitioners to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of order.

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5 HIGH COURT, BOMBAY

0169670

10. Petitioner Companies are directed to file a copy of this order alongwith a copy the Scheme with the concerned Registrar of companies, electronically, along with E-form 21 in addition to the physical copy, within 30 days from the date of issuance of the order by the Registry.
11. The Petitioner Companies in all the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director. Petitioners in Company Scheme Petition Nos. 614 of 2011 and 615 of 2011 to pay sum of Rs 10,000/- each to the Official Liquidator towards his costs. Costs to be paid within four weeks from today.
12. Filing and issuance of the drawn up order is dispensed with.

All authorities concerned to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay.

(S. C. DHARMADHIKARI, J)

TRUE-COPY!
Done
17/02/12
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
U...
18/2/2012
Section Officer
High Court, Appellate Side
Bombay

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**SCHEME OF ARRANGEMENT AND AMALGAMATION
BETWEEN**

**KAMAT HOLIDAY RESORTS PRIVATE LIMITED
AND
KAMATS RESTAURANTS PRIVATE LIMITED
AND
KAMATS HOLIDAY RESORTS (SILVASSA) LIMITED
AND
KAMAT HOTELS (INDIA) LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

(Under Section 391 to 394 of the Companies Act, 1956)

1. The Scheme is divided into following parts:
- 1.1 Part 1 deals with the introductions and definitions;
- 1.2 Part 2 deals with the Amalgamation of Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited into Kamat Hotel (India) Limited;
- 1.3 Part 3 deals with the Demerger of 'Lotus Resort Goa undertaking' of Kamats Holiday Resorts (Silvassa) Limited into Kamat Hotels (India) Limited ; and
- 1.4 Part 4 deals with the general terms and conditions that will be applicable to Part 2 and Part 3 of the Scheme.

**PART I
INTRODUCTION AND DEFINITIONS**

- 2.1 Kamat Hotels (India) Limited, ("KHIL") is a well-reputed existing company carrying on the business of running Hotels, Restaurants, Apartment house and other related activities and owns inter alia, a Five Star Hotel "The Orchid" Near domestic Airport, Vile Parle (East), Mumbai, "The Orchid" being Asia's First Certified Eco Friendly five Star Hotel. The equity shares of KHIL are listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE).
- 2.2 Kamat Holiday Resorts Private Limited, ("KHRPL") is a company incorporated under the Companies Act, 1956 and runs a resort at Murud under the Brand Name Lotus Resort.
- 2.3 Kamats Restaurants Private Limited, ("KRPL") is a company incorporated under the Companies Act, 1956 and carrying on Restaurants Business under the Brand Name, inter alia, Vithal Kamats - The Original Family Restaurant- Achha Hai Sachha Hai as Licensed user.
- 2.4 Kamats Holiday Resorts (Silvassa) Limited, ("KHRSL") is a company incorporated under the Companies Act, 1956 having two Resorts, that is, Lotus Resort, Silvassa and Lotus Resort Goa and carry on the hospitality business in the said Resorts etc.

3. This Composite Scheme of Arrangement and Amalgamation ("Scheme") provides for:
 - Amalgamation of Kamat Holiday Resorts Private Limited and Kamats Restaurants Private Limited into Kamat Hotels (India) Limited and Demerger of 'Lotus Resort Goa Undertaking' (*as defined hereunder*) of Kamats Holiday Resorts (Silvassa) Limited and merger thereof into Kamat Hotels (India) Limited and consequent allotment of shares to shareholders of KHRPL, KRPL and KHRSL;
4. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.
5. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
 - 5.1 "Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof;
 - 5.2 "Appointed Date" For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means April 1, 2011 or such other date as may be approved by the High Court of Judicature at Bombay;
 - 5.3 "Effective Date" means the last of the dates on which the sanctions, approvals or orders specified in Clause 34 of this Scheme are obtained and the later of the date on which the authenticated/certified copy of the Order of the High Court of Judicature at Bombay is filed with the Registrar of Companies, Maharashtra;
 - 5.4 "High Court" means High Court of Judicature at Bombay;
 - 5.5 'Kamat Hotels (India) Limited', ("KHIL"), the Amalgamated/Transferee Company was incorporated under the Companies Act, 1956 and having its registered office at 70-C, Nehru Road, Near Santacruz Airport, Vile Parle (East), Mumbai 400099;
 - 5.6 'Kamat Holiday Resorts Private Limited', the First Amalgamating or the Transferor Company was incorporated under the Companies Act, 1956 having its registered office at G-1, Ground floor, Express Building, IMC Marg, Churchgate, Mumbai 400020;
 - 5.7 'Kamats Restaurants Private Limited', the Second Amalgamating or Transferor Company, was incorporated under the Companies Act, 1956 having its registered office at KHIL House, 70-C, Nehru Road, Vile Parle (East), Mumbai 400099;
 - 5.8 'Kamats Holiday Resorts (Silvassa) Limited', the Demerged/Transferor Company, was incorporated under the Companies Act, 1956 having its registered office at 70-C, Nehru Road, Vile Parle (East), Mumbai 400099;
 - 5.9 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement and Amalgamation in its present form submitted to the High Court of Judicature at Bombay for sanction with any modification(s) approved or imposed or directed by the said High Court;

- 5.10 "Record Date" means the date to be fixed by the Board of Directors of KHIL or respective Transferor Companies for the purpose of issue of shares as per this Scheme;
- 5.11 "Lotus Resort Goa Undertaking" shall mean and include Leasehold immovable Property of KHRSL being lying and situated at village of Benaolim within the local limits of village Panchayat of Cana Benaolim, Taluka and Registration sub-district of Salcete, district Goa, State of Goa comprising of all that piece or parcel or plot of land forming part of the Property known as Nono Lanco de Praias admeasuring about 40,170 Square meters and Resort Buildings standing thereon with 48 Rooms and other facilities and also common facilities like swimming pool, club house, cars parking space, recreation garden and land scaping, health club, sewerage treatment plant, Dish Antenna etc, in the building complex Lotus Hermitage and
- 5.11.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, intangible, present, future or contingent) and liabilities pertaining thereto.
- 5.11.1.1 Without prejudice to the generality of the provisions of sub-clause 5.11.1 above, the Lotus Resort Goa Undertaking shall include in particular:
- (i) All properties of or required for the above business wherever situated, including all fixed assets, current assets, funds, capital work in progress, furniture, fixtures, office equipment, debtors, vehicles, plant and machineries, deposits, loans and advances, appliances and accessories;
 - (ii) All permits, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies, bank accounts, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Lotus Resort Goa Undertaking;
 - (iii) All records, files, papers, engineering and process information, computer programs, 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 form or electronic form in connection with or relating to the Lotus Resort Goa Undertaking; and
 - (iv) Fixed deposits, debts, duties, obligations, and liabilities (including contingent liabilities) relatable to the Lotus Resort Goa Undertaking.
 - (v) For the purpose of this Scheme, it is clarified that liabilities pertaining to the Lotus Resort Goa Undertaking include:
 - (i) The liabilities, which arise out of the activities or operations of the Lotus Resort Goa Undertaking.
 - (ii) Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Lotus Resort Goa Undertaking.

- (iii) Liabilities other than those referred to in sub-clauses (i) and (ii) above, being the amounts of general or multipurpose borrowings of KHRSL, allocated to the Lotus Resort Goa Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of KHRSL, immediately before giving effect to this Scheme.

5.11.2 All permanent employees of the Lotus Resort Goa Undertaking, as identified by the Board of Directors of KHRSL, as on the Effective Date.

5.11.3 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Lotus Resort Goa Undertaking or whether it arises out of the activities or operations of the Lotus Resort Goa Undertaking shall be decided by mutual agreement between the Board of Directors of KHIL and KHRSL;

6. INTERPRETATION

- 6.1 The words importing the singular include the plural; words importing a gender include each of the masculine, feminine and neuter genders.
- 6.2 Any word or expression used and not defined in the Scheme but defined in the Act shall have meaning respectively assigned to them in the Act.

7. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 33 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.



8. JUSTIFICATION

- (a) KRPL, as a licensed user, has established restaurant Brand "Vithal Kamats - The Original Family Restaurant- Achha Hai Sachha Hai" having about 17 own/franchise outlets at present, KHIL will be able to plan for scaling up to 150 units with very low capex in next 3 years. Synergies of the restaurant business can boost the profitability of KHIL and hence will bring overall enhancement in value for all the stakeholders.
- (b) The Proposed Amalgamation will enable KHIL to acquire existing running units. This will also save on implementation time, risk and costs.

- (c) The proposed Amalgamation would enhance the capability of KHIL to face competition in the market more effectively thereby strengthening the combined market position and growth prospects.
- (d) Presently, KHIL, KRPL, KHRPL and KHRSL are engaged in the business of hotels, resorts and restaurants but serving different class of customers in different regions. The proposed Amalgamation will enable KHIL to offer its services across different class of customers more efficiently. The Amalgamated Company (KHIL) will benefit from synergies, economics and consolidation of management.
- (e) Greater internal control on the business processes by combining similar businesses together and ease of decision-making of the respective verticals.
- (f) The scheme is beneficial to both the companies and their shareholders as it will enhance shareholders value.
- (g) KHIL will own two more Resorts Properties under "Lotus" Brand. With addition of about 88 rooms and a chain of restaurants, it will make KHIL one of the largest chains of hotels and restaurants.
Achieving economies of scale.
- (i) Lesser regulatory / procedural compliance.
- (j) Integrate, rationalize and streamline the management structure of the merged business.
- (k) Combined capital resources would strengthen the financial position of the merged entity and result in increasing leveraging capacity of the merged entity i.e. its capacity to borrow funds for business purposes.
- (l) Pooling of the human talents in terms of manpower, management, administration and marketing which would result in savings of costs.
- (m) Amalgamation of the companies would eliminate duplication of work, administrative services, and will result in cost savings.
- (n) Cost saving in fees/ duties payable on statutory and procedural compliance.
- (o) Facilitate inter transfer of resources and costs and optimum utilization of assets.



- (p) Synchronizing of efforts to achieve uniform corporate policy.
- (q) Ease in decision making.
- (r) To reflect the consolidated net worth of these companies in one balance sheet.

9. CAPITAL STRUCTURE

- 9.1 The share capital of KHIL as per the last audited financials i.e. on March 31, 2011 was as under:

Authorised Capital	Amount in Rs.
3,00,00,000 Equity Shares of Rs. 10 each	3,00,00,000
Total	3,00,00,000
Issued, Subscribed and Paid up Capital	
1,50,41,205, Equity Shares of Rs. 10 each, fully paid up	15,04,12,050
Add: Forfeited Shares Account	58,85,000
Total	15,62,97,050

Subsequence to the balance sheet there is no change in the Capital structure of KHIL.

- 9.2 The share capital of KHRPL as per the last audited financials i.e. on March 31, 2011 was as under:

Authorised Capital	Amount in Rs.
2,25,00,000 Equity Shares of Re. 1 each	2,25,00,000
Total	2,25,00,000
Issued, Subscribed and Paid up Capital	
2,23,12,500 Equity Shares of Re. 1 each, fully paid up	2,23,12,500
Add: Forfeited Shares Account	41,250
Total	2,23,53,750

Subsequence to the balance sheet there is no change in the Capital structure of KHRPL.

- 9.3 The share capital of KRPL as per the last audited financials i.e. on March 31, 2011 was as under:

Authorised Capital	Amount in Rs.
2,00,00,000 Equity Shares of Re. 1 each	2,00,00,000
Total	2,00,00,000
Issued, Subscribed and Paid up Capital	
1,95,00,000 Equity Shares of Re. 1 each, fully paid up	1,95,00,000
Add: Forfeited Shares Account	32,500
Total	1,95,32,500

Subsequence to the balance sheet there is no change in the Capital structure of KRPL.

- 9.4 The share capital of KHRSL as per the last audited financials i.e. on March 31, 2011 was as under:

Authorised Capital	Amount in Rs.
10,00,000 Equity Shares of Rs. 10 each	1,00,00,000
5,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each	50,00,000
Total	1,50,00,000
Issued, Subscribed and Paid up Capital	
10,00,000 Equity Shares of Rs. 10 each, fully paid up	1,00,00,000
5,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up	50,00,000
Total	1,50,00,000

Subsequence to the balance sheet there is no change in the Capital structure of KHRSL.

PART-II

**AMALGAMATION OF KAMAT HOLIDAY RESORTS PRIVATE LIMITED
AND KAMATS RESTAURANTS PRIVATE LIMITED WITH KAMAT
HOTELS (INDIA) LIMITED****10. TRANSFER OF UNDERTAKING**

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Undertaking of the Amalgamating Companies shall, pursuant to Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Amalgamated Company.
- (b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Amalgamating Companies, and shall, upon such transfer, become the property, estate, assets, rights, title, interests and authorities of the Amalgamated Company as an integral part of the Undertaking.
- (c) In respect of such of the assets of the Undertaking other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, 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 Amalgamated Company on the Appointed Date pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all the investments made by the Amalgamating Companies and all the rights, title and interests of the Amalgamating Companies in any leasehold properties in relation to the Undertaking shall, pursuant to Section 394 (2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company.
- (d) All debts, outstanding and receivables of the Amalgamating Companies shall on and from the Appointed Date stand transferred to and vested in the Amalgamated Company without any notice or other intimation to the debtors (although the Amalgamated Company may, if it so deems appropriate, give notice to the debtors that the debts do stand transferred to and vested in the Amalgamated Company), and the debtors shall be obliged to make payments to the Amalgamated Company on and after the Effective Date.
- (e) All estates, assets, including intangible assets, rights, title, interests and authorities accrued to and/or acquired by the Amalgamating Companies after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/or acquired for and on behalf of the Amalgamated Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further



act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, rights, title, interests and authorities of the Amalgamated Company.

- (f) This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.
11. Upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (a) All secured and unsecured debts (whether in INR or foreign currency), all liabilities, duties, obligations and undertakings of the Amalgamating Companies of any nature whatsoever along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "Liabilities") shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in, the Amalgamated Company, so as to become the Liabilities of the Amalgamated Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or any arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- (b) (i) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form), if any, due or which may at any time in the future become due between the respective Amalgamating Companies and the Amalgamated Company shall stand discharged and there shall be no liability in that behalf on either party.
- (ii) All debentures, bonds, notes or other debt securities of the Amalgamating Companies, if any whether convertible into equity or otherwise, (the "Securities"), shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed become securities of the Amalgamated Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated Company as if it were the respective Amalgamating Companies in respect of the Securities so transferred.
- (c) It is clarified that, unless otherwise determined by the Board of Directors of the Amalgamated Company, in so far as the assets comprising the Undertaking are concerned:
- (i) the security or charge relating to loans or borrowings of the Amalgamating Companies shall without any further act or deed continue to relate to the said assets after the Effective Date.

- (ii) the assets of the Amalgamated Company ~~shall not relate to or be available as security in relation to the said borrowings of the Amalgamating Companies.~~
- (d) (i) Where any of the liabilities and obligations of the Amalgamating Companies as on the Appointed Date ~~transferred to the Amalgamated Company~~ have been discharged by the ~~Amalgamating Company~~ after the Appointed Date and prior to the Effective Date, ~~such discharge shall be deemed to have been for and on account of the Amalgamated Company.~~
- (ii) All loans raised and utilized and all debts, ~~duties, undertakings,~~ liabilities and obligations incurred or undertaken by the Amalgamating Companies in relation to or in connection with the ~~Undertaking after the Appointed Date~~ and prior to the Effective Date subject to the provisions of this Scheme shall be deemed to have been raised, ~~used, incurred or undertaken~~ for and on behalf of the Amalgamated Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Amalgamated Company and shall become the debt, duties, undertakings, liabilities and obligations of the Amalgamated Company which shall meet, discharge and satisfy the same.

12. BUSINESS AND PROPERTY OF THE AMALGAMATING COMPANIES TO BE HELD IN TRUST FOR THE AMALGAMATED COMPANY

For the period beginning on and from the Appointed Date and ending on the Effective Date: -

- (a) The Amalgamating Companies shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and possessed of and shall continue to hold and stand possessed of all the Assets, properties and Liabilities for and on account of and in trust for the Amalgamated Company. The Amalgamating Companies hereby undertakes to hold the Assets, properties and Liabilities with utmost prudence until the Effective Date.
- (b) All the profits or income accruing or arising to the Amalgamating Companies and all costs, charges, expenditure, taxes or losses arising or incurred by the Amalgamating Companies shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, costs, charges, expenditure, taxes or losses as the case may be of the Amalgamated Company.
- (c) The Amalgamating Companies shall carry on its business and activities until the Effective Date with reasonable diligence, and business prudence and shall not, without the prior consent of the Amalgamated Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the assets or any part thereof, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Amalgamating Companies.

Provided however, the Amalgamating Companies shall in the ordinary course of business be entitled to borrow in the form of loans if deemed necessary by it and



further consent for this purpose will not be required of the Amalgamated Company in that behalf.

- (d) The Amalgamating Companies shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.
- (e) The Amalgamating Companies shall not, without the prior written consent of the Board of Directors of the Amalgamated Company, undertake any new business or a substantial expansion of their existing business.
- (f) Neither the Amalgamating Companies nor the Amalgamated Company shall make any change in their capital structure (paid-up capital), other than changes pursuant to any prior commitments, obligations or arrangements or acts and deeds already made except by mutual consent of the Board of Directors of the Amalgamated Company and the Amalgamating Companies.

13. LEGAL PROCEEDINGS

- (a) All suits, actions, appeal, writ petitions, revisions or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Amalgamating Companies pending and/or arising on or before the Effective Date shall not abate, not be discontinued or not be in any way prejudicially affected by reason of the transfer of the business of the Amalgamating Companies pursuant to this Scheme but the Proceedings be continued, prosecuted and enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Amalgamating Companies as if the Scheme had not been made. On and from the Effective Date, the Amalgamated Company shall and may initiate any Proceedings which were earlier in the name of the Amalgamating Company.
- (b) On and from the Appointed Date but on or before the Effective Date, if any Proceedings are taken against the Amalgamating Companies, the same shall be defended by the Amalgamating Companies for and on behalf of the Amalgamated Company.

14. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

The Transfer and vesting of the properties and liabilities under Clause 10 above and the continuance of the proceedings mentioned in Clause 13 above shall not in any manner affect the transaction or proceedings already concluded by or against the Amalgamating Companies:-

- (i) On or before the Appointed Date and that the Amalgamated Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatever nature done and executed by the Amalgamating Companies.
- (ii) After the Appointed Date but before the Effective Date; and that the Amalgamated Company accepts on behalf of itself all acts, deeds, bonds, agreements and other instruments of whatever nature done and executed by the Amalgamating Company.

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Amalgamating Companies are parties or to the benefit of which the Amalgamating Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of the Amalgamating Companies as the case may be and may be enforced as fully and effectually as if, instead of the Amalgamating Companies, the Amalgamated Company had been a party or beneficiary thereto. The Amalgamated Company shall, if required, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any multipartite agreements, arrangements, confirmations or novations to which the Amalgamating Companies will, if necessary, also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.

15. TREATMENT OF TAXES

- (a) Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/regulations [hereinafter in this Clause referred to as "Tax Laws"] dealing with taxes/ duties/ levies allocable or related to the business of the Amalgamating Companies to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Amalgamated Company.
- (b) All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Amalgamating Companies in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Amalgamated Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Amalgamating Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and shall, in all proceedings, be dealt with accordingly.
- (c) Any refund under the Tax Laws due to Amalgamating Companies consequent to the assessments made on Amalgamating Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Amalgamated Company.
- (d) Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Amalgamating Companies are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Amalgamated Company.



16. ISSUE OF SHARES

- 16.1 Upon coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking of the Amalgamating Companies in the Amalgamated Company, the Amalgamated Company shall without any further application or deed, be required to issue and allot to the equity shareholders of the Amalgamating Companies whose names appear in the register of members of the Amalgamating Companies as on the Record Date in the following ratio
- 16.1.1 To each shareholder of the First Amalgamating Company 4 (Four) equity share of the face value of Rs. 10/- each in the Amalgamated Company, credited as fully paid-up, (hereinafter referred to as the "New Equity Shares") for every 147 (One Hundred and Forty Seven) equity shares of the face value of Re. 1/- each held in the First Amalgamating Company.
- 16.1.2 To each shareholder of the Second Amalgamating Company 5 (Five) equity share of the face value of Rs. 10/- each in the Amalgamated Company, credited as fully paid-up, (hereinafter referred to as the "New Equity Shares") for every 56 (Fifty Six) equity shares of the face value of Re. 1/- each held in the Second Amalgamating Company.
- 16.1.3 The total number of New Equity Shares of Amalgamated Company to be issued and allotted to members of Amalgamating Company, shall be credited as fully paid up and shall be issued on the following terms:
- (a) The New Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Amalgamated Company and other provisions of this scheme.
 - (b) No fractional coupons/shares shall be issued by the Amalgamated Company in respect of fractional share entitlement, if any, to which the shareholders of the Amalgamating Companies may be entitled to, under the Scheme. In case fractional entitlement is 0.5 or more, then the same shall be rounded off as one share. However, in case entitlement is less than 0.5, then the same shall be ignored.
 - (c) Subject to the provisions of this Scheme, the New Equity Shares to be issued and allotted to the shareholders of the Amalgamating Companies pursuant to this Scheme shall in all respects, rank pari passu with the existing equity shares of the Amalgamated Company in respect of dividend, bonus, right shares, voting rights and other corporate benefits.
 - (d) Upon the New Equity Shares being issued and allotted, as aforesaid, the Share Certificates in respect of the equity shares held in the Amalgamating Company shall be deemed to have been automatically cancelled and of no effect and the Amalgamated Company instead of requiring surrender of such Certificates may directly issue and dispatch fresh Certificates in respect of the New Equity Shares issued and allotted by the Amalgamated Company. The New Equity shares to be issued by the Amalgamated Company shall be in demat form unless otherwise required or communicated in writing by the shareholder on or before such date as may be determined by the Board of Directors of the Amalgamated Company
 - (e) The New Equity Shares of Amalgamating Company issued in terms of Clause 16.1 above shall, subject to applicable regulations, be listed and/or admitted to trading on all the stock exchanges where the existing equity shares of Amalgamated Company are listed and/or admitted to trading.

- (f) Approval of the Scheme by the Shareholders of the Amalgamated Company shall amount to compliance with the provisions of Section 31(1A) of the Act for the offer and allotment of New Equity Shares pursuant to clause 16.1 to the members of the Amalgamating Companies in accordance with and subject to the provisions of the Scheme.

17. STAFF, WORKMEN AND EMPLOYEES OF THE AMALGAMATING COMPANIES

- (a) All staff, workmen and employees of the Amalgamating Companies in permanent service on the Effective Date shall become the staff, workmen and employees of the Amalgamated Company from Effective Date without any break or interruption in service and on the terms and conditions not in any way less favorable to them than those subsisting with reference to the Amalgamating Companies as the case may be on the said date.
- (b) It is expressly provided that as far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Schemes created or existing for the benefit of the staff, workmen and employees of the Amalgamating Companies are concerned, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Companies for all purposes whatsoever related to the administration or operation of such schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such schemes and Funds as per the terms provided in the respective Trust Deeds/ other documents. It is the end and intent that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such Funds/ Schemes shall become those of the Amalgamated Company. It is clarified that the services of the staff, workmen and employees of the Amalgamating Company will be treated as having been continuous for the purpose of the aforesaid Funds or provisions.
- (c) The Amalgamating Companies shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

18. ACCOUNTING

Upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation as under:

- 18.1 With effect from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Amalgamated Company be required all the assets and liabilities of the Amalgamating Company shall be recorded in the books of the Amalgamated Company at their respective book values as recorded in the books of the Amalgamating Company.
- 18.2 The credit balance in share premium of the Amalgamating Companies as on the Appointed Date shall be transferred to Share Premium Account in the Amalgamated Company. The accumulated balance in the profit & loss account of the Amalgamating Companies as on the Appointed Date shall be transferred to the profit & loss account of the Amalgamated Company. In other words, identity of reserves of the Amalgamating Companies shall be preserved.



- 18.3 To the extent there are inter-corporate investments between the Amalgamating Companies and the Amalgamated Company, the same shall be cancelled and accordingly effect shall be given in the books of account and records of the Amalgamated Company for cancellation of such investments.
- 18.4 In case of any difference in the accounting policy between the Amalgamating Companies and the Amalgamated Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy. Accounting policies of the Amalgamated Company will prevail.
- 18.5 To the extent that there are inter-corporate loans or balances between Amalgamating Companies and the Amalgamated Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company for the reduction of any assets or liabilities, as the case may be.
- 18.6 For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any inter-company loans or balances between Amalgamating Companies and the Amalgamated Company during the period between the Appointed Date and Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including inter alia any transactions in the nature of services between Amalgamating Companies and the Amalgamated Company during the period between the Appointed Date and the Effective Date.
- 18.7 The difference, if any, between the amount recorded in terms of clause 18.1 to 18.6 above and share capital issued pursuant to Clause 16 of the Scheme shall be adjusted in the General Reserves of the Amalgamated Company. The Surplus on Amalgamation shall be considered as a free reserve and shall be available for distribution of dividend.
- 18.8 It is hereby clarified that pursuant to the provisions of Clause 12, all transactions during the period between the Appointed Date and Effective Date relating to Amalgamating Companies would be duly reflected in the financial statements of Amalgamated Company, upon the coming into effect of this Scheme.
- 18.9 Notwithstanding the above, the Board of Directors of the Amalgamated Company is authorised to account any of the account balances in any manner whatsoever as may be deemed fit, in accordance with the Companies (Accounting Standards) Rules, 2006 framed under Section 211(3C) of the Companies Act, 1956 and any amendments thereto in consultation with the auditors of the Amalgamated Company.
- 18.10 The Amalgamated Company shall account for the amalgamation of Amalgamating Companies as per the Accounting Standard 14 - Accounting for Amalgamations (AS14) as stated in the Companies (Accounting Standards) Rules, 2006 framed under Section 211(3C) of the Companies Act, 1956 and any amendments thereto.

19. COMBINATION OF AUTHORISED SHARE CAPITAL

- a. Upon coming into effect of the Scheme, the Authorized Capital of the Amalgamating Companies shall be deemed to be added to the Authorized Capital of the Amalgamated Company without any further act, deed or procedure,

formalities or payment of any stamp duty and registration fees. For this purpose, the face value of each share of the Amalgamating Companies shall be deemed to have been consolidated from Re. 1/- to Rs. 10/- and corresponding number of shares of the Amalgamating Companies shall be reduced.

- b. Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Amalgamated Company shall, without any further act, deed or instrument, shall accordingly be substituted as mentioned below:
The Authorised Share Capital of the Company is Rs. 34,25,00,000 (Rupees Thirty Four Crores Twenty Five Lakhs only) divided into 3,42,50,000 (Three Crores Forty Two Lakhs Fifty Thousand only) Equity Shares of Rs. 10/- (Rs. Ten only) each with such rights privileges and conditions attaching thereto as are provided in the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or subdivide the capital of the Company for the time being and time to time divide the shares in the capital of the Company into several classes and denominations and to issue any shares of the original or further capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend and distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 1956, for the time being in force.
- c. It is clarified that the approval of the members of Amalgamated Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum of Association of Amalgamated Company as required under Section 17 and other applicable provisions of the Act.

20. BOARD OF DIRECTORS OF THE AMALGAMATING COMPANIES

The Board of Directors (or any committee/ sub-committee thereof) of the Amalgamating Companies, upon the Scheme becoming effective, shall without any further act, instrument and deed stand dissolved. All the Directors of the Amalgamating Companies shall cease to be Directors of the Amalgamating Companies on coming into effect of this Scheme.

21. DISSOLUTION OF AMALGAMATING COMPANIES

On the Scheme coming into effect, the Amalgamating Companies shall, without any further act or deed, stand dissolved without winding up.

PART III

DEMERGER OF LOTUS RESORT GOA UNDERTAKING OF DEMERGED COMPANY

22. TRANSFER OF UNDERTAKING:

- 22.1 With effect from the Appointed Date all the estate, assets, rights, title and interest including accretions and appurtenances of the *Lotus Resort Goa undertaking* and that as specified under clause 5.11 above shall, subject to the provisions of this clause in relation to the mode of vesting and pursuant to section 394(2) and other applicable provisions of the Act, be transferred to and vest in or be deemed to be transferred to and vested in the Transferee Company, without any further act, deed, matter or thing, as a going concern, so as to become, from the



appointed date, the estates, assets, right, title and interest of the Transferee Company.

- 22.2 In respect of such of the assets of the Lotus Resort Goa undertaking, as are movable in nature or are otherwise capable of transfer by mere delivery, payment or by endorsement and delivery, the same shall be so transferred by the Demerged Company and shall become the property of the Transferee Company as an integral part of the Lotus Resort Goa undertaking.
- 22.3 All assets, rights, title and interest including accretions and appurtenances acquired by the Demerged Company after the Appointed Date and prior to the Effective date for the operations of the Lotus Resort Goa undertaking shall also stand transferred to and be vested in the Transferee Company upon the coming into effect of the scheme.
- 22.4 Upon coming into effect of the Scheme, the liabilities and obligations of the Lotus Resort Goa Undertaking as on the appointed date shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the effective date shall without any further act or deed be and stand transferred to the Transferee Company which shall undertake to meet, discharge and satisfy the same and shall mean to include the following:
- i. The liabilities including liability relating to the transferred employees for payment of gratuity, pension benefits, provident fund and compensation in the event of retrenchment, past or future, contingent or otherwise, which arose out of the activities or operations of the Lotus Resort Goa undertaking of the Demerged Company; and
 - ii. Where any of the liabilities and the obligations of the Lotus Resort Goa undertaking of the Demerged Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Demerged Company after the appointed date and prior to the effective date, such discharge shall be deemed to have been for and on account of the Transferee Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Lotus Resort Goa undertaking after the appointed date and prior to the effective date shall also without any act or deed be and stand transferred to the Transferee Company and shall become the liabilities of the Transferee Company, which shall undertake to meet, discharge and satisfy the same.
- 22.5 Any Statutory licenses, authorizations, permissions, approvals or other registrations held by the Demerged Company for the Lotus Resort Goa undertaking shall be deemed to constitute separated statutory licenses, authorizations, permissions, approvals, or other registrations and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon filing of this Scheme as sanctioned with such authorities and licensors, etc. as applicable after the same becomes effective, so as to empower and facilitate the continuation of operations of the Lotus Resort Goa undertaking and the Demerged Company separately & independently of each other.
23. 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.

24. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Upon coming into effect of the scheme and subject to the other provisions of this Scheme, all lawful agreements, arrangements, bonds, contracts, deeds, and other instruments of whatsoever nature specifically pertaining to Lotus Resort Goa undertaking to which the Demerged Company is a party shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, Transferee Company had been a party or beneficiary thereto.

25. TRANSFER OF EMPLOYEES

All the executives, staff, workmen and other employees in the service of the Demerged Company exclusive in connection with the Lotus Resort Goa undertaking immediately before the Effective Date, shall after the transfer of the Lotus Resort Goa Undertaking to the Transferee Company become the executives, staff workmen or other employees of the Transferee Company, ("Transferred Employees") on the basis that their services shall have been continuous and shall not have been interrupted by reason of transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947. The terms and conditions of service applicable to the Transferred Employees, after such transfer to the Transferee Company shall not in any way be less favorable to them than those applicable to them immediately before the transfer.

26. ENFORCEMENT OF LEGAL PROCEEDINGS

- 26.1 Upon coming into effect of the scheme if any suit, writ petition, appeal, revision or other proceeding of whatever nature (hereinafter also called "the proceedings") by or against the Demerged Company, in respect of Lotus Resort Goa undertaking pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Demerged Company or of anything contained in this Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Demerged Company.
- 26.2 If suits, appeals, actions or proceedings of any nature whatsoever are taken against the Demerged Company, in respect of Lotus Resort Goa undertaking, in respect of matters referred to above, it shall defend the same at the cost of the Transferee Company and the Transferee Company shall indemnify and hold harmless the Demerged Company against all such suits, appeals, actions, proceedings and/or claims, demands, fines, penalties, losses, damages, costs, charges, or expenses (including attorney's fees) whatsoever brought or made against, imposed on, incurred or suffered by the Demerged Company in connection with or in respect thereof.
- 26.3 The Transferee Company undertakes to have all suits, appeals, actions and other proceedings initiated by or against the Demerged Company, in respect of Lotus Resort Goa undertaking, in respect of matters above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Demerged Company.



27. CONDUCT OF BUSINESS

With effect from the Appointed Date and up to and including the Effective Date, the Demerged Company:

- 27.1 Shall carry on and be deemed to have been carrying on all business and activities of the Lotus Resort Goa undertaking and stand possessed of all estates, assets, rights title and interest of the Lotus Resort Goa Undertaking for and on account of and in trust for the Transferee Company.
- 27.2 All profits accruing to the Demerged Company or losses arising or incurred by it (including taxes if any) relating to Demerged Undertaking shall for all purposes be treated as the profits, or losses as the case may be, of the Transferee Company.
- 27.3 The Demerged Company hereby undertakes that it will, from the Appointed Date up to and including the Effective Date, preserve and carry on the business and activities of the Lotus Resort Goa undertaking with reasonable diligence and prudence and agrees that it will not, without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose of the Lotus Resort Goa undertaking or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees or undertake any new business or a substantial expansion of the existing business of the Lotus Resort Goa undertaking other than expansion which has been commenced or approved for implementation prior to the Appointed Date and pay all statutory dues (including advance tax) relating to the Lotus Resort Goa undertaking for and on account of the Transferee Company.
- 27.4 The transfer and vesting of the assets, liabilities and obligations of the Lotus Resort Goa undertaking under Clause 22 hereof and the continuance of suits, appeals, actions and proceedings by or against the Transferee Company under Clause 26 hereof shall not affect any transactions or suit, appeal, action or proceedings already completed by the Demerged Company on or before the Appointed Date to the end and intent that, subject to clause 24, the Transferee Company accepts all acts, deeds, matters, and things done and executed by and/or on behalf of the Demerged Company as acts, deeds, matters and things done and executed by or on behalf of the Transferee Company.
- 27.5 The Demerged Company shall not make any changes in the capital structure either by any increase, decrease, reduction, reclassification, sub-division or consolidation reorganization, or in any other manner except by the consent of the Transferee Company.
- 27.6 The Demerged Company shall not utilize the profits or income, if any, relating to the Business of Lotus Resort Goa Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of KHIL.

28. REMAINING BUSINESS

- 28.1 The remaining business and all assets, liabilities and obligations other than as specified in 22 hereof shall continue to belong to and vest in and be managed by the Demerged Company.
- 28.2 All suits, appeals, actions or other proceedings by or against the Demerged Company under any statute, whether pending on the appointed date or not in respect of any matter arising before, on or after the Effective Date and relating or pertaining to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect

of the Remaining Business) shall be continued, prosecuted and enforced by or against the Demerged Company.

28.3 With effect from the Appointed Date and upto and including the Effective Date, the Demerged Company:

- i. Shall carry on and be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- ii All profits accruing to the Demerged Company thereon and losses arising or incurred by it (including the effect of taxes, inclusive of advance taxes paid, if any, thereon) relating the Remaining Business shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company.

28.4 All contracts, deeds, bonds, and any other instruments entered into in relation to the remaining business shall be treated as contracts, deeds, bonds and any other instruments entered for and on behalf of the Demerged Company.

29. CONSIDERATION

29.1 The Arrangement of the Demerged Company with the Transferee Company will be made on the basis that the Transferee Company shall upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Lotus Resort Goa undertaking of the Demerged Company in the Transferee Company, issue and allot in its capital credited as paid up to the extent indicated below, to the equity shareholders of the Demerged Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title whose names appear in the Register of Members of the Demerged Company on the Record Date in the following proportion viz.: -

29.1.1. 20 (Twenty) Equity share of the face value of Rs. 10/- each credited as fully paid up of KHIL for every 39 (Thirty Nine) Equity shares of the face value of Rs. 10/- each credited as fully paid up held in KHRSL.

29.1.2 In case any equity shareholder's holding in the Demerged Company is such that the equity shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer.

29.1.3 The new equity shares in the Transferee Company to be issued to the equity shareholders of the Demerged Company pursuant to Clause 29.1 above shall be subject to the Memorandum and Articles of Association of Transferee Company and shall rank pari passu with the existing equity shares of Transferee Company.

30. ACCOUNTING TREATMENT

30.1 In the books of KHIL:

30.1.1. KHIL shall, upon the Arrangement becoming operative, record the assets and liabilities of the Lotus Resort Goa undertaking of Demerged Company vested in it pursuant to this Scheme, at the respective book values thereof as appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date.



- 30.1.2 KHIL shall credit in its books of account, face value of the shares issued to the shareholders of Demerged Company pursuant to the Scheme, to the Share Capital Account;
- 30.1.3 The surplus, if any, pursuant to the above accounting shall be credited to the General Reserve of Transferee Company. In case of a deficit, the same shall be debited to the Goodwill of Transferee Company; and
- 30.1.4 The Transferee Company (by its Board of Directors) may alter or modify the provisions of this Clause 30.1, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws and applicable Accounting Standards as stated in the Companies (Accounting Standards) Rules, 2006 framed under Section 211(3C) of the Companies Act, 1956.

30.2 In the books of KHRSL:

- 30.2.1. On the Scheme becoming effective, the net assets of the Lotus Resort Goa undertaking transferred to KHIL standing in the books of KHRSL shall be adjusted against the following in the order specified, to the extent required:-

- (a) First against General Reserve Account;
- (b) the balance left, if any, will be debited to the Goodwill Account;

- 30.2.2. The Demerged Company (by its Board of Directors) may alter or modify the provisions of this Clause 30.2.1, in consultation with their auditors, as they may deem fit and consider necessary, to settle any question / difficulty arising out of the Scheme, to comply with the relevant laws and applicable Accounting Standards as stated in the Companies (Accounting Standards) Rules, 2006 framed under Section 211(3C) of the Companies Act, 1956.

31. BUSINESS AND PROPERTY IN TRUST FOR KHIL

During the period between the Appointed Date and the Effective Date:

- 31.1 KHRSL shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets of the Lotus Resort Goa undertaking for and on account of and in trust for KHIL;
- 31.2 All the profits or income accruing or arising to KHRSL, including dividends, or expenditure or losses arising or incurred by KHRSL on account of the Lotus Resort Goa undertaking, shall for all purposes be treated and deemed to accrue as the profits or income or expenditure or losses (as the case may be) of KHIL; and
- 31.3 KHRSL shall not utilize the profits or income, if any, relating to the Business of Lotus Resort Goa Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the



Appointed Date, without the prior written consent of the Board of Directors of KHIL.

- 31.4 As and from the date of acceptance of this Scheme by the Board of Directors of KHRSL and the Board of Directors of KHIL and till the Effective Date, KHRSL shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of Lotus Resort Goa undertaking or any part thereof without the prior written concurrence of the Board of Directors of KHIL.

PART-IV

GENERAL TERMS AND CONDITIONS

32. APPLICATION TO HIGH COURT

KHIL, KHRPL, KRPL and KHRSL shall with all reasonable dispatch make applications/petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court of Judicature at Bombay for seeking necessary dispensation, approval of the Scheme.

33. MODIFICATION OR AMENDMENTS TO THE SCHEME

KHIL, KHRPL, KRPL and KHRSL by their respective Board of Directors or any Committee constituted by their respective Boards may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. KHIL, KHRPL, KRPL and KHRSL shall authorise their respective Boards of Directors or any Committee constituted by them to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authority or otherwise howsoever arising out of or by virtue of the Scheme or implementation thereof and/or any matter concerned or connected therewith.

34. CONDITIONALITY OF THE SCHEME

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

- 34.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 34.2 The approval by the requisite majorities of the classes of persons of KHIL, KHRPL, KRPL and KHRSL as directed by the High Court under Section 391 of the Act.
- 34.3. All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained.

- 34.4 The certified/authenticated copy of the High Court order sanctioning the Scheme being filed with the Registrar of Companies of Maharashtra at Mumbai;
- 34.5 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the respective Boards of Directors of KHIL, KHRPL, KRPL and KHRSL or any Committee constituted by the respective Board of Directors.

35. EFFECT OF NON-RECEIPT OF APPROVALS

In case the Scheme is not sanctioned by the Bombay High Court, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and KHIL, KHRPL, KRPL and KHRSL shall bear the entire cost, charges and expenses in connection with the Scheme equally unless otherwise mutually agreed.

36. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by KHIL only.

TRUE-COPY

Done
17/02/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

CERTIFIED TRUE COPY
for **HEMANT SETHI & CO.**

Hemant Sethi
ADVOCATES

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 617 OF 2011

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO 482 OF 2011

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

AND

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

AND

In the matter of Scheme of Arrangement And Amalgamation

BETWEEN

Kamat Holiday Resorts Private Limited

AND

Kamats Restaurants Private Limited

AND

Kamats Holiday Resorts (Silvassa) Limited

AND

Kamat Hotels (India) Limited

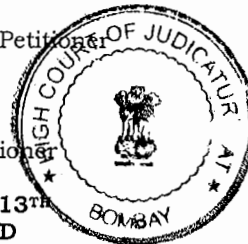
AND

their Respective Shareholders

Kamat Holiday Resorts Private Limited.....Petitioner

Kamat Hotels (India) Limited

.....Petitioner



AUTHENTICATED COPY OF ORDER DATED 13TH JANUARY 2012 AND THE SCHEME ANNEXED TO THE PETITION

IS

HEMANT SETHI & CO.
ADVOCATES FOR PETITIONER

Entered on 16/01/2012
 Crossed on 12/02/2012
 Section Writer
 Examined by
 Compared with
 Ready on 17/02/2012
 Delivered on 18/02/2012