

INFORMATION MEMORANDUM

INNOVASSYNTH INVESTMENTS LIMITED

(Incorporated as a public limited company on February 15, 2008 and obtained certificate of commencement of business dated March 4, 2008 under the Companies Act, 1956)

Registered Office: Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai – 400 013. Phone: (022)43448500; Fax: (022) 24923142;
E-mail: a.r.gadkari@futuraolyesters.com : pbk@innovassynthinvestments.com

Website: www.innovassynthinvestments.com

INFORMATION MEMORANDUM FOR LISTING OF 2,38,78,035 EQUITY SHARES OF RS. 10 EACH

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Innovassynth Investments Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Innovassynth Investments Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF INNOVASSYNTH INVESTMENTS LIMITED

Innovassynth Investments Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Innovassynth Investments Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Innovassynth Investments Limited are proposed to be listed on The Bombay Stock Exchange Limited (BSE).

SHARE TRANSFER AGENTS

Satellite Corporate Services Private Limited

302, Sony Apartment, Opp. St. Jude's High School,
Off Andheri- Kurla Road,
Jarimari, Sakinaka, Mumbai – 400 072
Tel.: +91-22-28520461/28520462
Fax: +91-22-28511809
E-mail: service@scspl.net
Website: www.scspl.com
Contact Person: Mr. Michael Monterio
SEBI Registration No: INR000003639

TABLE OF CONTENTS

Sr. No.	Particulars	Page No.
1	Abbreviations & General Terms Used	3
2	Risk Factors	4
3	General Information	4-6
4	Capital Structure	7-12
5	Objects Of The Scheme Of Arrangement	13
6	History	13
7	Management	14-16
8	Promoter	17-23
9	Group Companies & Subsidiaries	24-28
10	Management Discussion & Analysis	28
11	Outstanding Litigation and Material Developments	29-38
12	Government Approvals	38
13	Other Regulatory Disclosures	38
14	Dividend Policy	38
15	Financial Information	39-43
16	Annexure-I - Innovassynth Technologies (India)Limited(ITIL)	
16.1	History	44
16.2	Capital Structure	45-48
16.3	Business overview	49-53
16.4	Production Process	54-55
16.5	Locations	56
16.6	Human Resource	56-57
16.7	Management	58-67
16.8	Promoter	68
16.9	Subsidiaries	68
16.10	Group Companies	68
16.11	Management Discussion and Analysis	69-72
16.12	Outstanding Litigation and Material Developments	73-78
16.13	Government Approval	79
16.14	Results of the Operations as reflected in the Financial Statements.	80-98
17	Material Contracts and Documents	99-100
18	Articles of Association of Innovassynth Investments Ltd. (Attached as Schedule A)	101
19	Articles of Association of Innovassynth Technologies (India) Ltd. (Attached as Schedule B)	102
20	Declaration	103-104

ABBREVIATIONS & GENERAL TERMS USED.

In this Information Memorandum following abbreviations will have the full form as given below:

Abbreviation	Full Form
AGM	Annual General Meeting
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CEO	Chief Executive Officer
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
DNA	Deoxyribonucleic Acid
DIN	Directors Identification Number
DP	Depository Participant
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earning Per Share
FDA	Food & Drug Administration
FEMA	Foreign Exchange Management Act, 1999
GAAP	Generally Accepted Accounting Principles
Gol	Government of India.
HR	Human Resources.
IIL	Innovassynth Investments Limited
ITIL	Innovassynth Technologies (India) Limited
ISO	Indian Standard Organisation
MIS	Management Information Systems.
MoU	Memorandum of Understanding.
MT	Metric Tonne
NAV	Net Asset Value.
NRI(s)	Non Resident Indian(s).
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
PET	Polyethylene Terephthalate
PSF	Polyester Staple Fibre
RBI	Reserve Bank of India.
R&D	Research and Development
ROC	The Registrar of Companies, Maharashtra, Mumbai
SEBI	Securities and Exchange Board of India.
USA / US	United States of America

General Terms used in the Information Memorandum

Term	Definition
Act	The Companies Act, 1956 and amendments thereto from time to time.
Designated Stock Exchange/Stock Exchange	BSE.
Scheme of Arrangement	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, filed by Futura Polyesters Limited and Innovassynth Investments Limited with the High Court of Judicature, Bombay pursuant to which the High Court has sanctioned the said Scheme.
Futura	Futura Polyesters Limited

RISK FACTORS

Risks envisaged by the Management: Innovassynth Investments Limited (IIL) is holding 2,38,50,070 equity shares of Rs.10/- each in Innovassynth Technologies (India) Ltd. (ITIL). (herein after refer to as investment)Its only source of income is from dividend, if any, from Innovassynth Technologies (India) Ltd. Therefore, any adverse financial impact on the operation/business of ITIL will have negative impact on the revenue of Innovassynth Investments Limited.

In the section on Management Discussion and Analysis Report of ITIL appearing on Page No. 69 to 72 details of the opportunities and threats and other risks of business faced by ITIL are enumerated.

GENERAL INFORMATION

Authority for Listing

Futura and IIL filed prepared a Scheme of Arrangement under Sections 391 to 394 of the Companies Act. As per the Scheme of Arrangement, the shares held by Futura in ITIL are to be transferred and vested in IIL and in consideration thereof IIL would allot its equity shares to the shareholders of Futura in the proportion of 5 equity shares if IIL for every 11 equity shares held in Futura. The said Scheme of Arrangement was submitted to BSE and BSE gave its No objection letter to the Scheme vide their letter No.DCS/AMAL/RCG/24(f)/2825/2007-08 dated 3.3.2008. Thereafter the Scheme was filed in the High Court of Judicature, Bombay for sanction. As per instructions of the High Court meetings of the shareholders of IIL and Futura were held and the shareholders accorded their approval to the Scheme of Arrangement. Thereafter, the Honourable High Court of Judicature at Bombay, vide their Order dated July 4, 2008, have approved the Scheme of Arrangement (the "Scheme") filed under Sections 391 to 394 of the Companies Act, 1956 between by Futura Polyesters Limited (Futura) and Innovassynth Investments Limited (IIL) and their respective members whereby the investments held by Futura in Innovassynth Technologies (India) Limited (ITIL) has been transferred to and vested in IIL with effect from July 16, 2008 (i.e. the Effective Date under the Scheme). In accordance with the said Scheme, the Equity Shares of IIL allotted pursuant to the Scheme as well as existing shares of IIL issued for the purpose of incorporation of IIL shall, subject to applicable regulations, be listed and admitted to trading on Bombay Stock Exchange Ltd ("BSE"). Accordingly The Bombay Stock Exchange Ltd has granted Listing Approval vide their letter No DCS/AMAL/VB/355/2009-10 dated 22nd July 2009 and SEBI vide their letter No CFD/DIL/SP//VB/OW/30328/2010 DATED 16th Dec 2010, has granted relaxation from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957.

The aforesaid Order of the Honorable High Court of Judicature at Bombay was filed by Futura with the Registrar of Companies ("ROC"), Maharashtra on July 15, 2008 and by IIL with the ROC, Maharashtra on July 16, 2008.

IIL is submitting this Information Memorandum, containing information about itself and ITIL, making disclosures in line with the disclosure requirements for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites

IIL will make the said Information Memorandum available on website of ITIL as well as that of IIL.

IIL has published an advertisement in the newspapers containing its details in line with the requirements of Annexure to SEBI Circular No .SEBI/CFD/SCRR/01/2009/03/09 dated 3rd

Sept 2009. The advertisement draws a specific reference to the availability of aforesaid Information Memorandum on the websites of ITIL, IIL and of BSE.

IIL also undertakes that all material information about ITIL shall be disclosed to BSE on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement for disclosures. IIL has also obtained a specific undertaking from ITIL in this regard.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Annexure to Circular No .SEBI/CFD/SCRR/01/2009/03/09 dated 3rd Sept 2009 or any other material issued by or at the instance of the Company and any one placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

IIL is now seeking permission to deal in and for an official quotation of the equity shares of IIL form the The Bombay Stock Exchange Ltd.

IIL has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

IIL shall ensure that all steps will be taken for the completion of necessary formalities for listing and commencement of trading at BSE.

Demat Credit

IIL has executed Agreements with NSDL and CDSL for admitting its securities in demat form. IIL has made allotment of the equity shares and such shares are allotted in demat form to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Futura in demat form.

Share Transfer Agent

Satellite Corporate Services Private Limited

B- 302, Sony Apartment, Opp. St. Jude's High School, Off Andheri -Kurla Road,
Jarimari, Sakinaka, Mumbai – 400 072

Tel.: +91-22-28520461/28520462

Fax: +91-22-28511809

E-mail: service@scspl.net

Website: www.scspl.com

Contact Person: Mr. Michael Monteiro

SEBI Registration No. INM000003639

Auditors

M/s. N.M. Rajji & Co, Chartered Accountants,
Universal Insurance Building, 6th Floor, Sir P.M. Road, Fort
Mumbai 400 001

Phone No.022-22870068/22873463;

Fax Nos.022-2282 8646/ 2265 0578

E-Mail: nmr.ho@nmraiji.com

Banker to the Company

H D F C Bank Ltd,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

Phone No:022-24988484/24988280/24962012

Fax Nos.022-24960773

Compliance Officer and Company Secretary

Mr. A.R.Gadkari

Company Secretary

Innovassynth Investments Limited

Paragon Condominium, 3rd floor,

Pandurang Budhkar Marg,

Mumbai 400013

Phone No.:022-43448500;

Fax No.022-24923142

E-Mail:a.r.gadkari@futurapolyesters.com

Investors can contact the Compliance Officer in case of any share transfer related problem.

CAPITAL STRUCTURE

SHARE CAPITAL

		Aggregate value(Rs.)
A.	Authorised Capital Prior to Scheme 20,00,000 Equity Shares of Rs.10 each	2,00,00,000
B.	Issued, Subscribed and Paid-Up Capital Prior to Scheme 50,000 Equity Shares of Rs.10 each fully paid-up	5,00,000
C.	Number of Equity Shares to be issued as per Scheme of Arrangement approved by the High Court of Judicature, Bombay 2,38,28,035 Equity Shares of Rs.10 each	23,82,80,350
D.	Authorised Capital (Post scheme) 2,50,00,000 Equity Shares of Rs.10 each	25,00,00,000
E	Issued, and Paid-Up Capital (Post Scheme) 2,38,78,035 Equity shares of Rs. 10 each	23,87,80,350

1. The authorised share capital of IIL at the time of incorporation was Rs.200 lakhs, divided into 20,00,000 equity shares of Rs.10 each and the paid up capital for the purposes of incorporation was Rs. 5 lakhs divided into 50,000 equity shares of Rs. 10/- each.

2. As per the Scheme, IIL is required to issue and allot 2,38,28,035 equity shares of Rs. 10/- each to the shareholders of Futura in the proportion of 5 (five) fully paid up equity shares of Rs. 10/- of IIL against every 11 equity shares held in Futura.

Notes to the Capital Structure:

1) Share Capital History of IIL:

Date of Allotment/ credit to demat account	Date when fully paid up	Consideration	Number of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	% of post Scheme paid up capital
15.02.2008	15.02.2008	Cash	50,000	10	10	0.21
29.09.2008	29.09.2008	As per Scheme of Arrangement	2,38,28,035	10	10	99.79

2) There is no lock-in requirement for the shares of IIL.

3) Promoters of IIL, their relatives and associates, and their Directors have not purchased or sold or financed, directly or indirectly, any equity shares from the date of approval of the scheme by the High Court till the date of submission of this Updated Information Memorandum.

4) Shareholding pattern of IIL before and after the Scheme:

Innovassynth Investments Limited (Pre Scheme)

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	60	0	0.12	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	49940	0	99.88	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	7	50000	0	100.00	0.00	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	50000	0	100.00	0.00	0.00	0.00
(B)	Public shareholding							
1	Institutions							

(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0		0.00	0.00	0.00
(h)	Any Other (specify)							
(h-i)								
(h-ii)								
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	0	0	0	0.00	0.00	0.00	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	0	0	0	0.00	0.00	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	0	0	0	0.00	0.00	0.00	0.00
(c-ii)	Directors & Relatives	0	0	0	0.00	0.00	0.00	0.00
(c-iii)	Non resident Indians	0	0	0	0.00	0.00	0.00	0.00
(c-iv)	Clearing Member	0	0	0	0.00	0.00	0.00	0.00
(c-v)	Hindu Undivided families	0	0	0	0.00	0.00	0.00	0.00
(c-vi)	Overseas Corporate Bodies	0	0	0	0.00	0.00	0.00	0.00
(c-vii)	Employees	0	0	0	0.00	0.00	0.00	0.00
						0.00		
	Sub-Total (B)(2)	0	0	0	0.00	0.00	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.00	0.00	0.00	0.00
						0		
	TOTAL (A)+(B)	7	50000	0	100.00	0.0000	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0				
	GRAND TOTAL (A)+(B)+(C)	7	50000	0		0.00	0	0.00

Innovassynth Investments Limited (Post Scheme) as per Clause 35 of Listing Agreement.

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	19	7444427	7394486	31.18	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	19	7444427	7394486	31.18	0.00	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	19	7444427	7394486	31.18	0.00	0.00	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	15	72302	131	0.30	0.00	0.00	0.00
(b)	Financial Institutions / Banks	48	11714	3431	0.05	0.00	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	8	1316869	1315294	5.51	0.00	0.00	0.00
(f)	Foreign Institutional Investors	8	42393	39117	0.18	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0		0.00		
(h)	Any Other (specify)							
	Sub-Total (B)(1)	79	1443278	1357973	6.04	0.00	0.00	0.00

B 2	Non-institutions							
(a)	Bodies Corporate	547	3149674	3106928	13.19	0.00	0.00	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	37040	6914395	5724821	28.96	0.00	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	82	2844231	2825545	11.91	0.00	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	19	8757	1747	0.04	0.00	0.00	0.00
(c-ii)	Directors & Relatives	5	32679	32199	0.14	0.00	0.00	0.00
(c-iii)	Non resident Indians	187	560674	558414	2.35	0.00	0.00	0.00
(c-iv)	Clearing Member	20	17411	17411	0.07	0.00	0.00	0.00
(c-v)	Hindu Undivided families	435	419925	419925	1.76	0.00	0.00	0.00
(c-vi)	Overseas Corporate Bodies	4	1042584	0	4.37	0.00	0.00	0.00
(c-vii)	Employees	0	0	0	0.00	0.00	0.00	0.00
						0.00		
	Sub-Total (B)(2)	38339	14990330	12686990	62.78	0.00	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	38418	16433608	14044963	68.82	0.00	0.00	0.00
						0		
	TOTAL (A)+(B)	38437	23878035	21439449	100.00	0.0000	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0				
	GRAND TOTAL (A)+(B)+(C)	38437	23878035	21439449		0.00	0	0.00

5) List of the persons/entities comprising Promoter and Promoters Groups are given below: List of the persons/entities comprising Promoter and Promoters Groups are given below:

(I) Statement showing Shareholding of persons belonging to
(b) the category

“Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+ (B)+ (C) indicated in Statement at para (I) (a) above}	Shares Pledged or otherwise encumbered		
				Number of shares	% to the total promoter holding	% to the grand total
1	BLOOMINGDALE INVESTMENT & FINANCE PRIVATE LIMITED	2412414	10.10	0.00	0.00	0.00
2	MATSYAGANDHA INVESTMENTS AND FINANCE PRIVATE LIMITED	2015957	8.44	0.00	0.00	0.00
3	FUTURA POLYESTERS LIMITED	49940	0.21	0.00	0.00	0.00
4	BHUPATI INVESTMENTS AND FINANCE PVT LTD	2966116	12.43	0.00	0.00	0.00
TOTAL		7444427	31.18	0.00	0.00	0.00

The list of top 10 shareholders of Innovassynth Investments Limited: (Post Scheme)

Sr. No	Name	No of shares	% to the paid up capital
1	Bhupati Investments and Finance Private Ltd	2966116	12.43
2	Bloomingdale Investment & Finance Private Ltd	2412414	10.10
3	Matsyagandha Investment & Finance Private .Ltd	2015957	8.44
4	Life Insurance Corporation of India	1095413	4.59
5	Persiphone Investments Limited	765280	3.20
6	Distributors (Bombay) Pvt. Limited	683720	2.86
7	R.Raheja Properties Pvt. Ltd.	681854	2.86
8	Sudhir Keshavji Sampat	353966	1.48
9	Dipak Kanayalal Shah	238636	1.00
10	Religare Securities Ltd	161575	0.68

Top ten shareholders on the date of filing the Information Memorandum with Stock Exchange

Sr. No	Name	No of shares	% to the paid up capital
1	Bhupati Investments and Finance Private Ltd	2966116	12.43
2	Bloomingdale Investment & Finance Private Ltd	2412414	10.10
3	Matsyagandha Investment & Finance Pvt.Ltd	2015957	8.44
4	Life Insurance Corporation of India	1095413	4.59
5	Persiphone Investments Limited	765280	3.20
6	Distributors (Bombay) Pvt. Limited	683720	2.86
7	R.Raheja Properties Pvt. Ltd.	681854	2.86
8	Sudhir Keshavji Sampat	353966	1.48
9	Dipak Kanayalal Shah	238636	1.00
10	Religare Securities Ltd	161575	0.68

6) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of IIL.

7) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Courts till listing/ permission to deal in and for an official quotation of the Equity Shares allotted as per the Scheme, except the shares allotted as per the Scheme.

8) There shall be only one denomination for the Equity Shares of IIL, subject to applicable regulations and IIL shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

9) IIL has **38437** members as on the date of filing this updated Information Memorandum

38398 members as on the date of filing this updated Information Memorandum

OBJECTS OF THE SCHEME OF ARRANGEMENT

The objects of the Scheme of Arrangement between Futura and IIL are given below:

To achieve economy, better administration and efficiency in operation of both the Companies which would ultimately benefit the shareholders of the Transferor Company in as much as they would also become shareholders of the Transferee Company

IIL is an Investment Company and presently holds 2,38,50,070 equity shares in ITIL. Those shares were transferred to IIL by Futura under the Scheme of Arrangement approved by The Honorable High Courts of Judicature at Bombay vide their Order dated July 4, 2008.

HISTORY

IIL was incorporated on February 15, 2008.

The main objects of IIL, as set out in its Memorandum of Association, are as follows:

1) To carry on the business of investment Company and/or a holding Company, to buy, sell, deal, hold, invest, disinvest, exchange and surrender stocks, shares, securities, scrips, derivatives, debt instruments, bonds, debentures, policies, book debts and claims and commercial papers, government or commercial security or any other financial investment instruments of any Company, banks whether government, public or private or any local authority whether in India or abroad, and to promote, subsidize and assist Companies and syndicates in order to promote the business of Company.

2) To acquire investment in equity shares in Innovassynth Technologies (India) Limited held by Futura Polyesters Limited

Change in Memorandum of Association of IIL since its inception

The Memorandum of Association was amended on 16.7.2008 increasing the Authorized Capital from Rs. 2 crores to Rs.25 Crores

MANAGEMENT

Board of Directors

The following table sets forth details regarding the Board of Directors of IIL.

Sr. No	Name/Father's name/Address	Age (years)	Other directorships
1	Mr. S.B. Ghia Chairman & Managing Director s/o Mr. Bhupatirai M.Ghia 18, Ghia Mansion, Carmichael Road MUMBAI : 400 026	63	1. Sonata Software Limited. 2. Alkyl Amines Limited. 3. A.V.T Natural Products Limited. 4. Innovassynth Technologies (India) Limited 5. Futura Polyesters Ltd
2	Dr. B. Sahu Director s/o Mr. Kamallochan Sahu B- 1103 Raheja Empress, 392 V. S. Marg, Prabhadevi Mumbai – 400 025.	58	NIL
3	Mr. Shyam Sunder Sami Director s/o Mr. Vaidhyawath Sami C-203, Golden Oak, High Street, Hiranandani Gardens, Powai MUMBAI 400076.	69	Futura Polyesters Ltd. Innovassynth Technologies (India) Limited
4	Mr. K.Ramasubramanian Director s/o.Mr.N. Kuppusubramanian 403, Patel New Building Opp Patel Engg, Ltd Patel Estate Jogeshwari(W) Mumbai 400102	67	Mirae Asset Trust Company Limited PMC Medicals Private Limited
5	Mr. S.B. Chatterjee Director 102, Vinayak Aangan CHS Ltd., Opp. VIP House, Old Prabhadevi Road, Mumbai-400 025	55	NIL

Brief Biography of Directors

Mr. Shyam Bhupatirai Ghia, is 63 years old and is a resident of India. He holds a Bachelor's Degree in Chemistry from the University of Mumbai and Master's Degree in Business Administration from Bowling Green State University, Ohio, United States of America. Further, he has also undergone practical training in Administration and Commerce at Bayer's offices in New York, United States of America and Leverkusen in Germany. Mr. Shyam Bhupatirai Ghia, has extensive experience spanning over thirty years, in industry. He joined Futura from March 01, 1972 as Director, Administration and was elevated to the Board as a Whole-time Director with effect from October 18, 1973. Subsequently, elevated to the position of Joint Managing

Director with effect from January 01, 1988 and as Chairman and Managing Director of Futura with effect from August 23, 1990. He is also the Chairman and Managing Director of IIL.

Dr. B. Sahu, is 58 years old and is a resident of India. He holds a Master's Degree in Arts, Personnel Management and Industrial Relations and Doctorate in Management and Organizational Behaviour. He was previously employed with N.I.T.I.E and in all 32 years of experience. He is presently CEO & President of ITIL.

Mr. Shyam Sunder Sami, is 69 years old and is a resident of India. He holds a Bachelor's Degree in Arts from the University of Bombay. He is a retired senior executive of Wimco Limited and has a wide experience at a senior level in various companies like J.K. Helene Curtis Limited, Parle Products Limited, Geoffrey Manners Limited and Hindustan Unilever Limited, among others

Mr. K. Ramasubramanian, is 67 years old and is a resident of India. He holds a Master's Degree in Science from University of Kerala, a Post Graduate Diploma in Management and Diploma in Computer Science. He joined Reserve Bank of India in 1967 as a probationary officer and served in various capacities, and retired as General Manager - Foreign Exchange Department of Reserve Bank of India in 2002.

Mr. S.B. Chatterjee is 55 years old and is a resident of India. He holds a Bachelor's Degree in Commerce from the University of Pune and is Chartered Accountant and Company Secretary. He has a wide experience at a senior level in various companies. He is presently Executive Director & President-Finance of Futura.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchange with respect to corporate governance will be applicable to IIL immediately upon the listing of its Equity Shares on the Stock Exchange.

IIL has already appointed independent directors to its Board and has also constituted the Audit Committee and the Investors Grievances Committee as required by Clause 49 of the listing agreement to be entered into with the Stock Exchange.

Details are as follows:

Board of Directors	Category	Member of Audit Committee	Member of Investor Grievance Committee
Mr. S.B. Ghia	Chairman & Managing Director	Nil	Nil
Dr. B. Sahu	Independent	/Member	-
Mr. Shyam S. Sami	Independent	Chairman/Member	- Member
Mr. K. Ramasubramanian	Independent	Member	Chairman/Member
Mr. S.B. Chatterjee	Independent	Member	-

IIL undertakes to adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchange prior to listing.

Shareholding of Directors

Name of Director	No of Shares in Futura as on 4 th August 2008(Book Closure date)	No of Shares in IIL to be allotted as per the Scheme
Mr. S.B. Ghia	1012	470
Dr. B. Sahu	Nil	NIL

Mr. Shyam S. Sami	Nil	Nil
Mr. K. Ramasubramanian	Nil	Nil
Mr. S.B. Chatterjee	Nil	Nil

Interest of the Directors

Other than their respective shareholding as stated above, the directors of the IIL have no other interest in the IIL. Mr. S. B. Ghia is Chairman and Managing Director, but does not draw any remuneration from IIL.

Term of Office

All directors excepting Mr. Shyam B. Ghia, who is the Chairman and Managing Director are liable to retire by rotation.

Change in Board of Directors of IIL since its inception

Name of Director	Date of change
Mr. Shyam S. Sami	Appointed on August 7, 2008
Mr. K. Ramasubramanian	Appointed on August 7, 2008
Mr. S. Ramachandran	Ceased to be a Director w.e.f. 16-12-2008
Mr S.B. Chatterjee	Appointed on April 29, 2009

Key managerial personnel:

At present there are no Key Managerial personnel in the IIL other than the Chairman and Managing Director and Directors mentioned above.

Employees

At present, IIL does not have any employee

PROMOTER

Futura Polyesters Limited

Futura, who is the Promoter of IIL was incorporated in 1960, and was engaged in the business organic chemicals and subsequently diversified into Polyester Staple Fibre, PET Resin and PET Preforms business. Presently its business consists of Polyester Staple Fibre, PET Resin and PET Preforms. Its factory is located in Manali, Chennai. Futura is listed on the Bombay Stock Exchange Limited.

Further details of the Promoter company are given below:

Date of Incorporation: February 10, 1960

Principal Business: Production of Polyester Staple Fibre, PET Resin and PET Preforms

Shareholding Pattern (Pre Scheme)

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/Hindu Undivided Family	12	441228	428716	0.84	0.84	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	25	19946864	19946864	38.05	38.05	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	37	20388092	20375580	38.89	38.89	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00

b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	37	20388092	20375580	38.89	38.89	0.00	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	14	159076	290	0.30	0.30	0.00	0.00
(b)	Financial Institutions / Banks	45	25821	7406	0.05	0.05	0.00	0.00
l	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	6	2897119	2893651	5.53	5.53	0.00	0.00
(f)	Foreign Institutional Investors	7	93270	86058	0.18	0.18	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0				
(h)	Any Other (specify)							
(h-i)								
(h-ii)								
	Sub-Total (B)(1)	72	3175286	2987405	6.06	6.06	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	551	2883649	2790804	5.50	5.50	0.00	0.00

(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	38676	13791602	11093414	26.31	26.31	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	199	7563216	7533800	14.43	14.43	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	16	16277	841	0.03	0.03	0.00	0.00
(c-ii)	Directors & Relatives	4	2740	2740	0.01	0.01	0.00	0.00
(c-iii)	Non resident Indians	160	1234776	1229626	2.36	2.36	0.00	0.00
(c-iv)	Clearing Member	53	133427	133427	0.25	0.25	0.00	0.00
(c-v)	Hindu Undivided families	435	938035	938035	1.79	1.79	0.00	0.00
(c-vi)	Overseas Corporate Bodies	4	2293690	0	4.38	4.38	0.00	0.00
(c-vii)	Employees	20	889	550	0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	40118	28858301	23723237	55.05	55.05	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	40190	32033587	26710642	61.11	61.11	0.00	0.00
	TOTAL (A)+(B)	40227	52421679	47086222	100.00	100	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	40227	52421679	47086222		100.00	0	0.00

Shareholding Pattern (Post Scheme)

Category code	Category of Share holder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percent age of(A+B) ¹	As a percent age of (A+B+C)	Number of shares	As a percent age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Sharehold ing of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	12	441228	428716	0.84	0.84	247756	56.15
(b)	Central Governmen t/ State Governmen t(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	15	19946864	19946864	38.05	38.05	6500000	32.59
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Spe cify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	27	20388092	20375580	38.89	38.89	6747756	33.10
2	Foreign							
a	Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Spe cify)	0	0	0	0	0.00	0.00	0.00
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Sharehold ing of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	27	20388092	20375580	38.89	38.89	6747756.00	33.10

(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	14	158976	290	0.30	0.30	0.00	0.00
(b)	Financial Institutions / Banks	44	25521	7106	0.05	0.05	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	6	2897119	2893651	5.53	5.53	0.00	0.00
(f)	Foreign Institutional Investors	7	93270	86058	0.18	0.18	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0				
(h)	Any Other (specify)							
	Sub-Total (B)(1)	71	3174886	2987105	6.06	6.06	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	506	2878417	2785600	5.49	5.49	0.00	0.00
(b)	Individuals							
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	38361	13769584	11101788	26.27	26.27	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	196	7700350	7670934	14.69	14.69	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	17	16287	851	0.03	0.03	0.00	0.00
(c-ii)	Directors & Relatives	0	0	0	0.00	0.00	0.00	0.00
(c-iii)	Non resident Indians	161	1214736	1209586	2.32	2.32	0.00	0.00
(c-iv)	Clearing Member	38	44929	44929	0.09	0.09	0.00	0.00
(c-v)	Hindu Undivided families	448	939819	939819	1.79	1.79	0.00	0.00

(c-vi)	Overseas Corporate Bodies	4	2293690	0	4.38	4.38	0.00	0.00
(c-vii)	Employees	20	889	550	0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	39751	28858701	23754057	55.05	55.05	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	39822	32033587	26741162	61.11	61.11	0.00	0.00
	TOTAL (A)+(B)	39849	52421679	47116742	100.00	100	6747756	33.10
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	39849	52421679	47116742		100.00	6747756	33.10

Board of Directors

The Board of Directors of Futura as on date is set forth below:

1. Mr. Shyam Bhupatirai Ghia, Chairman & Managing Director
2. Mr. Mukund Dharamdas Dalal, Joint Managing Director
3. Mr. Shyam Sunder Sami
4. Mr. M Saravanan (Nominee of IDBI Bank Limited)
5. Mr. K.V.K Murthy

Financial Performance:

(Rs. in Lacs, except per share data which is in Rs.)

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
As at 31st March			
Net Sales	41,362.76	37,888.38	37,784.29
Other income	1,295.89	1,051.59	945.93
Profit / (Loss) after tax	1,127.78	(936.53)	(1,386.87)
Equity Share Capital	5,242.17	5,242.17	5,242.17
Reserves & Surplus	22,213.93	18,019.97	15,775.53
Book Value (Rs.)	24.95	22.07	19.36
EPS per Share of Rs. 10 (Rs.)	2.15	(1.79)	(2.65)

Details of listing and Highest & Lowest market price during the preceding six months:

Futura's shares are listed on BSE. The details of the highest and lowest price of Futura during the preceding six months are as follows:

Month	Highest (Rs.)	Lowest (Rs.)
July 2010	10.93	7.82
August, 2010	9.15	7.11
September, 2010	10.71	7.26
October, 2010	11.01	7.88
November, 2010	10.97	7.55
December, 2010	9.40	7.54
January, 2011	8.93	8.60

*Source: BSE website

There was change in Authorized Capital of Futura from 5,40,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 5500 Lacs to 7,90,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 8000 Lacs during last six months

Authorised Share Capital of Futura has been reclassified from 7,90,00,000 equity shares of Rs.10/- each aggregating to Rs.79,00,00,000/- to 6,00,00,000 equity shares of Rs.10/- each aggregating to Rs.60,00,00,000/- and from 100,000 Cumulative Redeemable Preference shares of Rs.100/- each aggregating to Rs.1,00,00,000/- to 20,00,000 Non cumulative Redeemable preference shares of Rs.100/- each aggregating to Rs.20,00,00,000/-

GROUP COMPANIES:

BHUPATI INVESTMETNS & FINANCE PRIVATE LIMITED

Brief History :

Bhupati Investments & Finance Private Limited was incorporated on November 8, 1974 under the Companies Act, 1956 having its registered Office at B-34/35, 3rd Floor, Paragon Condominium, Pandurang Budhkar Marg, Worli, Mumbai – 400 013. The Company's shares are not listed on any Stock exchange in India .

Nature of activities :

The Company was incorporated with the main object of investment in securities and lending of funds.

Board of Directors as on March, 31 2010 :

Names	Position
Mrs. Rajul S. Ghia	Chairperson and Director
Mrs. Vishakha D. Ghia	Director
Mr. Paresh B. Parekh	Director
Mr. Rusi H. Patel	Director
Mr. Sunil P. Sheth	Director

The Company has not availed any loan/overdraft facilities from Banks or Financial Institutions.

Shareholding Pattern :

Name of the Shareholders	No. of shares holding	Percentage of Total
Mr. Nikhil S. Ghia	1,665	5.80%
Bodies Corporate	19,165	66.73%
Foreign Bodies Corporate	7,890	27.47%
Total	28,720	100.00%

Financial Performance :

Particulars	For the Financial Year ended March 31		
	2008 (Rs. in Lacs	2009 (Rs. in Lacs	2010 (Rs. in Lacs
Total Revenue	440.63	570.40	306.04

Profit After Tax	357.64	484.15	244.20
Equity Share Capital	28.72	28.72	28.72
Reserves (excluding Revaluation reserves)	4,483.63	4,974.82	5,256.22
Networth	4,513.85	5,005.04	5,286.44
EPS per share of Rs. 100 (Rs.)	1,347.11	1,685.02	849.53
NAV per share of Rs. 100 (Rs.)	15,716.75	17,427.02	18,401.59

Note : There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

BLOOMINGDALE INVESTMENT & FINANCE PRIVATE LIMITED

Brief History

Bloomingdale Investment & Finance Private Limited was incorporated on July 25, 1986 under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai-400054. The shares of Bloomingdale Investment & Finance Private Limited are not listed on any of the stock exchanges in India

Nature of Activities

The company was incorporated with the main object of carrying on the business as an investment and finance company including venture funding, seed capital funding, underwriting and dealing in securities.

Board of Directors

The Board of Directors of Bloomingdale Investment & Finance Private Limited consists of

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding pattern:

The shareholding pattern of this company is as under

Name of the Shareholder	No. of Shares Held	% Holding
Crescent Property Developers Pvt Ltd	14850	33.00
Sea Side Exports Pvt Ltd	15075	33.50
Prerna Builders Pvt Ltd	15075	33.50

Total	45,000	100.00
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Financial performance:

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	313.35	162.52	706.62
Profit After Tax	306.15	153.26	700.15
Equity Share Capital	45.00	45.00	45.00
Reserves (excluding revaluation reserves)	7931.34	8084.60	8784.75
Net worth	7976.34	8129.60	8829.75
EPS per Share of Rs. 100 (Rs.)	680.34	340.57	1555.88
NAV per Share of Rs. 100 (Rs.)	17721.75	18065.78	19621.66

MATSYAGANDHA INVESTMENTS & FINANCE PRIVATE LIMITED

Brief History

Matsyagandha Investments & Finance Private Limited was incorporated on June 04, 1990, under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road Santacruz (West), Mumbai-400054. The shares of Matsyagandha Investments & Finance Private Limited are not listed on any stock exchange in India.

Nature of Activities

The company was incorporated with the main object of carrying on the business as an investment and finance Company including venture funding, seed capital funding, underwriters and dealing in securities.

Board of Directors

The Board of Directors of Matsyagandha Investments & Finance Private Limited, consist of

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding pattern:

The shareholding pattern of this company is as under

Name of the Shareholder	No. of Shares Held	% Holding
Raheja Family	5,010	33.38
Bodies Corporate	10,000	66.62

Total	15010	100.00
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Financial performance:

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	138.43	71.48	455.68
Profit After Tax	128.79	61.34	445.30
Equity Share Capital	15.01	15.01	15.01
Reserves (excluding revaluation reserves)	3662.49	3723.84	4169.13
Net worth	3677.50	3738.85	4184.14
EPS per Share of Rs. 10 (Rs.)	858.05	408.68	2966.66
NAV per Share of Rs. 10 (Rs.)	24500.35	24909.03	27875.70

R. RAHEJA PROPERTIES PRIVATE LIMITED

Brief History

R. Raheja Properties Private Limited was incorporated on August 17, 1981 under the name of Gokul Construction Company Private Limited and later on its name was changed R Raheja Properties Private Limited with effect from January 04, 2008, under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai-400 054. The shares of R. Raheja Properties Private Limited are not listed on any stock exchanges in India.

Nature of Activities

The company was incorporated with the main object of carrying on construction and investment activities

Board of Directors

The Board of Directors of R. Raheja Properties Private Limited

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding Pattern

The shareholding pattern of this company is as follows:

Name of the Shareholder	No. of Shares Held	% Holding
Raheja Family	5,010	33.38

Bodies Corporate	10,000	66.62
Total	15010	100.00

Financial Performance

The financial performance of this company for last three years is as below

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	671.14	29.19	367.78
Profit/(Loss) After Tax	397.02	(8.53)	348.78
Equity Share Capital	15.01	15.01	15.01
Reserves (excluding revaluation reserves)	4120.83	4112.30	4461.07
Net worth	4135.84	4127.31	4476.08
EPS per Share of Rs. 100 (Rs.)	2645.06	(56.83)	2323.65
NAV per Share of Rs. 100 (Rs.)	27545.87	27486.89	29820.69

SUBSIDIARIES OF IIL

IIL has no subsidiary company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT OF IIL

Since incorporation on February 15, 2008, IIL as of date has no activity other than the equity holding in ITIL and therefore there is no significant issue required to be discussed in Management Discussion & Analysis Report. On the activities/business of ITIL, there is a separate Management Discussion and Analysis Report given on Page No.69 to 72

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated hereunder:

- There are no outstanding or pending material litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified paragraph (I) of Part 1 of Schedule XIII of the Companies Act) or litigation for tax liabilities against the Company, its Promoters, Directors or Promoter Group companies.
- There are no material defaults, non payments or over dues of statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares.

Against the Promoter Company(Futura)

Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount of claim involved (Rs. in lacs)
1.	Ganan Industrial Sales and Services Limited (the "Plaintiff") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Defendant")	High Court of Judicature at Bombay	Suit number 3841 of 1995	This suit has been filed by the Plaintiff for the recovery of Rs. 41,70,062 arising out of alleged default in payment of agency commission by the Defendant for the canvassing services rendered by the Plaintiff.	41.70 and 18% interest per annum on the principal amount of Rs. 9,06,371 till payment or Realisation.
2.	Canara Bank (the "Plaintiff") v/s Indian Organic Chemicals Limited [now Futura polyesters Limited] and M/s Atul Transport Company (the "Defendants")	High Court of Judicature at Bombay	Suit number 4287 of 1994	This suit has been filed by the Plaintiff for the recovery of Rs. 3,24,823 arising out of alleged default in payment by the Defendant No.1 to the Plaintiff for the goods sold and delivered to the Defendant no. 1 by the Defendant No. 2 under the 11 supply bills discounted with and purchased by the Plaintiff.	3.25 and 18% interest per annum on the principal amount of Rs. 2,36,100 till the date of payment or realization.
3.	Bank of India (the "Applicant") v/s M/s. Enarai Finance and others including Futura Polyesters Limited as Defendant no. 5 (the "Defendants")	Debt Recovery Tribunal, Pune	Original Application number 413 P 2001	This suit has been filed as per the provisions of Recovery of Debts due to Banks and Financial Institutions Act. The Applicant has filed a suit against Enarai Finance Limited. Futura Polyesters Limited (Defendant No. 5) had availed lease finance facilities from Enarai Finance Limited for its plant in Chennai. The repayment of lease finance facilities was scheduled to be distributed in 18 installments of Rs. 14.12 lacs together with an amount of Rs 1.5 crores commencing from July 1997 to August 2002. Defendant No. 5 has fully discharged its liability to Enarai Finance	No monetary liability for our Company

				Limited and has therefore contested the claim made by the Plaintiff.	
4.	R.K. Gupta (the "Plaintiff") v/s Futura Polyesters Limited through Mr. S.B.Ghia, Mr. S. Rangarajan, Mr. M.D. Dalal and Mr. R.B. Raheja (the "Defendants")	Court of District Judge, Tis Hazari Courts, Delhi	Suit number 266 of 2007	This suit has been filed by the Plaintiff for declaration and the recovery of Rs. 7,50,000 arising out of the alleged unfair dismissal of the Plaintiff by the Defendant Company	7.50 and 12% interest per annum till the date of payment or realization

Tax Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount of claim involved (Rs. in lacs)
1.	Commercial Tax Officer, Chennai (the "Assessor") v. Futura Polyesters Limited (the "Assessee")	Commercial Tax Officer, Chennai	Assessment number 49999 for the Assessment Year 2002-2003	This notice of demand dated March 12, 2008 is issued by the Assessor imposing a penalty of Rs. 14,906. The Assessor <i>vide</i> the notice of demand has imposed penalty and interest on sales tax under Section 12(3)(c) of the Tamil Nadu General Sales Tax, 1959 read with Section 9(2-A) of Central Sales Tax Act, 1956 for the alleged delay in payment of sales tax and filing of monthly returns	0.15
2.	Commercial Tax Officer, Chennai (the "Assessor") v. Futura Polyesters Limited (the "Assessee")	Commercial Tax Officer, Chennai	Assessment number 1080067 for the Assessment Year 2002-2003	The Assessor has issued the present notice of demand dated March 12, 2008 for the alleged non-payment of additional tax amounting to Rs. 10,86,499 under Section 2(1)(aa) of the Tamil Nadu Additional Sales Tax, 1970.	10.86
3.	Commercial Tax Officer, Manali v/s. Futura Polyesters Limited	Sales Tax Appellate Tribunal	NA	The Commercial Tax Officer states that the interest collected from the customers for late payment and for the credit period is chargeable to sales tax and the same has to be paid by our Company.	5.00
4.	Commercial Tax Officer, Manali v/s. Futura Polyesters Limited	Sales Tax Appellate Tribunal	NA	The differential sales tax is demanded on the raw material purchased within the state and the finished goods (manufactured from the raw material so purchased) sold outside the state.	9.00

Cases filed against Futura - Export related :

Sr. No.	Parties	Authority before which pending	Show Cause Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount involved (Rs. in Lacs)
1.	Foreign Trade Development Officer v/s Indian Organic Chemicals Limited [now	Officer of Joint Director General of Foreign Trade	Show cause notice number 0301002000 93AM09/20	It has been alleged that our Company has not utilised the goods imported against the export license. It has been further alleged that the license has been obtained on the basis of misrepresentation and mis-declaration	Not quantifiable

	Futura Polyesters Limited], Mr. Shyam Bhupatirai Ghia , Sharad Shreepad Marathe, Nikhil Ghia and Mukund Dharamdas Dalal (the "Company")			of facts. Our Company has been asked to justify why an action to impose fiscal penalty should not be taken on our Company and its directors under Section 11 of the Foreign Trade (Development and Regulation) Act, 1992.	
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Income-tax Cases filed against Futura

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding
1.	The Assistant Commissioner of Income Tax, Chennai (the "Appellant") v/s Futura Polyesters Limited (the "Respondent")	Income Tax Appellate Tribunal, Chennai	Appeal numbers 357, 358, 359 and 360 of 2008 for the Assessment Years 1998-1999, 1999-2000, 2000-2001 and 2001-2002.	These Appeals have been filed against order dated October 31, 2007 passed by the Commissioner of Income Tax (Appeals) holding that the relief under section 80HHC of the Income Tax Act, 1961 has to be computed on the basis of book profits as against the normal computation of income.

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding
1	Commissioner of Income Tax, Mumbai (the "Appellant") v/s Futura Polyesters Limited (the "Respondent")	High Court of Judicature at Bombay	Income Tax Appeal number 949 of 2007 for the Assessment Years 1985-86, 1986-87 and 1987-88	This appeal has been filed against the order dated August 25, 2006 passed by Income Tax Appellate Tribunal holding that the sales tax set-off does not come under the purview of Section 43B of the Income Tax Act, 1961. Further, the Appellant has raised questions of law on the scope and correct interpretation of Section 43B of the Income Tax Act, 1961 and the jurisdiction of the Tribunal in setting aside the disallowance of the sales tax set off made by the Assessing Officer under Section 43B of the Income Tax Act, 1961
2	Deputy Commissioner of Income Tax, Mumbai (the "Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")	Income Tax Appellate Tribunal, Mumbai	Appeal number 1179/Mum/1998 for the Assessment Year 1994-95	This appeal has been filed against the order dated November 28, 1997 passed by the Deputy Commissioner of Income Tax (Appeal), Mumbai on the following grounds: <ol style="list-style-type: none"> 1. Allowance of the Respondent's claim of Guest House expenses; 2. Allowance of proportionate premium on redemption of debentures; 3. Disallowance of the MODVAT addition.
3	Deputy Commissioner of Income Tax, Mumbai (the "Appellant")	Income Tax Appellate Tribunal, Mumbai	Appeal number 3799/Mum/1994 for the Assessment Year 1990-91	This appeal has been filed against the order dated March 11, 1994 passed by the Deputy Commissioner of Income Tax (Appeal) on the following grounds: <ol style="list-style-type: none"> 1. Allowance of relief of Rs. 348,573 out of the

	"Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")			total disallowance of Rs. 8,06,634 under Section 37(4) of the Income Tax Act, 1961; 2. Allowance of relief of Rs. 1,62,924 out of the total disallowance of Rs. 549,383 under Rule 6D of the Income Tax Rules and 3. Disallowance of the addition made to part provision against premium on debentures Rs. 29,82,141.
4	Commissioner of Income Tax, Mumbai (the "Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")	High Court of Judicature at Bombay	Appeal number 1614 of 2005 for the Assessment Year 1997-98	This appeal has been filed against the order dated April 1, 2005 passed by the Income Tax Appellate Tribunal. The Commissioner of Income Tax through this Appeal has sought the opinion of the High Court of Bombay, whether Income Tax Appellate Tribunal was right in confirming the decision of the Commissioner of Income Tax (Appeals) on the allowance of depreciation not claimed by the Respondent.
5	Futura Polyesters Ltd v/s Assistant Commissioner of Income Tax 5(1) Mumbai	High Court of Judicature at Bombay	Appeal number WP/1794/2010 of 2010 for the assessment Year 2007-2008	This writ Petition has been filed seeking to challenge the constitutional validity of Notice received u/s.154/155 of the I.T.Act 1961 seeking to open assessments u/s section 115JB with respect to deferred tax and the provisions there to inserted by Finance Act 2008 with retrospective effect from assessment year 2001-2002.

Labour Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount claimed (Rs. in Lacs)
1.	A. Manoharan - Petitioner. Complaint 01/07. SRR appeared the case as AR. Since party in person (Principal Labour court) No advocate. Claim of reinstatement and back wages.	Complaint 01.07 Principal Labour Court, Chennai.	Complaint 01.07	But he says that he filed SLP in SC to stall the proceedings in LC. No proof for filing is submitted. He has not attended the case from 12/08. We have to pray to dismiss the case and monthly payment request which was stopped by us.	Rs.517335.00
2.	Kamaraj Case ID 250/05 II Additional Labour Court (JJ). Claim of reinstatement and back wages.	ID 250 / 05 II Additional Labour Court, Chennai.	ID 250/05	Case posted for argument regarding preliminary objection.	Rs.567515.00

3.	Pethurajan case ID 122/06 in I Additional Labour court posted for cross examination on 19.05.09 (JJ). Claim of reinstatement and back wages.	ID 122 / 06 I Additional Labour Court, Chennai.	ID 122/06	Case is further posted.	Rs.495604.00
4.	N.C. Kuttralam Pillai case (JJ). Claim of reinstatement and back wages.	ID 832 / 1993	ID 832 / 1993 Principle Labour Court	The I Additional Labour Court ordered Rs. 6 lacs as compensation. Reinstatement rejected. We have to challenge before HC.	Rs.600000.00
5.	Sathangadu Lake Case PIL WP 15466/07 – HC	W. P. No. 15466 / 07 Madras High Court	WP 15466/07 – HC	As a respondent (FPL) we are challenging the case. The case has not reached in many times even it is listed for many times. Counter affidavit to be filed.	Not Quantable
6	Demolition of compound wall case TVT / Municipality (East side) MSK / JJ. Encroachment by the Company	W. P. No. 18873 / 08 Madras High Court WMP No.01 / 08	W. P. No. 18873 / 08	We got stay order from HC against TVT / MC. Order main case not yet listed.	Not Quantable
7	Vacant Land Tax case in HC by CSTPU – (MSK / JJ).	Madras High Court W. P. No.30333 and 30334 of 2008	W. P. No.30333 and 30334 of 2008	The demand notice of CSTPU (Chinnasekkadu Town Panchayat Union) was stayed by HC. - in our writ petition against the order.	Rs.15127080.00
8	Radha Venkataraman / Guest house case CS 751/09 in High Court. Arrears of rent paid as per the direction.	Madras High Court CS 751 / 2007	CS 751 / 2007	We had already paid arrears of rent as per SC/HC order. Claiming interest for delayed payment. We are opposing the same . The case is pending.	Rs.25000.00
9	Canteen contract employees case (old case 1991) – High court	CMP 16301 / 2000 in W. A. 1870 / 2000 Madras High Court	CMP 16301 / 2000 in W. A. 1870 / 2000	CITU Union – filed a case for absorption of canteen employees into our company roll. The TN Govt / GO in our favour was challenged by the union. Absolute / Permanent stay is there against the HC order. We had withdrawn the writ appeal. Matter closed in High Court.	Not Quantable

Central Excise Cases filed against Futura

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount claimed (Rs. in Lacs)
1.	Show Cause Notice issued by Assistant Commissioner	Assistant Commissioner of Central Excise, Chennai	Show Cause Notice number 365 of 1997	Our Company through this show cause notice dated March 26, 1997 has been asked to justify why a sum Rs. 13,33,828.91 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	13.33
2.	Show Cause Notice issued by Superintendent of Central Excise	Superintendent of Central Excise Chennai	Show Cause Notice number 412 of 1999	Our Company through this show cause notice dated June 4, 1999 has been asked to justify why a sum Rs. 7,99,418.64 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	7.99
3.	Show Cause Notice issued by Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 365 of 2000	Our Company through this show cause notice dated July 4, 2000 has been asked to justify why a sum Rs. 1,94,498 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	1.94
4.	Show Cause Notice issued by Additional Director of Anti-Evasion	Directorate General of Anti-Evasion (Central Excise), Chennai	Show Cause Notice number 39 of 2000	Our Company through this show cause notice dated September 2, 2000 has been asked to justify why a sum of Rs. 19,50,46,129 being duty concession which is alleged to have been wrongly availed should not be demanded under Section 11A Central Excise Act, 1944 .	1950.46
5.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise	Show Cause Notice number 6 of 2000	Our Company through this show cause notice dated January 4, 2000 has been asked to justify why a sum Rs. 2,37,904.16 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	2.37
6.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 469 of 2001	Our Company through this show cause notice dated September 7, 2001 has been asked to justify why a sum Rs. 4,33,753 which is alleged to have been availed in contravention of Rule 57AD of Central Excise Rules, 1944 should not be recovered.	4.33
7.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Assistant Commissioner of Central Excise, Chennai.	Show Cause Notice number IV/16/41/2001 – Adj	Our Company through this show cause notice dated May 7, 2000 has been asked to justify why the benefit of concessional rates of duty should not be denied for non-fulfillment of the net foreign exchange earning as a percentage of exports and a consequential differential duty of a sum of Rs. 7,70,87,818 should not be demanded under Section 11A Central Excise Act, 1944.	770.88
8.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Notice number 413 of 2002	Our Company through this show cause notice dated July 11, 2002 has been asked to justify why the disallowance of Rs. 1,71,89,579 should be permitted under Rule 12 of the Cenvat Credit Rules, 2001	171.90

9.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 106 of 2002	Our Company through this show cause notice dated February 20, 2002 has been asked to justify why Rs. 2,78,28,745.50 should not be disallowed out of the credit of Rs. 5,56,57,491 under Rule 12 of the Cenvat Credit Rules 2001. Further, our Company has been asked to justify why the penalty which the show cause notice proposes to impose should not be levied on it.	278.29
10.	Show Cause Notice issued by the Superintendent of Central Excise	Assistant Commissioner of Central Excise, Chennai	Show Cause Notice number 30 of 2002	Our Company through this show cause notice dated January 21, 2002 has been asked to justify why a sum Rs. 3,89,686 which is alleged to have been availed in contravention of Rule 57AD of Central Excise Rules, 1944 should not be demanded.	3.90
11.	Commissioner of Central Excise (Appeals) (the "Appellant") v/s Indian Organic Chemicals Limited (the "Respondent")	Customs, Excise and Service Tax Appellate Tribunal, Chennai	Appeal number E/305/2006	This appeal has been filed against the order-in-appeal number 02 of 2006 dated January 16, 2006 passed by the Commissioner of Central Excise (Appeals) wherein payment of Rs. 43,74,354 has been imposed as Cenvat credit on furnace oil is not eligible to be availed and a penalty of Rs. 10,00,000 has been imposed for credit availed under Rule 13 of the Central Excise Rules, 1944.	53.74
12.	Commissioner of Central Excise Chennai (the "Appellant") v/s Indian Organic Chemicals Limited and Customs, Excise and Service tax Appellant Tribunal, Chennai (the "Respondent")	High Court of Judicature at Madras	CM appeal number 1641 of 2005	This appeal is filed against the final order number 1018 of 2003 dated November 28, 2003 passed by the Customs, Excise and Service Tax Appellate Tribunal, Chennai. The Appellant has alleged that the first respondent has suppressed the fact of supplying steam to Futura Industries Limited Further the Appellant has alleged that the first respondent has fraudulently evaded the excise duty by concealing the supply of steam to Futura Industries Limited.	1.81
13.	Commissioner of Central Excise, Chennai (the "Appellant") v/s M/s Futura Fibres, Futura Polymers (the "Respondent")	Supreme Court of India	Civil appeal number 427-428 of 2006	These civil appeals are filed against the impugned final orders 1000 and 1001 of 2004 dated November 18, 2004 passed by the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT") holding that the demand of Rs. 470,178 is not affected by the amendments made to Section 65 by Parliament under Section 116 of the Finance Act, 2000. The appeal is filed on the grounds that the CESTAT failed to consider that a combined reading of Section 116 and 117 of the Finance Act, 2000 makes the respondent to pay service tax as per Section 66 of Finance Act, 1994. The Appellant has therefore prayed for the admission and allowance of the appeal against the final order number 1000 and 1001 of 2004 dated November 18, 2004.	4.7

14.	Show Cause Notice issued by the Additional Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice Number V/15/55/45/2007-Adj	Our Company through this show cause dated August 23, 2007 has been asked to justify why a sum of Rs. 36,14,972 alleged to have been availed as service tax credit on outward transport of finished goods for the period from May 2005 to 2007 under Rule 14 of the Cenvat Credit Rules read with proviso to Section 11A of the Central Excise Act, 1944 should not be levied	36.14
15.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of the Assistant Commissioner of Central Excise, Chennai	Show Cause Notice Number IV/16/60/2007-Adj.	Our Company through this show cause notice dated December 27, 2007 has been asked to justify why a sum Rs. 2,49,407 which is alleged to have been availed as service tax credit on outdoor catering service for the period from December 2006 to February 2007 under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944.	2.49
16.	Show Cause Notice issued by the Additional Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice number V/15/55/3/08 Adj	Our Company through this show cause notice dated February 26, 2008 has been asked to justify why a sum of Rs. 8,44,718 which is alleged to have been availed as service tax credit on outdoor catering service for the period from March 2007 to December 2007 under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944.	8.44
17.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice number V/16/16/2008-Adj	Our Company through this show cause notice dated March 19, 2008 has been asked to justify why a sum of Rs. 53,214 availed as service tax credit on outdoor catering service under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944	0.53
18.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of Commissioner of Customs, Chennai	Show Cause Notice number S4/47/2005-Bonds	Our Company through this show cause notice dated February 8, 2005 was asked to justify the following: (a) The grounds for not treating M/s Futura Polymers and M/s Futura Preforms as related persons in terms of Rule 2(2) of the Customs Valuation Rules; (b) The grounds for not levying Rs. 30, 48, 175 as differential duty (C) The grounds for not the levying penalty under the Central Excise Rules	30.48
19.	Commissioner of Central Excise v/s. Futura Polyesters Limited	Supreme Court of India	C.A.No. 4522/2003	The department of Central Excise has filed an appeal before the Supreme Court of India against the order passed by CEGAT. The Commissioner of Central Excise claimed 50% concessional duty on goods transferred from EOU to DTA on the aggregate of all duties payable by EOU, Our Company has paid the duty on 50% on each of such duties payable by EOU.	121

20.	Superintendent of Central Excise v/s. Futura Polyesters Limited	Additional Commissioner of Central Excise,	NA	Superintendent of Central Excise claims that the preforms divisions can claim only 50% of Central Value added Tax (CENVAT) in respect of goods supplied to preforms division from EOU.	17.83
21.	Superintendent of Central Excise v/s. Futura Polyesters Limited	Central Excise Service Tax Appellate Tribunal	NA	The Superintendent of Central Excise has appealed against the order of the Commissioner of Central Excise, which allowed our Company to be entitled to CENVAT credit on purchase of furnace oil used for generation of steam diverted to EOU.	8.00
22.	Superintendent of Central Excise v/s Futura Polyesters Limited	High Court of Judicature at Madras	RCP number 32 of 2000	The Superintendent of Central Excise has appealed against order of Commissioner of Central Excise, which allowed our Company to be entitled to input credit in respect of polyester staple fibre supplied to ultimate exporter.	3.68
23.	Superintendent of Central Excise v/s Futura Polyesters Limited	High Court of Judicature at Madras	RCP number 37 of 2001	The Superintendent of Central Excise has appealed against order of Commissioner of Central Excise, which allowed our Company to be entitled to input credit in respect of polyester staple fibre supplied to ultimate exporter.	2.15

There is no outstanding litigation against IIL.

Since IIL has no employees, there is no outstanding litigation against IIL by its employees or by IIL against its employees.

Against Directors of IIL

There are no litigation against directors of IIL except the following :

a) Against Dr. B. Sahu, Director

Criminal Compliant No.4984/06 has been filed against Dr. B Sahu, Director in the Court of JMFC, Lucknow by one M/s. Esscee Biotech Pvt. Ltd. u/s 406/420/467/468/469/120-B of the Indian Penal Code for offences relating to theft of chemical formulas and secrets of the Complainant and inducing employees by giving monetary benefits to take up employment in ITIL. Also refer Page no 78 regarding Civil Case filed by Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India in the Suffolk, County Court, Massachussettes, USA.

b) Against Mr. S. B. Ghia, Director

One of the ex-employees of Futura, viz. Mr. R.K. Gupta filed a Suit in the Court of District Judge, TIS Hazari Courts, Delhi (Suit No.266 of 2007) against Futura and some of its Directors, including Mr. S. B. Ghia. In the Suit Mr. R.K. Gupta has claimed for recovery of Rs.7,50,000 from Futura towards incentive payment and also declaration against alleged dismissal from Futura. Also refer Page no 78 regarding Civil Case filed by Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India in the Suffolk, County Court, Massachussettes, USA.

GOVERNMENT APPROVALS

IIL has received the Certificate of Incorporation and Certificate of commencement of business from Registrar of Companies(Maharashtra) . Except the above, no other government license/approval is required by IIL to carry on its business activity.

OTHER REGULATORY DISCLOSURES

Stock Market Data for Equity Shares of IIL

Equity Shares of IIL are not listed on any stock exchange. IIL is seeking approval for listing in BSE of its shares through this Information Memorandum.

Particulars Regarding Previous Public or Rights Issues during the Last Five Years

IIL has not made any previous public or rights issue during the last five years. There is no issue of shares otherwise than for cash excepting shares issued under the Scheme sanctioned by the High Court and there are no outstanding debentures and redeemable preference shares. There has been no revaluation of assets of IIL.

Companies under the Same Management

There are no companies under the same management of IIL within the meaning of Section 370(1B) of the Companies Act..

Disclosure on negative net worth/winding up/sick/BIFR/disassociation/strike off from ROC

There is no group company of IIL having a negative net worth or under winding up or a sick company or under BIFR. Further, IIL has not disassociated from any such company. Further, none of group companies of IIL have applied for striking off their name from the RoC.

DIVIDEND POLICY

The first Financial year of incorporation of IIL, ended on March 31, 2008. As such, no dividend on equity shares of IIL has been declared. Dividends, if any, will be declared at the Annual General Meeting of the shareholders based on a recommendation by the Board. The Board may recommend dividends, at its discretion, to be paid to the members of IIL.

FINANCIAL INFORMATION

Innovassynth Investments Limited

AUDITORS' REPORT

The Board of Directors,
Innovassynth Investments Limited,
Paragon Condominium,
Pandurang Budhkar Marg,
Mumbai-400 013

- 1.0 We have examined the Books of Account of **Innovassynth Investments Limited** for the period ended on 31st March 2008 , for the year ended 31st March 2009, 31st March 2010 and for the six Months ended on 30th September 2010 being the last date up to which the accounts of the Company, have been made up. We have also examined the accompanying 'Statement of Adjusted Assets and Liabilities' as on that dates, Profit and Loss Account as on that dates read together with the Notes thereon enclosed as Annexure – "I" and Cash-flow statement as on that dates enclosed as Annexure – "VI". These statements reflects the "Assets and Liabilities" as extracted from the Balance Sheet as at 31st March 2008, 2009,2010 and 30th September, 2010 and summary of Profit and Loss Account extracted from the Profit and Loss Account for the period ended 31st March, 2008, for the year ended 31st March 2009, 31st March 2010 and for the period ended on 30th September 2010 audited by us, .
- 2.0 The summary of significant accounting policies adopted by the Company is enclosed as Annexure-"II" to this report.
- 3.0 We have examined the Statement of "Accounting Ratios" and "Capitalization Statement" of the Company for the period ended 31st March, 2008, for the year ended 31st March 2009, 31st March 2010 and for the period ended on 30th September 2010 enclosed as Annexure'-III' and Annexure'-IV' to this report and confirm that they have been correctly computed from the figures as stated in the 'Statement of Adjusted Assets and Liabilities' of the Company referred to paragraph 1 above and read with the notes appended in Annexure-II.
- 4.0 We have examined the Statement of "Capitalization Statement" of the Company for the period ended on 30th September 2010 enclosed as Annexure - 'IV'.
- 5.0 This report is being issued by us for the purpose of incorporating the same in the 'Information Memorandum' to be issued to the Stock Exchange Authorities in India.

For N.M. Raiji and Co,
Chartered Accountants
Firm Registration No.108296 W

CA. Y.N. Thakkar
Partner
Membership No. 33329

Dated: 4th January, 2011
Place: Mumbai

Annexure – I

Summary of adjusted Assets and Liabilities

Particulars		Rupees			
		As at 30/09/2010	As at 31/03/2010	As at 31/03/2009	As at 31/03/2008
A.	Fixed Assets:	0	0	0	0
	Gross Block	0	0	0	0
	Less: Depreciation	0	0	0	0
	Net Block	0	0	0	0
	Less: Revaluation Reserve	0	0	0	0
	Net Block after adjustment For Revaluation Reserve	0	0	0	0
B.	Investments	238,500,700	238,500,700	238,500,700	0
C.	Current Assets, Loans and Advances				
	Inventories	0	0		0
	Sundry Debtors	0	0		0
	Cash and Bank Balances	183,330	394,841	185,576	228,557
	Loans and Advances	30,575	10,015	0	0
	Deferred Tax Asset	0	0	0	0
	Total	213,905	404,856	185,576	228,557
D	Liabilities and Provisions				
	Secured loans	0	0	0	0
	Unsecured loans	1,300,000	1,000,000	0	0
	Current Liabilities and Provisions	112,048	27,663	16,545	0
	Total	1,412,048	1,027,663	16,545	0
E	Profit and Loss Account Debit Balance	1,698,143	1,122,807	330,969	0
F	Net Worth (A+B+C-D+E)	239,000,700	239,000,700	239,000,700	228,557
G	Represented by				
	1. Share Capital	238,780,350	238,780,350	238,780,350	500,000
	2. Reserves	220,350	220,350	220,350	0
	Less: Revaluation Reserve	0	0	0	0
	Reserves (Net of Revaluation Reserves)	220,350	220,350	220,350	0
	Total	239,000,700	239,000,700	239,000,700	500,000
H	Misc. Expenditure Up to the Extent not w/off	0	0	0	271,443
I	Net worth (G-H)	239,000,700	239,000,700	239,000,700	228,557

Annexure II

NOTES FORMING PARTS OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A System of Accounting

The financial statements are prepared under Historical cost convention on an accrual basis

B Investments

Investments being long term are stated at cost less diminution in the value of Investments if any.

C Taxes on Income

- (a) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

- (b) Deferred Tax Provision: Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred Tax Assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.

2. Other Provision of Paragraph 4 (C) of part II of Schedule VI of the Companies Act, 1956 Are not applicable.

3. List of Related Parties and Key Management Personnel (As Certified by Management)

Sr.no.	Name	Nature of Relationship
1	Innovassynth Technologies (India) Ltd. (IIL)	Mr. S.B. Ghia and Mr Shyam S. Sami are Common Directors. IIL holds 32.22% of paid up capital of ITIL.
2	Futura Polyesters Ltd.	Mr. S.B. Ghia and Mr Shyam S. Sami are Common Directors. Mr. S.B. Ghia Common Managing Director, Key Management Personnel

Related Party Transactions:

Sr.no.	Nature of Transaction	Company in which Key Management Personnel have significant influence
1	Reimbursement of Expenses	20,390

4. Provision for tax and diminution in the value of investments will be considered at the end of the financial year.

Annexure-III

Statement of Accounting Ratios as at

Particulars	30 th September, 2010	31 st March, 2010	31 st March, 2009	31 st March, 2008
Earnings Per Share (EPS) (Before Extra Ordinary Item)	(0.02)	(0.03)	(0.01)	N. A.
Earnings Per Share (EPS) (After Extra Ordinary Item)	(0.02)	(0.03)	(0.01)	N. A.
Return on Net Worth (%) (Before Extra Ordinary Item)	N. A.	N. A.	N. A.	N. A.
Return on Net Worth (%) (After Extra Ordinary Item)	N. A.	N. A.	N. A.	N. A.
Net Assets Value per Share (Rs.)	10.01	10.01	10.01	4.57

Annexure-IV

CAPITALISATION STATEMENT AS ON 30.09.2010			
			(Rupees in Lacs)
Sr.No.	Particulars	Pre-issue as	Post Issue
		on 30-09-2010	
1	Unsecured Loan	13.00	13.00
2	Total Debt	13.00	13.00
3	Less : Short Term Debts	13.00	13.00
4	Total Long Term Debts	0.00	0.00
	Share Holders Funds		
5	Share Capital	2,387.80	2,387.80
6	Reserves (Excluding Revaluation Reserve)	2.20	2.20
	Profit and Loss Account- Debit Balance	(16.98)	(16.98)
	Miscellaneous Expenditure (not written off)	0.00	0.00
7	Total Share holders Fund	2,373.02	2,373.02
	Long Term Debt/Equity (4/7)	-	-

Annexure-V

Loans - Term Loans as on 30th September,2010				(Rupees in Lacs)
Sr.No.	Name of the Institution / Bank	Outstanding Amt	Rate of	Security
		As on 30-09-2010	Interest	
Unsecured Term Loans				
1.	Inter Corporate Deposit	13.00	Interest free	

Annexure – VI

CASH FLOW STATEMENT

	Rupees			
	01.04.10 to 30.09.2010	2009-10	2008-09	2007-08
(A) CASH FLOW FROM OPERATIONS				
(Loss) before tax and extra-ordinary item	(575,336)	(791,838)	(330,969)	-
Operating Loss before working capital changes	(575,336)	(791,838)	(330,969)	
Adjustment for				
Other Receivable	(20,560)	(10,015)	-	-

Sundry Creditors & Other Payables	84,385	11,118	16,545	-
Cash Generated from Operations	(511,511)	(790,735)	(314,424)	
Miscellaneous Expenses	0	0	271,443	
Net Cash from Operating Activities	(511,511)	(790,735)	(42,981)	
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Pre-Operative Expenses				(271,443)
Acquisition of Investments			(238,500,700)	
Net cash used in investing activities (B)	-	-	(238,500,700)	(271,443)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital			238,500,700	
Proceeds from Short Term borrowing	3,00,000	1,000,000	0	500,000
Net cash from financing activities (C)	3,00,000	1,000,000	238,500,700	500,000
Net increase in cash and cash activities (A + B + C)	(211,511)	209,265	(42,981)	228,557
Cash and cash equivalents (Opening Balance)	394,841	185,576	228,557	-
Cash and cash equivalents (Closing Balance)	183,330	394,841	185,576	228,557
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(211,511)	209,265	(42,981)	228,557

Notes :

1. Cash and Bank Balances as per accounts have been classified as cash and cash equivalent.
2. All figures in brackets are outflows.

ANNEXURE I

INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED - ITIL

HISTORY:

Innovassynth Technologies (India) Ltd (ITIL) was incorporated on December 4, 2001 under the Companies Act 1956, with its registered Office situated at 3rd Floor, Paragon Condomonium, P.B.Marg, Mumbai 400013. The shares of Innovassynth Technologies (India) Ltd are not listed in any Stock Exchange.

Main Objects of Innovassynth Technologies (India) Limited

As set out in the Memorandum of Association of Innovassynth Technologies (India) Limited, the main objects are as follows:

1. To carry on the business as manufacturers, processors and dealers of specialty chemicals, fine chemicals, custom synthesis of all kinds and descriptions and to act as manufacturers of and dealers in intermediate, by-products and end products thereof and / or to carry on business of toll manufacturing and contract manufacturing of chemicals, all kinds and descriptions, as well as to do marketing and research and development of aforesaid products.
2. To acquire and takeover as a going concern the business of manufacturers, processors and dealers of specialty chemicals, fine chemicals, custom synthesis of all kinds and descriptions and its exports, now carried on by the division of Indian Organic Chemicals Limited and all of the assets and liabilities of that business in connection therewith, and with the view thereto to enter into the agreement referred to in clause 2 of the Company's Articles of Association, and to carry the same into effect with or without modification.

Changes in the Memorandum of Association

Since incorporation, the following changes have been made in the Memorandum of Association of Innovassynth Technologies (India) Limited;

Date	Change
02.06.2004	Change in name of the Company
29.3.2004	Change in Authorized Capital
10.3.2005	Change in Authorized Capital
30.06.2006	Change in Authorized Capital
07.09.2006	Change in Authorized Capital
11.01.2007	Change in Authorized Capital
1.6.2007	Change in Authorized Capital
10-12-2008	Change in Authorized Capital
02-01-2009	Change in Authorized Capital

CAPITAL STRUCTURE

Capital Evolution Details of INNOVASSYNTH TECHNOLOGIES (INDIA) LTD

Authorised Share Capital:

Date	Amount in (Rs.)	No of Shares & Paid Up value
Initial Authorised share capital	5,20,000	(52,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated -29.03.04	33,00,00,000	(3,30,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated -10.03.2005	40,00,00,000	(4,00,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated 30-6-2006	50,00,00,000	(5,00,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated 7 th Sept 2006	50,00,00,000	4,65,00,000 Equity shares of Rs. 10 each 35,00,000 Cumulative Convertible Preference shares Rs. 10 each
Extraordinary General Meeting dated -11.01.2007	55,00,00,000	5,15,00,000 Equity shares of Rs. 10 each 35,00,000 Cumulative Convertible Preference shares of Rs. 10 each
Extraordinary General Meeting dated -01.06.2007	55,60,00,000	5,56,00,000 Equity shares of Rs. 10 each
Extraordinary General Meeting dated -10.12.2008	61,00,00,000	6,10,00,000 Equity shares of Rs. 10 each
Extraordinary General Meeting dated -02.01.2009	76,00,00,000	7,60,00,000 Equity shares of Rs. 10 each

PAID-UP SHARE CAPITAL:

Initial Paid-up share capital	.5,00,700	(50,070 equity shares of Rs.10/- each)
By Allotment of 2,50,00,000 equity shares of Rs.10/- each on By Transfer of Business	25,05,00,700	(2,50,50,070 equity shares of Rs.10/- each)
By allotment of 1,40,05,000 equity shares of Rs.10/- each on 30-06-2005 by Preferential allotment at premium of Rs 15/- each	39,05,50,700	(3,90,55,070 equity shares of Rs.10/- each)
By allotment of 65,88,633 equity shares of Rs.10/- each on 1-8-2006 by way of Rights Issue	45,64,37,030	(4,56,43,703 equity shares of Rs.10/- each)
By allotment of 34,00,000/- Convertible Preference Shares of Rs.10/- each on 25-9-2006 on Preferential allotment basis.	49,04,37,030	(4,56,43,703 equity shares of Rs.10/- each and 34,00,000 Cumulative Convertible Preference Shares Rs. 10/- each.)
By conversion of Cumulative Convertible Preference Shares into equity shares on 11-01-2007	49,04,37,030	(4,90,43,703 equity shares of Rs.10/- each) Preference shares :NIL
By allotment of 65,00,000 equity shares of Rs.10/- each on 15-7-2007 on Preferential allotment basis	55,54,37,030.	(5,55,43,703 equity shares of Rs.10/- each)
By allotment of 50,00,000 equity shares of Rs.10/- each on 12-12-2008 by way of Rights Issue	60,54,37,030	(6,05,43,703 equity shares of Rs.10/- each)
By allotment of 1,34,77,648 equity shares of Rs.10/- each on 19 -1-2009 by way of Rights Issue	74,02,13,510	(7,40,21,351 equity shares of Rs.10/- each)

KEY MILESTONES/SIGNIFICANT EVENTS IN ITIL'S HISTORY

Date of Change	Remarks
2001	Incorporation
2004	Transfer of Chemical business from Futura to ITIL
2004	Issue of 2,50,00,000 equity shares of Rs.10/- each at par to Futura in consideration of transfer of business aggregating to Rs.25,00,00,000/-
2004	Expansion in the capacity by setting up Plant Nos.3,4,5 & 6
2005	Issue of 1,40,05,000 equity shares of Rs.10/- each at a price of Rs.25/- per share (at a premium of Rs.15/- per share) to selected shareholders aggregating to Rs.35,01,25,000/-
2006	Rights Issue of 65,88,633 equity shares of Rs.10/- each aggregating to Rs.6,58,86,330 on Rights basis to shareholders of ITIL.
2006	Preferential Allotment of 34,00,000 Cumulative Convertible Preference shares of Rs.10/- each aggregating to Rs.3,40,00,000/- to selected persons.
2007	Modification in Plant No. 1
2007	Conversion of 34,00,000 Cumulative Convertible Preference shares into equity shares of Rs.10/- each aggregating to Rs.3,40,00,000/- selected persons.
2007	Preferential Allotment of 65,00,000 Equity shares of Rs.10/- each aggregating to Rs.6,50,00,000/- to selected persons.
2008	Sold 5 acres of vacant land to Actis Biologics Private Limited, a bio-tech company in Mumbai and in consideration received 5,30,000 equity shares of Rs. 10/- of Actis Biologics Pvt Ltd at a price of Rs. 30/- each aggregating in value of Rs. 1,59,00,000/-.
2008	Rights Issue of 50,00,000 equity shares of Rs.10/- each aggregating to Rs.5,00,00,000 on Rights basis to shareholders of the Company
2009	Rights Issue of 1,34,77,648 equity shares of Rs.10/- each aggregating to Rs.13,47,76,480 on Rights basis to shareholders of the Company

SHAREHOLDING PATTERN OF ITIL

A] As on date of filing Information Memorandum

A.1 Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Promoter *	2000000	2.70
B	Others		
(a)	Body Corporates	31837626	43.01
(b)	Individuals	4547489	6.15
(c)	NRI	33636236	45.44
(d)	Foreign Companies	2000000	2.70
	Total	74021351	100

A.2. Top Ten Shareholders

Sr. No.	Names	No. of shares	%
1	Mr. Satish Raheja	33636236	45.44
2	Innovassynth Investments Limited	23850070	32.22
3	Bhupati Investments & Finance Pvt. Ltd.	7204014	9.73
4	Mr. Rakesh Jhunjunwala	3406250	4.60
5	Futura Polyesters Limited*	2000000	2.70
6	Greyshot Ltd	2000000	2.70
7	Ms. Hina Kalpraj Dharamshi	300000	0.41
8	Chika Pvt. Ltd	250000	0.34
9	Viraj Investments Pvt. Ltd.	250000	0.34
10	Kika Investments & Finance Pvt. Ltd.	250000	0.34
	Total	73146570	98.82

B. Ten days before filing of Memorandum of Information

B.1. Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Promoter *	2000000	2.70
B	Others		
(a)	Body Corporates	31837626	43.01
(b)	Individuals	4547489	6.15
(c)	NRI	33636236	45.44
(d)	Foreign Company	2000000	2.70
	Total	74021351	100

B.2. Top Ten Shareholders

Sr. No.	Names	No. of shares	%
1	Mr. Satish Raheja	33636236	45.44
2	Innovassynth Investments Limited	23850070	32.22
3	Bhupati Investments & Finance Pvt. Ltd.	7204014	9.73
4	Mr. Rakesh Jhunjunwala	3406250	4.60
5	Futura Polyesters Limited*	2000000	2.70
6	Greyshot Ltd	2000000	2.70
7	Ms. Hina Kalpraj Dharamshi	300000	0.41
8	Chika Pvt. Ltd	250000	0.34
9	Viraj Investments Pvt. Ltd.	250000	0.34
10	Kika Investments & Finance Pvt. Ltd.	250000	0.34
	Total	73146570	98.82

* These shares are pledged by the Promoter Company, i.e. Futura for raising funds for Futura's use

C) Two Years Before filing Information Memorandum

C.1. Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Futura Polyesters Limited	23050070	47.00
B	Others		
(a)	Body Corporates	2031280	4.14
(b)	Individuals	4026117	8.21
(c)	NRI	17936236	36.57
(d)	Trust	2000000	4.08
	Total	49043703	100.00

C.2. Top Ten Shareholders two years before filing Information Memorandum

Sr. No.	Names	No. of shares	%
1	Futura Polyesters Limited	23050070	47.00
2	Mr. Satish Raheja	17936236	36.57
3	Mr. Rakesh Jhunjunwala	3125000	6.37
4	Bhupati Investments & finance Pvt. Ltd	1250000	2.55
5	Innovassynth Employees Welfare Trust	2000000	4.08
6	Ms. Hina Kalpraj Dharamshi	300000	0.61
7	Chika Pvt. Ltd	250000	0.51
8	Kika Investment & Finance Pvt. Ltd	250000	0.51
9	Viraj Investments Pvt. Ltd	250000	0.51
10	Ms Seema Dilip Vora	110000	0.23
	Total	48521306	98.94

6) There shall be only one denomination for the Equity Shares of Innovassynth Technologies (India) Limited, subject to applicable regulations and the Innovassynth Technologies (India) Limited shall comply with such disclosure and accounting norms specified under law , from time to time.

7) Innovassynth Technologies (India) Limited had twenty eight (28) members as on the date of filing this Information Memorandum.

BUSINESS OVERVIEW

INDUSTRY SCENERIO

The ITIL's diverse business activities, namely, Specialty Chemicals, Customs Synthesis, Contract Research & Development, Contract Chemicals and Toll manufacture encompass both, Pharmaceutical and Chemical industry. Hence an overview of both these industries are given below:

PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical industry, now a \$17 billion(over Rs 68,000 crores) Industry, has shown tremendous progress in terms of infrastructure development, technology base creation and a wide range of products. It has established its presence and determination to flourish in the changing environment. The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies. Formulations in various dosage forms are being produced in GMP (Good Manufacturing Production) compliant facilities. Strong scientific and technical manpower and pioneering work done in process development have made these possible. The country now ranks 4th worldwide accounting for 8% of world's production by volume and 1.5% by value. The country's exports from pharmaceutical sector during 2005-06 and 2006-07 were Rs.22,116 crores and Rs.24,942 crores, respectively.

The following attributes constitute the basis of the technological strengths of the Indian Pharmaceutical Industry:

- a) Self-reliance, displayed by the production of 70% of bulk drugs and almost the entire requirement of formulations within the country ;
- b) Low cost of production ;
- c) Low R&D costs ;
- d) Innovative Scientific manpower ;
- e) Excellent and world-class national laboratories specialising in process development and development of cost effective technologies ;
- f) Increasing balance of trade in Pharma sector ;
- g) An efficient and cost effective source for procuring generic drugs especially the drugs going off patent in the next few years ;
- h) An excellent centre for clinical trials in view of the diversity in population.
- i) India has a nascent but rapidly growing Biotech industry - US\$2.1 billion in revenues in 2006-07
- j)The Biotech industry is seeing the emergence of several domestic private players with world-class capabilities

(Source: Website of Ministry of chemicals and fertilizers)

Research and Development in Pharma sector

Investment in R&D by industry as a whole in India has been low, only around 0.6% of the turnover. In the Indian pharmaceutical industry the average R&D expenditure is around 2% of the turnover contributed by around 150 companies. The low investment in R&D is due to the low levels of profitability and comparatively small size of the companies. However, the scenario is now changing. Some pharma companies now spend nearly 5% of their turnover on R&D. In addition to R&D in industry, substantial pharma related R&D is carried out in publicly funded research organisations, mainly by the laboratories of Council of Scientific & Industrial Research (CSIR), Indian Council of Medical Research (ICMR), around 25 universities and a few pharmacy colleges. Some of the new R&D units in industry and a few of the publicly funded laboratories are equipped with sophisticated laboratory equipment, instruments and pilot plant facilities. The R&D manpower is generally highly qualified and proficient in conventional techniques of pharmaceutical R&D.

Hitherto, R&D was largely concentrated on process development for known bulk drugs albeit through novel and innovative process routes, invariably substituting for expensive imported raw materials enhancing the productivity and efficiency of the processes, besides research on formulations and known drug delivery systems. India's R&D forte has been in synthetic organic chemistry and process development. A few new drugs, using conventional screening techniques, have emerged from the Indian R&D, but none of them have been blockbusters.

Not much R&D is being pursued in traditional systems of medicine. Even the limited R&D is concentrated on standardisation of raw materials and final products. A few companies are now using modern scientific methods and limited biological screening as well as toxicity studies for validation of formulations.

(Source: Website of Ministry of chemicals and fertilizers)

Indian Biotech Scenario

2005-06 was an eventful year in the annals of Indian biotech industry. It registered revenues in excess of \$ 1 billion (\$ 1.07 billion to be exact) and recorded a 36.55% growth. Indian scientists too did well during the year with several outstanding publications in prestigious journals including .Nature. and .Science.

Life science and biotechnology sector is characterized by dynamic changes in flow of new ideas and conception and development of new tools for research and rapid responses are required to meet these challenges. It is essential to facilitate availability of scientific and technical human resource in adequate number and quality.

Within the DBT itself, the year has been quite eventful. One of the major occupations is to prepare a biotechnology strategy and action plan for the country that would provide a clearcut roadmap for the next 10 years. Several interactive meetings were organized for consultation with a large number of domain experts, industry representatives, voluntary organizations, farmers. fora and officials. The draft strategy has tried to take a holistic look at the present scenario and suggest several measures in a defined timeframe to promote innovation and manufacturing, to create world-class human capital, build quality infrastructure and address the basic needs of the society. The goal is to push revenue generation in the sector US \$ 5 billion and generate 1 million jobs by 2010.

Some of the measures to promote innovation have already been initiated. For example, in order to forge public private linkages especially with small and medium enterprises, the small

business innovation research initiative (SBIRI) has been launched. Under this scheme, funding for highly innovative early stage, pre-proof of concept research is being considered which will be expanded further in the form of soft loan up to Rs.10 crores for projects which have established the proof of concept and have the ability to get venture capital funding.

Several infrastructure facilities are being setup in public funded R&D laboratories and academic institutions. It is proposed to promote stem cell clusters at three locations in the country, which will focus on targeted programs. In the area of bioindustrial development, new vaccines/constructs have been developed indigenously and are undergoing trials. These include rota viral vaccine for childhood diarrhea, vaccines for cholera, anthrax, and rabies. A diagnostic test for Japanese encephalitis and Leishmaniasis was also developed and commercialized. Vaccines and diagnostics for animal and marine health have also been successfully developed and commercialized. In addition, technologies in the area of biofertilizers, biopesticides and plant tissue culture have also been commercialized.

(Source: Website of Ministry of Science and Technology, Department of Biotechnology)

Advantage India:

- ❖ India is an attractive global sourcing destination for pharmaceuticals
- ❖ Availability of low-cost, high-quality production and regulatory compliance
- ❖ Large and growing US FDA-approved plant capacity
- ❖ Low cost of research and world-class testing facilities
- ❖ Major opportunities in pharmaceuticals are in the following areas:
 - Contract Research and Manufacturing (CRAM)
 - IT-enabled services including clinical/market data analysis
 - Clinical trials: revenues to grow from US\$70 million (2002) to US\$1-1.5 billion by 2010 driven by a 60% cost advantage and large gene pool for trials
- ❖ Major opportunities in Biotechnology are in the areas of Bio-informatics, Bio-pharma, Bio-agri and Bio-services

(Source: Website of Ministry of Science and Technology, Department of Biotechnology)

Changing global scenario

The health-care costs are rising world-wide. Leading companies are merging. Strategic alliances and collaborations are taking place in order to meet the increasing R&D budgetary requirement that exceeds a billion dollars each for many leading global pharma players. The WTO has imposed upon the Indian pharma industry the challenge of coping with product patents by the end of the year 2004 and exclusive marketing rights (EMRs) in the interim period.

Recent advances in molecular biology and genetic engineering have enhanced the basic understanding of human physiology and the biological action of drugs on cell receptors and proteins. New tools of drug discovery such as combinatorial chemistry, structure based molecular design and high throughput screening have revolutionised the drug discovery process. This increasing 'scientification' of drug research has encouraged a division of labour amongst agents specialised in different segments of the innovation chain i.e. basic biomedical research, chemical synthesis, process development, clinical testing, etc.

At present, out of ten thousand chemical compounds screened, only one becomes an approved drug in the developed countries. Further about 12-15 years are required for drug development. In order to attempt to reduce the time for drug development to half and to improve the success rate of drug discovery, intelligent screening of sources of chemical compounds is required. For this, on one hand, creation and analysis of new tools and data base of compound sources would be necessary, and on the other hand, new tools, such as combinatorial chemistry, structure based molecule design and high throughput screening would have to be adopted to greatly enhance the levels of productivity of drug discovery.

Further more, some of the new sources of NCEs could be plants, microbes, fungi, insects and various venoms. The extracts from these material sources must continue to form a major source of entirely novel structures.

The Human Development Report of 1999 has highlighted that there is a tremendous concern about the control of knowledge as tighter intellectual property rights raise price of technology transfer and increase the technological gap and block the developing countries out of dynamic knowledge sector. On the other hand, the major pharmaceutical companies argue that compliance of the provisions of TRIPS would stimulate transfer of technology, encourage foreign direct investment, strengthen R&D investment and also ensure early introduction of new products in developing countries. These arguments are invariably backed by data on increased FDI in some countries where stringent IPRs were introduced. Whereas these claims and counter claims could be debated, the Indian model has to be based on providing medicines at affordable prices to the needy Indian populace on one hand and also leveraging the Indian intellectual prowess on the other, through which India could create its own intellectual property.

It is clear that an internal networking and co-ordination amongst different constituents of innovation chain has not only become necessary but imperative in order to bring down the time and costs of new drug discovery and its introduction in the market place. This affords a great opportunity to Indian R&D.

(Source: Website of Ministry of chemicals and fertilizers)

CHEMICAL INDUSTRY:

The global chemical industry, estimated at US\$ 2.4 trillion, is one of the fastest growing sectors of the manufacturing industry. Despite the challenges of volatile crude oil prices and demanding international environmental protection standards now adopted globally, the chemicals industry has still grown at a rate higher than the overall-manufacturing segment.

Commodity chemicals is the largest segment in the chemicals market with an approx. size of \$ 750 billion while the specialty and fine chemicals segment accounts for \$ 500 billion.

Some of the major markets for chemicals are North America, Western Europe, Japan and emerging economies in Asia and Latin America. The US consumes approximately one-fifth of the global chemical consumption whereas Europe is the largest consumer with approx. half the consumption. The US is the largest consumer of commodity chemicals whereas Asia Pacific is the largest consumer of agrochemicals and fertilizers.

The Indian Chemicals Industry comprises both small and large-scale units. The fiscal concessions granted to small sector in mid-eighties led to establishment of large number of units in the Small Scale Industries (SSI) sector. Currently, the Indian Chemical industry is in the midst of a major restructuring and consolidation phase. With the shift in emphasis on

product innovation, brand building and environmental friendliness, this industry is increasingly moving towards greater customer orientation. Even though India enjoys an abundant supply of basic raw materials, it will have to build upon technical services and marketing capabilities to face global competition and increase its share of exports.

India also produces a large number of fine and specialty chemicals, which have very specific uses and are essential for increasing industrial production. These find wide usage as food additives and pigments, polymer additives, anti-oxidants in the rubber industry, etc.

- ❖ The Chemical industry in India is over \$35 billion in 2006-07 - constitutes about 3% of GDP; 17.6% of manufacturing sector - a significant component of the Indian economy
- ❖ India is the 12th largest producer of chemicals in the world
- ❖ Manufactures more than 70,000 products
- ❖ Exports of over \$17 billion in 2006-07 (14% of total exports from India)
- ❖ However, India constitutes a relatively small portion of the global market
- ❖ The Chemicals industry in India is fragmented with few large companies
- ❖ Basic chemicals constitute major share of exports
- ❖ Good R&D base with access to low-cost, high-quality human resources
- ❖ Strategic location: In the heart of the high-growth markets of India, Asia and the Middle East
- ❖ Major opportunities lie in all segments: Basic, Specialty and Knowledge Chemicals

100% FDI under the automatic route is allowed for all chemical items except hazardous chemicals where government/FIPB approval and license to manufacture are required

Plans are underway to set up port based chemical parks in SEZs to encourage clustering, provide infrastructure and enable tax concessions

Downstream SEZs have been planned to use the output of Chemical Park

Sub-sectors – Chemical Industry (% value)

Fertilizer	:	18%
Synthetic Fibres	:	16%
Organic	:	15%
Dyes & Paints	:	06%
Polymers	:	06%
Inorganic	:	08%
Pharmaceuticals	:	15%
Others	:	06%

(Source: Website of Ministry of chemicals and fertilizers)

Advantage India:

- ❖ Good R&D base with access to low-cost, high-quality human resources
- ❖ Strategic location: In the heart of the high-growth markets of India, Asia and the Middle East
- ❖ Major opportunities lie in all segments: Basic, Specialty and Knowledge Chemicals

PRODUCTION PROCESS OF ITIL

CUSTOM SYNTHESIS - GENERAL PROCESS

ITIL is involved in the following business segments:

1. Custom Synthesis
2. Contract Manufacture
3. Contract Research & Development

ITIL produces specialty chemicals for customers in the areas of 'nucleoside chemistry', perfumery and fragrance chemistry', pharmaceutical intermediates, specialty dyes for diagnostic applications, and nutraceutical products.

The general procedure for handling of enquiries from customers and the sequence of research & development activities, scale-up of new routes of chemical synthesis which culminates in the development of long term relationships with the customers is give below.

RECEIPT OF ENQUIRY FROM CUSTOMER

Enquiry from customer with molecular structure of required molecule and indication of quantity : Study of available technical literature to work out a 'non-infringing' chemical synthesis process

DEVELOPMENT OF 'LABORATORY PROCESS'

Synthesis of laboratory sample for customer approval at R & D Lab : R & D work for Process development

INTERFACE WITH CUSTOMER FOR SAMPLE APPROVAL : Laboratory Process Document (LPD)
Indicative Costing of product based on available technical & commercial inputs : Sample approval from customer & communication of 'indicative product cost' to customer

SCALE-UP OF PROCESS : Generation of Product Cost Data /Sheet
Review of laboratory process by R&D and process development' team for scaling-up process in kilo-lab : Scale-up of process in Kilo Lab Generation of Standard Operating Procedure (SOP) for scale-up of synthesis process in plants.

COMMERCIAL INTERFACE WITH CUSTOMER FOR BULK ORDER : Signing of 'Confidentiality' and 'Non-Disclosure' Agreement with customer and receipt of customer order

Production of plant batches for export to customer

PATENTS APPLIED FOR BY ITIL

Sr No	Date of filing	Application No	Application filed in	Nature of the patent	Description of Inventor for which patent applied
1	4/4/05	420/MUM/2005	India	Process Patent	A Process for manufacturing Isosulphan Blue
2	4/4/05	421/MUM/2005	India	Process Patent	A Process for the isolation of 4-Hydroxyisoleucine from Fenugreek seeds
3	6/4/05	436/MUM/2005	India	Process Patent	A Process for the preparation of 4-Fluoroisoquinoline
4	6/4/05	437/MUM/2005	India	Process Patent	A Process for the isolation of solanesol from flue cured tobacco leaf
5	5/4/05	537/MUM/2006	India	Process Patent	A Process for the extraction of solanesol from burley or blue cured tobacco leaves
6	4/4/06	USA-11/278,641	U.S.A.	Process Patent	A Process for the preparation of Isosulphan Blue

LOCATION

Plants and Units location details of ITIL

Sr. No.	Plants	Products	Plants Location
1.	Custom Synthesis		Khopoli
a)	Plant-1	Nucleoside Products	
b)	Plant-2		
c)	Plant-3/4/5/6	Non-Nucleoside products	
2.	Contract manufacturing - Ciba	CG29-1127	

HUMAN RESOURCES

Human Resources Management in Innovassynth Technologies (India) Limited

ITIL treats “People” as an Asset to the organization. Professional Excellence and performance on job is always encouraged. The Human Resource policies are framed and developed for employee's growth and welfare in the organization. Positive and healthy working culture are promoted which attracts people to join the Company and for long lasting relationship; the average age of employees is 28 years.

Recruitment

As ITIL is a knowledge based Research & Development (R&D) driven company, a large number of employees are involved in R&D activities and they are qualified in M.Sc/ Ph.D (Organic Chemistry). These employees are sourced from premium reputable Universities/ Institutes in India and Abroad. The recruitment process consist of Psychometry Test/ IQ test/ Chemistry Test, Group Discussion, personal interview ending with a Medical fitness test. The new entrants are then imparted a detailed Induction programme .

Rewards

ITIL has instituted Award Schemes for its employees like :-

- Chemist / Officer of the Quarter
- Employee of the Quarter

Thus the outstanding work done by the employees are being identified and rewarded quarterly.

Performance Management Systems

ITIL has in place a “Performance Management System” whereby performance is linked to remuneration package. The employees’ performance is reviewed twice in a year based on the Key Performance Areas (KPAs) and targets allocated. The Managerial cadre are appraised for their respective KPA by 360⁰ degree Assessment Techniques.

Training & Development

The employees knowledge base is regularly updated by involving them for in-house and External seminars, Training Programs, Exhibitions etc. in India and Abroad.

Open house sessions with top Management including Chairman and CEO of the Company are organized with employees quarterly where the employees are briefed on latest Business Development and these are discussed with active participation with selected employees.

ITIL encourages and supports the employees to pursue Ph.D programmes during their working and after completion of their PhD, they are suitably upgraded.

Organization Development Suggestion scheme is in vogue whereby employees can make suggestions for continuous improvements.

Exit Interviews -

The organization has its core values on which it operates and it invites constructive criticism as an opportunity for improvements. Exit interviews are held in order get feedback from the Employees.

Social Welfare ITIL has a residential colony where more than 100 employees with their families are staying and are provided with recreation facilities. The company takes interest in Community Development program in near-by areas; steps for environment protection are taken by "Tree Plantation".

MANAGEMENT OF ITIL

LIST OF DIRECTORS OF ITIL

Sr. No	Name	Designation	Address
1	Mr. S.B.Ghia	Chairman	Ghia Mansion 18, Carmichael Road MUMBAI- 400 026.
2	Mr. Viren Raheja	Director	“Rahejas” Corner of Main Avenue & V.P.Road, Santa Cruz West, MUMBAI-400 054.
3	Mr. Utpal sheth	Director	B-27, Kum Kum Apts S.V.Road Near Nanavati Hospital Vileparle (W) Mumbai400056
4	Mr. Shyam S. Sami	Director	C 203, Golden Oak, Hiranandani Gardens Powai, Mumbai 400076.
5	Mr. Vivek Kejriwal	Director Administration	“Rahejas” Corner of Main Avenue & V.P.Road, Santa Cruz West, MUMBAI-400 054.
6	Dr. B.K.Kulkarni	Whole Time Director	Innovassynth Technologies (India) Ltd Mumbai Pune Road Khopoli : Maharashtra

Brief Biography of Our Directors

Mr. Shyam Bhupatirai Ghia, is 63 years old and is a resident of India. He holds a Bachelor's Degree in Chemistry from the University of Mumbai and Master's Degree in Business Administration from Bowling Green State University, Ohio, United States of America. Further, he has undergone practical training in Administration and Commerce at Bayer's offices in New York, United States of America and Leverkusen in Germany. Mr. Shyam Bhupatirai Ghia, has extensive experience spanning over thirty years, in industry. He joined Futura from March 01, 1972 as Director, Administration and was elevated to the Board as a Whole-time Director with effect from October 18, 1973. Subsequently, elevated to the position of Joint Managing Director with effect from January 01, 1988 and as Chairman & Managing Director in Futura with effect from August 23, 1990

Mr. Viren Raheja, is 26 years old and is a resident of India. He holds a Bachelor's degree in Commerce from the University of Mumbai. He has cleared three levels of Chartered Financial Analysis and holds Master's in Business Administration from London Business School.

Mr. Utpal Sheth is 38 years old and is a resident of India. He is a Cost Accountant (Grad.CWA), Gold Medalist at an All India level in CFA and DSM from NIIT. He was involved

at senior level at HRS Insight Financial Intermediaries (India) Pvt. Ltd. and Enam Financial Consultants Pvt. Ltd. He is also faculty member in BSE institutes UTI Capital Market, National Institutes of Financial Management, Cochin Management Institutes etc.

At present he is with M/s Rare Enterprises a proprietary Asset Management firm of Mr. Rakesh Jhunjunwala

Mr. Shyam Sunder Sami, is 69 years old and is a resident of India. He holds a Bachelor's Degree in Arts from the University of Bombay. He is a retired senior executive of Wimco Limited and has a wide experience at a senior level in various companies like J.K. Helene Curtis Limited, Parle Products Limited, Geoffrey Manners Limited and Hindustan Unilever Limited, among others

Mr. Vivek Kejriwal, is 28 years old and is a resident of India. He holds a Masters degree in Business Administration from Narsee Monjee Institute of Management Studies. He has got 5 years experience in various capacities with Raheja Group of Companies.

Other Directorships:

Sr. No.	Name, Father's name, Designation, Address, Occupation, Nationality, Tenure & DIN	Age	Date of Appointment as Director	Other Directorships
1.	Mr. Shyam Bhupatirai Ghia S/o. Mr. Bhupatirai Maganlal Ghia Chairman and Director Address: Ghia Mansion, 18 Carmichael Road, Mumbai – 400 026 Occupation: Industrialist Nationality: Indian Tenure as Director: Subject to retirement by rotation DIN: 00005264 Share holding in ITIL : Nil	63	02.12.2002	<u>Public Companies:</u> 1. Sonata Software Limited. 2. Alkyl Amines Limited. 3. A.V.T Natural Products Limited. 4. Futura Polyesters Limited 5. Innovassynth Investments Limited
2.	Mr. Viren Raheja S/o. Mr. Rajan Raheja Director Address: "Rahejas", Corner of Main Avenue and V.P. Road, Santacruz West, Mumbai – 400 049 Occupation: Industrialist Nationality: Indian Tenure: Subject to retirement by rotation DIN: 00037592 Share holding in ITIL : Nil	26	25.06.2008	<u>Public Companies</u> 1. Asianet Satellite Communications Limited. 2. Sonata Software Limited. 3. Supreme Petrochem Limited. 4. Futura Polyesters Limited 5. Hathway Cable and Datacom Limited <u>Private Companies</u>

				<ol style="list-style-type: none"> 1. Abu Developers Private Limited 2. Akalpitam Land Developers Private Limited 3. Ala-Mona Contractors & Developers Private Limited 4. Ameeta Grihnirman Private Limited 5. Ananya Construction Company Private Limited 6. Arjun Housing Private Limited 7. ARKO Dealers Private Limited 8. ARKO Enterprises Private Limited 9. Bay-Side Constructions Private Limited 10. Bay-Side Contractors & Developers Private Limited 11. Bay-Side Exports Private Limited 12. Beach Plaza Contractors & Developers Private Limited 13. Bellvne Contractors & Developers Private Limited 14. Bellvne Constructions Private Limited 15. Bestow Contractors & Developers Private Limited 16. Bloomingdale Investment & Finance Private Limited 17. Bloomingdale Trading Company Private Limited 18. Brindaban Agro Industries Private Limited 19. Brindaban Land
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				Development Private Limited 20. Chandramouli Finance & Estates Private Limited 21. Chevy Trading Private Limited 22. Colonnade Contractors & Developers Private Limited 23. Colonnade Housing Private Limited 24. Coronet Investments Private Limited 25. Crescent Property Developers Private Limited 26. Excelsior Construction Private Limited 27. Fortune Films Private Limited 28. Globus Stores Private Limited 29. Gstaad Estates Private Limited 30. Gstaad Investment & Finance Private Limited 31. Gstaad Trading Company Private Limited 32. Kalpitam Premises Private Limited 33. Kanyakumari Contractors & Developers Private Limited 34. Kaunteya Builders Privat Limited 35. Kaunteya Contractors & Developers Private Limited 36. Kuntinandan Contractors & Developers Private Limited 37. Kuntiputra Properties Private Limited
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				<p>38. Lavina Contractors & Developers Private Limited</p> <p>39. Manali Builders Private Limited</p> <p>40. Manali Estates Private Limited</p> <p>41. Manali Investment & Finance Private Limited</p> <p>42. Matsyagandha Estates Private Limited</p> <p>43. Matsyagandha Investments & Finance Private Limited</p> <p>44. Meenakshi Builders Private Limited</p> <p>45. Outlook Publishing (India) Private Limited</p> <p>46. Panchali Builders Private Limited</p> <p>47. Peninsula Estates Private Limited</p> <p>48. Prerana Builders Private Limited</p> <p>49. R. Raheja Investments Private Limited</p> <p>50. R. Raheja Properties Private Limited</p> <p>51. R. B. R. Constructions Private Limited</p> <p>52. R. B. R. Estates & Finance Private Limited</p> <p>53. Rajan Estates & Finance Private Limited</p> <p>54. Raghukul Developers Private Limited</p> <p>55. Sea-Side Exports Private Limited</p> <p>56. Shalini Construction Company Private Limited</p> <p>57. Shalini Developers Private Limited</p>
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				<p>58. Shiraz Realtors Private Limited</p> <p>59. Shore Line Constructions Private Limited</p> <p>60. Shoreline Exports Private Limited</p> <p>61. Sonal Properties Private Limited</p> <p>62. Spur Cable & Datacom Private Limited</p> <p>63. Suchetan Construction Company Private Limited</p> <p>64. Trophy Investment & Finance Private Limited</p> <p>65. Varahagiri Investments & Finance Private Limited</p> <p>66. Vidur Constructions Private Limited</p> <p>67. Villa Capri Developers Private Limited</p> <p>68. Villa Capri Estates Private Limited</p> <p>69. Whitsun Contractors & Builders Private Limited</p> <p>70. Windsor Realty Private Limited</p> <p>71. Wren Contractors & Developers Private Limited</p> <p>72. Zillion Contractors & Developers Private Limited</p> <p>73. Zircon Consultants Private Limited</p>
3	<p>Mr. Utpal Sheth S/o. Mr. Hemendra Ramniklal Sheth</p> <p>Director</p> <p>Address: B-27, Kum Kum Apts S.V.Road Near Nanavati Hospital Vileparle (W)</p>	38	25.6.2008	<p>1. HRS Insight Financial Intermediaries Pvt. Ltd</p> <p>2. Insight Assets Management Ltd</p> <p>3. Enlghtened Buildcod Pvt. Ltd.</p> <p>4. J & J Buildcon Pvt. Ltd</p> <p>5. Chanakya Corporate</p>

	<p>Mumbai400056</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation</p> <p>DIN No.00081012</p>			<p>Services Pvt. Ltd.</p> <p>6. Robust Merchantile Co. Pvt. Ltd.</p> <p>7. Aptech Limited</p> <p>8. Metro Shoes Pvt. Ltd.</p> <p>9. Merchant Media Limited</p> <p>10. Praj Industries Limied</p> <p>11. Marganta Textiles Pvt. Ltd.</p> <p>12. Hillcroft Investments Company Pvt. Ltd.</p> <p>13. Clue Leasing & Fina. Pvt. Ltd.</p> <p>14. Moss Properties Pvt. Ltd.</p> <p>15. Moss Estate Pvt. Ltd.</p> <p>16. Zen Technologies Limited</p> <p>17. Trust Trade & investment Co. Pvt. Ltd.</p>
5.	<p>Mr. Shyam Sunder Sami S/o. Vidhyawath Swami</p> <p>Director</p> <p>Address: C-203, Golden Oak, High Street, Hiranandani Gardens, Powai, Mumbai – 400 076</p> <p>Occupation: Retired company executive Nationality: Indian Tenure: Liable to retire by rotation. DIN : 00026470</p>	69	1.4.2005	<p>Public Company Innovassynth Investments Limited Futura Polyesters Limited</p>
6.	<p>Mr. Vivek Kejriwal S/o Mr. Ramkrishan Babulal Kejriwal</p> <p>Director</p> <p>Address: "Rahejas", Corner of Main Avenue and V.P. Road, Santacruz West, Mumbai – 400 049</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation</p>	28	28.5.2009	<p>Public Company</p> <p>Securites Publications(I) Limited</p> <p>Private Company Peregrine Capital (India) Pvt. Ltd. Peregrine Securities (India) Pvt. Ltd. R & H Constructions Pvt. Ltd.</p>

	DIN No.02667374			
	<p>Dr. B.K. Kulkarni</p> <p>S/o Mr. Khanderao. Kulkarni</p> <p>Whole Time Director</p> <p>Address:</p> <p>Innovassynth Technilogies (India) Ltd Qrtr No: Mumbai Pune Road Khopoli :</p> <p>Maharashtra</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation DIN No.00209210</p>	45	13.11.2009	Nil

Shareholding of Directors

None of the Directors hold shares in the Company

Change in Board of Directors in the last three years

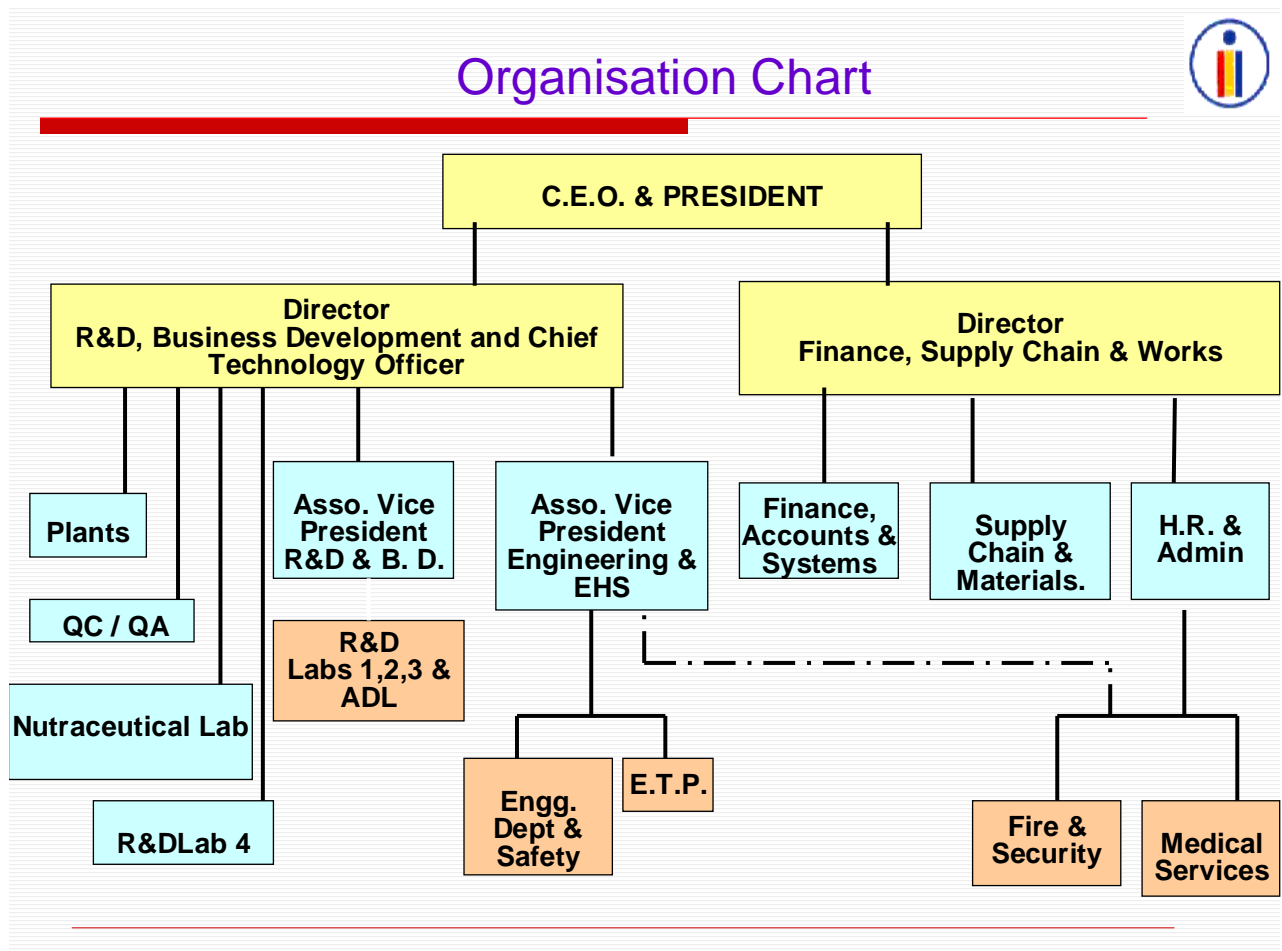
The following changes have taken place during last three years.

Sr. No	Name	Designation	STATUS
1	Mr. Viren Raheja	Director	Appointed on 25/06/2008
2	Mr. Utpal sheth	Director	Appointed on 25/06/2008
3	Mr. Rajan Raheja	Director	Resigned on 25/06/2008
4	Mr. Rakesh R. Jhunjhunwala	Director	Resigned On 25/06/2008
5	Dr. B Sahu	Director	Resigned On 29/4/2009
6	Dr B. K. Kulkarni	Director	Resigned On 29/4/2009
7	Mr. S.C. Nanda	Director	Resigned On 29/4/2009
8	Mr. Vivek Kejriwal	Director	Appointed On 28/5/2009
	Dr B. K. Kulkarni	Whole Time Director	Appointed On 13/11/2009

AUDITORS

M/s N. M. Raiji & Co., Mumbai are the Auditors of ITIL. There has been no change in the Auditors in the last three years.

Management Organization Structure of ITIL



Our Key Managerial Personnel, of ITIL are as follows:

Mr. S.B. Ghia, Dr. B. Sahu, and Dr. B.K.Kulkarni are the Key Managerial persons, their share holding in ITIL is NIL

PROMOTER

Futura Polyesters Limited is the promoter of the company.

SUBSIDIARIES

There are no subsidiaries of ITIL.

GROUP COMPANIES

Details of Promoter Group Companies are the same as applicable to IIL given on page Nos from 24 to 28.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF ITIL.

(In this chapter, the word “ the Company” wherever it appears refers to ITIL)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-2010

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is engaged in the business of customs synthesis, contract research & development, contract chemicals, specialty chemicals, toll and contract manufacture of various chemicals and similar businesses. Thus the Company is engaged in several diverse activities which cannot be benchmarked to any industry.

The Company is currently engaged in both contract research & development for product groups like protected nucleosides, phosphoramidites & amino acids, intermediates for active Pharma intermediates, specialty carbohydrate derivatives, metallocene compound, etc. The Company's focus on nucleosides and amidites has placed it in one among the top few companies engaged in this activity in the world. The Company manufactures specifically against orders received from its customers.

The Company is also manufacturing under long term contract since 2001 with Ciba Specialty Chemicals (Now BASF after global take over of business), Switzerland for manufacture of a single product. This has been one of the major contract manufacturing activities of the Company since its inception.

The Company has developed hundreds of molecules for several internationally well known customers. Last five years of hard work and promotion of company's technical capabilities have resulted in well known chemical and pharma MNCs accepting Company's status as a quality Research & Development company especially in several new areas.

The entire production of the Company is exported. Hence the Company has applied for the status as Export Oriented Unit (EOU) with appropriate authorities and expecting to receive the approval in due course of time.

2. OPPORTUNITIES AND THREATS

The Company has been recognized internationally as one of the few companies in development and manufacture of nucleosides and amidites. This breakthrough opens up vast opportunities for the Company in this area. There are several Pharma MNCs worldwide which are actively engaged in developing new drugs based on DNA analysis, Stem cell research etc. The requirement for nucleosides and amidites of different types, for research, manufacture and diagnosis offer unlimited opportunities. The Company has already in the supply

chain of some of the large R&D and Pharma companies who are using the Company's products for their research. Some of the drugs are in advanced stage of Clinical trials and once these are successful, the Company can hope to get multi ton orders from these companies.

Similarly, in customs synthesis and contract manufacture, the Company has established its name and has been working successfully for CIBA (& now with BASF) since 2001. Last year, the Company produced 196 metric ton of a single product for this customer and has received order for around 312 MT for the year 2010. The Company hopes this contract would continue further as the markets in US & Europe has opened up post recession and demand is picking up.

The Company has to depend on supplies through imports and therefore, logistics assumes considerable importance. However, the industry scenario appears bright and the Company hopes to emerge as one of the major players in the world.

3. PERFORMANCE

The Company's turnover for 2009-10 was Rs. 31.79 crores as compared with Rs. 41.82 crores during the previous year. The year has resulted in a net loss after tax of Rs. 7.73 crores compared with Rs.13.71 crores during the last year. The reduction in losses is due to reduction in financial expenses & other fixed overheads. The net worth of the Company as on 31st March 2010 amounts to Rs.89.83 crores. The Company is yet to reach a break even level to earn profits. This is due to the fact that the Company has to invest in infrastructure and servicing of fixed expenses in advance to establish its credentials with prospective customers who come to audit the company's facilities before placing orders. Secondly the global market is hit by the recession and as a result business of Contract manufacturing and Custom Synthesis are affected. The Company hopes to achieve progress in the current year. In view of the investments made earlier, the Company's financial costs, depreciation and other fixed costs cannot be fully absorbed at the current turnover level. Further the losses incurred by the Company have affected the current cash flow situation. However, the Company is in due process of receiving adequate orders for the current year to meet its budgetary projection.

4. OUTLOOK

The Company expects to substantially increase its turnover in the current year considering the orders likely to be received for a range of products developed for its customers. New customers have been added for Deoxy amidites, RNA amidites, Fluro amidites, Sugar Monomers, Sodium-p-Glycerophosphate and many specialty products. There is positive response from various Pharma companies, oligo houses and drug discovery companies in USA, Europe and Japan for supply of Deoxy and RNA amidites. In view of increase in potential demand for various nucleoside products and considering their pH sensitive

nature, your company has converted one of the specialty chemical plant into nucleosides and amidite manufacturing plant. There is a good demand post global recession for the new business segments entered into by the company, namely, Protected Amino acids and other chemicals. In other chemicals segment, discussions are at an advanced stage with one of the leading US based companies for large contract manufacture collaboration. On finalization of the contract, there will be a quantum jump in the turnover. In contract chemicals segment, the existing contract with BASF is expected to continue as the Company has received a bulk order of around 312 MT for the current year. Overall the future prospects appear to be bright in view of recovery of global recession. Company has also started local initiative to sign contract manufacturing agreement with Indian Pharma Companies which will give steady cash flow over and above good profit margin.

Cost reduction measures being implemented especially in utilities. Steam generation through low cost input (i.e. Bio-mass) has already resulted in saving in utility cost. This will also enable us to benefit from Carbon credit. Cost cutting measures in other fixed overheads are also in vogue.

5. RISKS & CONCERNS

As the Company is involved in research and development of new molecules and products there are possibilities of delay in the client commercializing their development. This is also partly affected by global meltdown. World economy is now at a stage of gradual recovery. Many of the clients who are carrying out clinical trials for drugs for which the Company has supplied the raw materials, are in advanced stage of trials. Once these trails are completed successfully and they commercialize the same, the Company will benefit by way of substantial orders. Further, development of new molecules and products involve considerable development costs which are to be amortized over a period of few years. There are possibilities that the client may not succeed in their development of their final products. In view of several new products being developed simultaneously, it would be difficult to assess the capacity utilization which depends on the product mix. The Company, however, attach priority to high contribution products to improve its profitability. The Company also depends for its growth on its vast skilled scientists and chemists whose continuance in service is a critical factor inspite of high recurring and retention cost.

6. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Audit Committee set up by the Board reviews periodically the internal audit reports submitted by the internal auditors. The Management periodically interacts with the internal auditors and statutory auditors. The Company has adequate internal control systems commensurate with its size and operations.

7. HUMAN RESOURCES AND INDUSTRIAL REALTIONS

Industrial relations remained cordial throughout the year. The number of permanent employees on roll of the Company is 228. Of this, there are 3 doctorates (Ph.Ds) in Chemistry and 58 Chemists are engaged in R& D work. The unionized workers are 70 in number.

ADVERSE DEVELOPMENTS IN ITIL, IF ANY:

The Directors of ITIL confirm that in their opinion no material and adverse development has taken place since the date of the last financial statements as disclosed in this Information Memorandum which is likely to affect the profitability of ITIL, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

OUTSTANDING LITIGATION - ITIL

Against ITIL

Labour cases filed against Innovassynth Technologies (India) Limited

Sr. No.	Parties	Authority Before Which Pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/ Proceeding	Amount of Claim Involved	Status as on 31-12-10
1.	M/s Shree Enterprises & Innovassynth Technologies (India) Limited (the "First Party") v/s Gautam Kashinath Rokde (the "Second Party")	Labour Court at Mahad.	Reference application number REF (IDA) 5/2006	This case has been filed by the Second Party on the alleged illegal termination of the Second Party by the First Party with effect from December 23, 2004. The Second Party has thus prayed that the alleged illegal termination by the First Party be set aside and the Second Party be reinstated and the back wages from the date of termination till the resumption of his service be paid	Entire back wages from the date of the said termination till the resumption of his services/ Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h . The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
2.	Innovassynth Technologies (India) Limited (the "First Party") v/s S.R. Darekar (the "Second Party")	Labour Court, Mahad	REF (IDA) No. 225/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from march 30, 1997. The Second Party has thus prayed that the alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h . The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
3.	Innovassynth Technologies (India) Limited (the "First Party") v/s H.S. Darekar (the "Second Party")	Labour Court, Mahad	REF (IDA) No. 227/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from December 13, 1996. The Second Party has thus prayed that the alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h . The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
4.	Innovassynth Technologies (India) Limited (the "First Party") v/s Hemant Balkrishna Nalavade (the	Labour Court, Mahad	REF (IDA) No. 226/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from April 09, 1997. The Second Party has thus prayed that the	Entire back wages from the date of the said termination till the resumption of	Labour court Mahad has ruled in favour of Innovassynth h . The

	"Second Party")			alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	his services/Not quantifiable	appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
5.	Praful] Anant Gaikwad ("Petitioner") v/s Innovassynth Technologies (I) Limited ("Respondent"),	Labour Court, Mahad	Complaint no. 1/2008.	Company has paid back wages to Mr. Gaikwad as per labour court's order. Alleging that the payment is not as per the order and is much less than the order, complainant has filed a complaint which is pending before the labour court Mahad for filing our reply.	Not quantifiable	The Company has paid back the wages , but the plaintiff has alledged that the payment is not as per order and he has files the complaint in Labour court.
6.	Mr. Sanjay Sadanand Patil and Mr. Aziz Hasan Khot (the "Complainants") v/s M/s Innovassynth Technologies (India) Limited and others (the "Respondent")	Industrial Court, Thane	Complaint number (U.L.P.) No. 327 of 2001	This Complaint has been filed against the alleged illegal termination of the Complainants by the Respondents with effect from February 12, 2000. The Complainants thus pray for the alleged illegal termination to be set aside and the Complainants be reinstated in their services and the back wages from the date of termination till the resumption of his service be paid along with the arrears arising from the revision in pay and other benefits be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services./Not quantifiable	The industrial court has ruled in favour of Innovassynth h and there has been no appeal by the complainants.
7.	Praful Anant Gaikwad (the "Petitioner") v/s Innovassynth Technologies (India) Limited (the "Respondent")	High Court of Judicature at Bombay	Contempt Petition no. 276 of 2007	This application for contempt has been filed against the alleged disobedience of the orders passed by the Labour and the Industrial Court. The Labour Court through its order dated April 27, 2006 had ordered for the reinstatement of the Petitioner into his service. The same was upheld by the Industrial Court through its order dated April 09, 2007. The Petitioner has thus alleged that he has not been reinstated even after the court orders have been passed in his favour.	Not quantifiable	The petitioner has alledged that he has not been reinstated in service despite orders from Industrial/ labour court and has filed a contemp petition against the company.
8.	Anil Pandurang	Industrial	Complaint	This complaint has been	Entire back	The

	Gaikwad & others (the "Complainants") v/s Innovassynth Technologies (India) Limited & others (the "Respondents")	Court, Thane	(U.L.P) no. 574 of 2000	filed against the alleged illegal termination of the Complainants by the Respondent. The Complainants have alleged that the Respondent has indulged in unfair labour practices by denying the compensation under the voluntary retirement scheme as claimed to be promised to the Complainant. The Complainant thus prays for reinstatement in his service.	wages from the date of the said termination till the resumption of his services/Non-quantifiable	industrial court has ruled in favour of Innovassynth and there has been no appeal by the plaintiff.
9.	Maharashtra Rajya Rashtriya Kamgar Sangha Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 149 / 2009	The Applicant Union has filed a Complaint for challenging the letters given to workmen for vacating the residential accommodations provided to them in company's colony at Khopoli.	Not quantifiable	All the workers concerned have vacated & given the possession back to the company in accordance with Hon. Industrial court order dated 22-12-10
10.	Innovassynth Technologies (I) Ltd Kamgar Sanghatana Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 155 / 2009	The Applicant Union has filed a Complaint for challenging the letters given to workmen for vacating the residential accommodations provided to them in company's colony at Khopoli.	Not quantifiable	All the workers concerned have vacated & given the possession back to the company in accordance with Hon. Industrial court order dated 22-12-10
11.	Innovassynth Technologies (I) Ltd Kamgar Sanghatana Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 155 / 2009	The Applicant Union has filed a Complaint for under MRTU & PULP Act for challenging the alleged unlawful deductions of Rs. 1100/- from their wages and unlawfully changing the service conditions of the workmen. They have also claimed for bonus at higher rates.	Not quantifiable	Matter has been settled with union & company but case is not yet withdrawn.
12.	Innovassynth Technologies (India) Limited (the "Applicant") v/s Rajendra Vasant Chorge, Presiding officer, Labour Court,	High Court of Bombay	Letter Patent Appeal No 29 of 2008 in Writ Petition No5016 of 2006.	This Appeal has been filed against the order dated December 27, 2005 passed by Respondent No.2. The Respondent No.2 has passed an order to reinstate Respondent no.1 who was allegedly	Entire back wages from the date of the said termination till the resumption of his	The Court has granted relief to the complainant by passing an order dt. 06-07-09 directing

	Mahad (the "Respondent 1 & 2")			terminated illegally. The Appellant has filed this appeal to set aside the order of the Respondent no.2.	services/Not quantifiable	that minimum wages to be paid to the complainant from 01-03-08. Accordingly, Innovassynth has been depositing monthly payments with the labour court from 01/03/08.
13.	Innovassynth Technologies (I) Limited ("Applicant") v/s S. G., Presiding officer, Labour Court, Mahad ("Respondent 1 & 2"), before the bearing	High Court of Judicature, Bombay,	Writ Petition No. Not yet allotted	The company had filed the appeal against the order of industrial court upholding the order of labour court Mahad, allowing reinstatement of Mr. S. G. Saple who's services were terminated on medical grounds in April 1998. The matter is pending before the High Court of Bombay with its Judicature at Mumbai. After circulation, case will come up for hearing; the next hearing is not yet declared.	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	The initial order in this matter has gone against the company with the court directing reinstatement and back wages w.e.f. 11-04-98. The company has appealed with the divisional bench of high court has allowed the appeal and directed the company to deposit back wages at the high court amounting to Rs. 713685/- , which has been done.

Tax cases filed against Innovassynth Technologies (India) Limited

Sr. No	Parties	Authority Before Which Pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/ Proceeding	Amount of Claim Involved (Rs. In Lacs)
1.	Innovassynth Technologies (India)	Customs, Excise	Appeal number	This Appeal has been filed against the order-in-appeal number	1.93

	Limited (the “Appellant”) v/s The Commissioner of Central Excise (the “Respondent”)	and Service Tax Appellate Tribunal (the “CESTAT”)	E/629/07	AT/831/RGD/2006 dated February 5, 2007 passed by the Commissioner of Central Excise (Appeals)challenging the decision that the Appellants was liable to pay a differential duty under Rule 3(4) of Cenvat Credit Rules, 2002 However, the CESTAT <i>vide</i> order number S/538/2007/CI/EB has waived and stayed the recovery of pre-deposit of interest and penalty pending the appeal as the duty demand of Rs. 1,92,824 has been duly paid.	
2.	Futura Polyesters Limited (the “Appellant”) v/s Commissioner of Central Excise (the “Respondent”)	Customs, Excise and Service Tax Appellate Tribunal	Appeal number 3677/03 of 2003	This appeal has been filed against the order in appeal number RJB/M-III/265/2003 dated August 28, 2003 passed by the Commissioner of Central Excise (Appeal). The alleged grounds of the appeal are stated herein below <ol style="list-style-type: none"> 1. The duty amount of Rs. 13,48,142 cannot be demanded in absence of recovery provisions. 2. The Respondent has failed to consider that Rule 57CC of Central Excise Rules, 1944 envisages the reversal of MODVAT credit taken in respect of duty paid inputs, which are subsequently utilised in the manufacture of the exempted goods. 3. Since there is no existence of sale, provisions of Rule 57CC of the Central Excise Rules, 1944 does not apply. 4. Value under Rule 57CC cannot be determined as per Section 4 of 4A of the Central Excise Act 5. The circular number 591/28/2001-CX dated October 16, 2001 is applicable 	13.48
3.	Innovassynth Technologies (India) Limited (the “Appellant”) v/s Khopoli Municipal Council, Khopoli (the “Respondent”)	Court of Judicial Magistrate First Class, Khalapur.	Miscellaneous Appeal No. 25/2006 of 2006	This application has been filed for the readmission of the appeal originally numbered M.A No. 1/99. The appeal was filed for the setting aside of the Bill No. 4134 dated April 19, 1999 served on the Appellant by the Respondent for the outstanding Octroi duty. The same was alleged to be illegal by the Appellant.	7.74
4.	Superintendent of Central Excise (the “Assessor”) v/s Innovassynth Technologies (India) Limited (the “Assesse”)	Superintendent of Central Excise, Khopoli Range -I	F No. V/.Adj (SCN) 15-480/M-VII/01/15 43	The Assesse through this show cause notice dated January 1, 2002 has been asked to justify why a sum of Rs. 3,08,810 should not be demanded and recovered from them in contravention of Rule 9(2) of the Central Excise Rules, 1944.	3.80

Civil cases filed against the Company.

1	One Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India have filed a civil case in the Suffolk, County Court, Massachussettes, USA and have made, interalia, Innovassynth Technologies (India) Limited, Mr. S. B. Ghia and Dr. B Sahu, as defendants claiming that all the defendants have acted to steal some of the trade and other secrets relating to their specified products by recruiting some of the employees of Ess Cee Biotech Pvt. Ltd., in India and have sought for a Stay of the defendants dealing with the specified products and also claiming damages. All the three defendants are being defended in the case through an Attorney.
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GOVERNMENT APPROVALS OF ITIL

	Issuing Authority	License for	Period for
01)	Government of India, Ministry of Science & Tech., New Delhi	Recognition of In-house R&D Unit	Upto 31/03/2011
02)	Registering & Licensing Authority of Contract Labour (R&A Act)	License for Contract Labour	Upto 31/12/2009
03)	Director of Industrial, Safety & Health Act	Factory License	Upto 31/12/2010
04)	Additional Collector Raigad, Alibag (under the Maharashtra solvent, Refinate & Slop Act)	License for acquisition of Solvents, Refinate & slop	Upto 03/08/2010
05)	Collector of Raigad, Alibag	License for Rectified Spirit in the form RSII	Upto 31/03/2009 (Renewal application submitted)
06)	Collector of Raigad, Alibag	License for Denatured Spirit in the Form DS-V	Upto 31/03/2009 (Renewal application submitted)
07)	Joint Commissioner of Foods & Drugs Administrator	License of Manufacture for sale of Drugs other than those specified in (Sch.CC(i)&(x) in Form 25	Upto 04/02/2010
08)	Maharashtra Pollution Control Board	Consent to operate for the manufacturing	Upto 30/06/2013
09)	Joint Chief Controller of Explosive	License to store Compressed Gas in Cylinder	Upto 30/09/2010
10)	Joint Chief Controller of Explosive	Licence for import & store petroleum in installation	Upto 31/12/2009

FINANCIAL INFORMATION

AUDITORS' REPORT

The Board of Directors
Innovassynth Technologies (India) Limited,
Paragon Condominium,
P.B. Marg,
Mumbai - 400 013

Dear Sirs,

We have examined the Books of account of **Innovassynth Technologies (India) Limited**, for the five financial years ended on 31st March 2010, being the last date upto which the accounts of the Companies, have been made up and audited by us for presentation to the members,

In terms of requirements of:

(A) Paragraph B (1) of the part II schedule II of the Companies Act 1956

(B) The instruction dated 31st December 2010, received from the Company, requesting us to issue report as Statutory Auditor of the Company, relating to the information to be included in the "Information Memorandum" of the Innovassynth Investments Limited (IIL).

We report as under:

In our opinion, the financial information of the Company, set out in reports, read with respective significant accounting policies, subject to notes given thereon, have been prepared in accordance with part II – B of the Schedule II of the Companies Act, 1956.

We have examined the following financial information relating to the Company prepared by the management.

Innovassynth Technologies (India) Limited

1. Summary statement of Assets and Liabilities as per Annexure - I
2. Statement of Profit and Losses as per Annexure - II
3. Significant Accounting Policies and relevant notes to accounts as per Annexure - III
4. Dividend declared by the Company as per Annexure - IV
5. Other Income as per Annexure - V
6. Accounting Ratios as per Annexure - VI
7. Capitalisation statement as per Annexure - VII
8. Secured Loans- Term Loans as per Annexure - VIII
9. Tax Shelter Statement as per Annexure - IX
10. Sundry Debtors as per Annexure - X
11. Loans and Advances as per Annexure - XI
12. Statement of Capital Commitments and Contingent Liabilities as per Annexure - XII
13. Related Parties as per Annexure - XIII

14. Related Parties Transactions as per Annexure - XIV - A,B,C,D and E
15. Cash Flow Statement as per Annexure - XV

This report is being provided solely for the use of Company for the purpose of inclusion of the same in the information to be issued to the Stock Exchange authorities in India in connection with the allotment of Equity Shares of IIL to the existing Shareholders of the Futura Polyesters Limited as per the Scheme approved by the Shareholders and High Court of Bombay.

This report may not be used or relied upon by, or disclosed, referred to or communicated by yourself (in whole or in part) to, any third party for any purpose other than the stated use, except with our written consent in each instance, and which consent, may be given, only after full consideration of the circumstances at that time.

For N.M. Raiji and Co,
Chartered Accountants
Firm Reg.No.108296 W

Dated: 4th January, 2011
Place: Mumbai

CA. Y.N. Thakkar
Partner
Membership No. 33329

STATEMENT OF FIXED ASSETS AND LIABILITIES

(Rupees in Lacs)

	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
1 FIXED ASSETS					
Gross Block	14,853.36	14,055.01	10,306.79	9,755.42	9,291.76
Less: Depreciation	4,029.60	3,265.96	2,550.28	1,907.07	1,326.15
Add : Capital Work - in - Progress	159.26	352.24	200.29	341.55	100.55
Net Block	10,983.02	11,141.29	7,956.80	8,189.90	8,066.16
2 INVESTMENTS	159.00	159.00	0	0	0
3 DEFFERED TAX ASSETS	2,587.59	2,248.20	2,259.54	1,827.03	1,271.91
4 CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	2,098.88	2,029.17	1,714.66	1,252.82	675.64
Sundry Debtors	585.07	1,022.35	680.08	476.78	550.23
Cash and Bank Balances	326.15	224.45	324.08	92.16	235.36
Loans and Advances	286.13	406.40	523.18	393.32	410.73
	3,296.23	3,682.37	3,242.00	2,215.08	1,871.96
5 SECURED LOANS	3,709.01	3,627.73	3,527.62	3,668.84	3,601.03
6 UNSECURED LOANS	2,000.00	1,030.00	1,256.38	560.92	595.00
7 CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	2,143.64	2,602.17	2,977.84	2,057.73	1,114.10
Provisions	190.53	220.23	196.37	81.23	55.69
	2,334.17	2,822.40	3,174.21	2,138.96	1,169.79
	8,982.66	9,750.73	5,500.13	5,863.29	5,844.21
NET WORTH					
REPRESTED BY					
8 SHARE CAPITAL	7,402.14	7,402.14	5,554.37	4,904.37	3,905.51
9 RESERVE AND SURPLUS	2,122.06	2,366.56	2,122.06	2,122.06	2,122.06
Less : Miscellaneous Expenditure	12.83	17.97	9.16	11.30	2.80
(to the extent not written off or adjusted)					
RESERVES (NET)	2,109.23	2,348.59	2,112.90	2,110.76	2,119.26
10 PROFIT & LOSS ACCOUNT-DEBIT BALANCE	(528.71)		(2,167.14)	(1,151.84)	(180.56)
NET WORTH(8+9+10)	8,982.66	9,750.73	5,500.13	5,863.29	5,844.21

Annexure - II

PARTICULARS	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
INCOME					
Sales & Services (Gross)	3,179.90	4,182.62	3,254.91	2,005.10	1,573.70
Add : Cost of Traded Goods Sold			-	358.67	211.72
Less : Excise Duty Paid	2.14	4.46	3.22	1.50	4.11

	3,177.76	4,178.16	3,251.69	2,362.27	1,781.31
Other Income	63.40	389.26	210.25	78.57	142.81
(Less)/Add : (Increase)/Decrease in Inventories	(77.86)	(213.13)	(129.45)	(239.98)	(355.75)
	3,319.02	4,780.55	3,591.39	2,680.82	2,279.87
EXPENDITURE					
Raw Material Consumed	1205.74	2,014.41	1,558.78	943.34	1,447.19
Staff Costs	838.76	891.33	880.44	772.30	694.84
Other Manufacturing Expenses	961.20	1,266.91	1,190.77	1,062.90	937.71
Administration Expenses	399.55	594.37	247.51	255.51	199.67
Selling and Distribution Expenses	18.45	77.48	81.38	100.74	87.42
Cost of Traded Goods sold	-		-	315.34	189.98
Finance Expenses	645.67	785.66	682.95	552.94	340.00
Depreciation	763.68	719.27	655.17	582.00	626.27
	4833.05	6349.43	5,297.00	4,585.07	4,523.08
Less : New Product Development Expenses Capitalised	(401.44)	(215.11)	(263.34)	(382.27)	258.79
	4431.61	6134.32	5,033.66	4,202.80	4,264.29
Loss before Tax	(1,112.61)	(1,353.77)	(1,442.27)	(1,521.98)	(1,984.42)
Taxation :-					
Add/(Less) : Taxation of Earlier years		0.02	(0.11)	1.01	10.62
Less : Provision for Tax (Wealth Tax)		-0.1	0.15	0.09	0.18
Add: Deferred Tax adjustment	339.39	(11.33)	432.51	555.11	738.36

Annexure -III

NOTES FORMING PART OF THE ACCOUNTS: 2009-2010

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable except insurance claim which is accounted for on receipt basis.

B. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost comprises cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to condition for its intended use.

C. Depreciation and Amortisation of Assets

Depreciation has been provided on Plant and Machinery on straight line basis and on other assets on written down value basis at the rates specified in Schedule-XIV of the Companies Act, 1956 . Higher rate of depreciation has been provided on certain Plant & Machinery, ranging 6.22% to 16.67% compared to 5.28% for continuous process plants and 10.34% to 50% compared to 10.34% for batch process.

Cost relating to successful new products development is amortised on a straight line basis over a period of 10 years.

Cost relating to payment of non compete compensation is amortised on a straight line basis over the life of non-compete agreement.

Cost relating to registration/ Cost of acquisition of new patent is amortised on straight line basis over a period of 10 years.

Cost relating to other intangible assets is amortised over the estimated useful life of the assets.

D. Preliminary Expenses

Share issue expenses are amortised over a period of 5 years.

E. Borrowing Costs

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisition/development of qualifying capital assets which is capitalised as cost of that assets.

F. Inventories

Inventories are valued as under:

Raw materials, packing materials, stores and spares : at cost (weighted average method) Material-in-transit and Semi finished goods : at cost Finished goods : at lower of cost or net realisable value.

G. Revenue Recognition

Sale of goods is recognised on despatch to customers as per terms of contract. Sales include amounts recovered towards excise duty, but exclude amounts recovered towards VAT . Service income is recognised as per terms of agreements exclusive of service tax.

H. Foreign Currency Transactions

Transactions in foreign currencies are recorded at current rates. All monetary Assets and Liabilities denominated in foreign currency are restated at the year end rates. All exchange gains and losses are accounted for in the Profit and Loss Account.

I. Research and Development

Revenue expenditure is charged as an expense in the year in which they are incurred. Capital expenditure is shown as an addition to the fixed assets.

J. Employee Benefits

i) Defined Contribution Plan

Company's contribution to Labour Welfare Fund and Pension Fund are recognised in the Profit and Loss Account.

a. Defined Benefit Plan

- a) Company's Contribution towards Provident Fund is made to an approved fund.
- b) Provision for Gratuity is made as per actuarial valuation certificate obtained from an actuary which is determined using Projected Unit Credit method.
- c) Provision for Leave Entitlement is made as per actuarial valuation certificate obtained from an actuary which is determined using Projected Unit Credit method.
- iii) Short term employee benefits are provided in the year in which the employee render the related services.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

K. Taxes on Income

- a) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

b) Deferred Tax Provision : Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

NOTES TO ACCOUNTS

a) Note for the years 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010

During the year 2005-2006, the Company has revalued the entire Land at Khopoli to Rs. 300,000,000/- as on 31st March, 2006 based on the Valuation carried out by M/s. Kanti Karamsey and Company, registered valuers (vide their Report dated 06th April, 2006). The net increase in the book value arising out of revaluation amounts of Rs.184,032,110/- had been credited to Revaluation Reserve Account. As per the legal opinion received by the Company, the Revaluation Reserve has been adjusted against Profit and Loss Account as on 31.03.2006.

b) Note for the year 2008-2009 and 2009-2010

During the year 2008-2009, the Company has revalued the 3,30,555 sq. mtrs. Land at Khopoli to Rs.661,110,000/- (as on 31st March, 2009 based on the Valuation carried out by M/s. Business & Industrial Consultants, registered valuers (vide their Report dated 28th March, 2009). The net increase in the book value arising out of revaluation amounts to Rs. 378,310,610/- has been credited to Revaluation Reserve Account. As per the legal opinion received by the Company, the Revaluation Reserve has been adjusted against Profit and Loss Account as on 31st March, 2009 & 31st March, 2010.

Annexure -IV

DIVIDEND DECLARED BY THE COMPANY

(Rupees in Lacs)

	DIVIDEND FOR THE PERIOD ENDED				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
DIVIDEND FOR THE YEAR	NIL	NIL	NIL	NIL	NIL

Annexure – V

OTHER INCOME	FOR THE PERIOD ENDED				
	(Rupees in Lacs)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Interest Received (Gross)	14.95	17.90	9.49	9.94	23.28
Commission	-	-	-	-	12.01
Insurance Claim	0.55	20.85	0.95	-	21.46
Sales Tax Set-off	-	-	-	-	2.85
Profit on sale of Fixed Assets (Net)			2.34	-	0.15
Provision no longer required	10.06	273.88	59.07	33.00	25.31
Provision for Doubtful Debts Written Back	-	-	-	-	4.28

Foreign Exchange Fluctuation (Net)			43.02	3.55	0.52
Miscellaneous Receipts	17.99	16.82	23.26	9.72	10.02
Sundry Balances Written back	5.90	-	45.68	22.36	7.13
Prior Period Items (Net)			26.44	-	35.79
TOTAL	49.46	329.44	210.25	78.57	142.80

Annexure - VI

ACCOUNTING RATIOS					
	AS AT				
	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
Earning Per Share (in Rs.) (Basic)	(1.04)	(2.30)	(1.89)	(2.20)	(3.49)
Earning Per Share (in Rs.) (Diluted)	(1.04)	(2.30)	(1.89)	(2.20)	(3.49)
Net Asset Value Per Share (Rs.)	12.13	13.17	0.99	1.20	1.50
Return on Net Worth (RONW)	-8.60%	-14.06%	-18.46%	-16.57%	-21.25%

Annexure - VII

CAPITALISATION STATEMENT AS ON 31.03.2010			
			(Rupees in Lacs)
Sr.No.	Particulars	Pre-issue as on 31-03-2010	Post Issue
1	Secured Loan	3,709.01	3,709.01
2	Unsecured Loan	2,000.00	2,000.00
3	Total Debt	5,709.01	5,709.01
4	Less : Short Term Debts	8,98.21	8,98.21
5	Total Long Term Debts	4,810.80	4,810.80
	Share Holders Funds		
6	Share Capital	7,402.14	7,402.14
7	Reserves (Excluding Revaluation Reserve)	2,122.06	2,122.06
	Profit and Loss Account- Debit Balance	(528.71)	(528.71)
	Miscellaneous Expenditure (not written off)	(12.83)	(12.83)
8	Total Share holders Fund	8,982.66	8,982.66
	Long Term Debt/Equity (5/8)	0.54	0.54

Loans - Term Loans as on 31st March,2010				(Rupees in Lacs)
Secured Term Loans				
Sr.No.	Name of the Institution / Bank	Outstanding Amt	Rate of	Security
		As on 31-03-2010	Interest	
TERM LOAN FROM FINANCIAL INSTITUTION				
1.	Housing Development Finance Corporation Ltd	2,200.00	13.00%	The Term Loan from Housing Development Finance Corporation is secured against first charge on the Factory premises situated on all the piece and parcel of land and factory building constructed thereon situated at Khopoli together with Plant and Machinery and construction thereon present and future except Plant and Machinery and Fixed Assets funded by CIBA towards Contract Manufacturing.
OTHER LOANS FROM BANKS				
2.	Cash Credit-Vijaya Bank	1,505.80	13.25%	Cash Credit is secured by hypothecation of Company's Current Assets and second charge on the Plant and Machinery, Land and Factory Buildings and Other Fixed Assets of the Company at Khopoli except Plant and Machinery and Fixed Assets funded by CIBA toward Contract Manufacturing.
3.	Car Loan - ICICI Bank	3.21	11.00%	Car Loan is secured by hypothecation of Cars.
	Sub-Total (A)	3,709.01		
Unsecured Term Loans				
1.	From Department of Science & Technologies, Delhi	1,900.00	3.00%	
2.	Inter Corporate Deposit	100.00	10.00%	
	Sub-Total (B)	2,100.00		
	Total (A + B)	5,809.01		

Tax Shelter Statement

Particulars	For the Year Ending March 31 (Rs. In lakhs)				
	2006	2007	2008	2009	2010
Tax Shelter Statement as on 31st March					
Tax Rate	33.66%	33.66%	30.90%	30.90%	33.99%
Business (Loss) for tax purpose	(2,126.40)	(1,400.32)	(1,457.82)	(1,039.82)	(922.53)
Tax Saving for the year	715.75	471.35	450.47	321.30	313.57
Cumulative carry forward Losses	(4,387.80)	(5,788.12)	(7,245.94)	(8,118.45)	(9,040.98)
Cumulative tax Saving	1,476.93	1,948.28	2,398.75	2,720.05	3,033.62

Annexure – X

(Rupees in Lacs)

SUNDRY DEBTORS					
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Over Six months					
Considered Good	98.12	325.36	25.46	23.62	168.32
Considered Doubtful	378.08	385.42	605.59	600.71	557.50
	476.20	710.78	631.05	624.33	725.82
Others : Considered Good	486.95	696.99	654.62	453.16	381.91
	963.15	14,07.77	1,285.67	1,077.49	1,107.73
Less : Provision for doubtful debts	378.08	385.42	605.59	600.71	557.50
	585.07	1,022.35	680.08	476.78	550.23

Annexure – XI

(Rupees in Lacs)

LOANS AND ADVANCES					
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Advances recoverable in Cash or in kind					
or for value to be received :					
Considered good	112.18	160.15	411.11	288.75	319.01
Considered doubtful	26.12	27.26	27.26	27.36	21.18
	138.30	187.41	438.37	316.11	340.19
Less : Provision for Doubtful Advances	26.12	27.26	27.26	27.36	21.18
	112.18	160.15	411.11	288.75	319.01
Advance Payment of Tax (Net of Provisions)	6.63	6.46	33.20	30.92	29.77
Balance with Excise, Customs, etc.	105.98	177.97	78.87	73.65	61.95
Other Receivables	14.42	14.42	-	-	-
Deposits with Govt. Authorities	39.13	39.13	-	-	-
Other Sundry Deposits	7.79	8.28	-	-	-
	286.12	406.40	523.18	393.32	410.73

Annexure – XII

(Rs. In Lacs)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF :-		As at				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
1	Capital Commitments (A)	61.21	111.50	15.70	55.23	0.00
2.	Contingent Liabilities:					
(i)	Claims against the Company not acknowledged as debts.	not ascertained	752.52	787.85	695.48	636.33
(ii)	Other Liabilities	30.60	30.60	30.60	16.60	-
	Total (B)	30.60	783.12	818.44	712.08	636.33
	TOTAL (A + B)= C	91.81	894.62	834.14	767.31	636.33

Annexure - XIII

As required by Accounting Standard - AS 18 "Related parties Disclosure" issued by The Institute of Chartered Accountants of India as follows:-			
A	List of Related Parties and Key Management Personnel :		2009-10
	Name	Nature of Relationship	
	1. Innovassynth Investments Ltd. (IIL)	: Mr. S.B.Ghia and Mr. Shyam S. Sami are common Directors. Innovassynth Investments Ltd. Holds 32.22% of paid up capital of company.	
	2. Futura Polyesters Ltd.	: Mr. S.B. Ghia & Mr. Viren Raheja are common Directors. Futura Polyesters Ltd. Holds 2.70% of paid up capital of company.	
	3. Mr. Satish Raheja	: Holding 45.44% of paid-up capital of company.	
	4. Dr. B.K. Kulkarni	: Whole time Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :		2008-2009
	Name	Nature of Relationship	
	1. Innovassynth Investments Ltd. (IIL)	: Mr. S.B.Ghia and Mr. Shyam S. Sami are Common Directors. Innovassynth Investments Ltd. Holds 32.22% of paid up capital of company.	
	2. Futura Polyesters Ltd.	: Mr. S.B. Ghia, Mr. Viren Raheja & Mr. Shyam S. Sami are common Directors. Futura Polyesters Ltd. Holds 2.70% of paid up capital of company.	
	3. Mr. Satish Raheja	: Holding 45.44% of paid-up capital of company.	
	4. Dr. B.K. Kulkarni	: Director, Key Management Personnel	

	5. Mr. S.C. Nanda	:	Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :			2007-2008
	Name		Nature of Relationship	
	1. Futura Polyesters Ltd. :	:	Mr. S.B. Ghia is a Common Director. Futura Polyesters Ltd.	
			holds 42.94% of paid up capital of Company.	
	2. Beach Plaza Contractors & Developers Private Limited	:	Significant influence of Mr. Rajan Raheja thru relative Mr. Satish Raheja holding 38.06% Equity shares of the Company.	
	3. Mr. Satish Raheja	:	Relative of Mr. Rajan Raheja	
	4. Dr. B.K. Kulkarni	:	Director, Key Management Personnel	
	5. Mr. S.C. Nanda	:	Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :			2006-2007
	Name			
	1. Relationships	:	1. Futura Polyesters Limited	
	a) Holding Company upto 11/1/2007 & thereafter an Investing Party of which the company is an Associate			
	b) Key Management Personnel			
	1. Dr. B.K.Kulkarni - Director			
	2. Mr. S.C.Nanda - Director			
A	List of Related Parties and Key Management Personnel :			2005-2006
	Name			
	1. Relationships	:		
	a) Holding Company			
	Futura Polyesters Limited			
	b) Key Management Personnel			
	1. Dr. B.K.Kulkarni - Director			
	2. Mr. S.C.Nanda - Director			
	c) The Company in which Key management personnel have significant influence.			
	1. Sonata Software Limited			
	2. Sonata Information Tech. Limited			

Annexure - XIV – A

Summary of the transactions with related parties is as follows :-				
				(Rs. In Lacs)
		For the year 2009-10 & (2008-09)		
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Futura Polyesters Ltd
1	Purchase of goods	-	-	-
		(0)	(0)	(30.91)
2	Inter Corporate deposits received & repaid during 2009-10	-	-	-
		(0)	(0)	(246.00)
3	Allotment of Equity Shares	-	-	-
		(0)	(1,250.00)	(0)
4	Remuneration*	7.29	-	-
		(40.84)	(0)	(0)
5	Outstanding receivable as on 31.03.2010	5.00	-	-
		(6.00)	(0)	(0)
6	Outstanding Payable as on 31.03.2010	-	-	375.62
		(0)	(0)	(376.85)

Note: Remuneration for whole time director is for the period 13th Nov. 2009 to 31st March, 2010

Annexure - XIV - B

Summary of the transactions with related parties is as follows :-					
				(Rs. In Lacs)	
		For the year 2008-09 & (2007-08)			
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Beach Plaza Contractors & Developers Pvt Ltd	Futura Polyesters Ltd
1	Interest payable	-	-	-	-
		(0)	(0)	(2.12)	(0)
2	Purchase of Goods	-	-	-	30.91
		(0)	(0)	(0)	(27.22)
3	Purchase of Fixed Assets	-	-	-	-
		(0)	(0)	(0)	(1.15)
4	Sale of Goods	-	-	-	-

		(0)	(0)	(0)	(0)
5	Services rendered	-	-	-	-
		(0)	(0)	(0)	(0)
6	Services received	-	-	-	-
		(0)	(0)	(0)	(0)
7	Travelling Expenses payable	-	-	-	-
		(0)	(0)	(0)	(7.11)
8	Guarantees	-	-	-	-
		(0)	(0)	(0)	(0)
9	Stock on loan	-	-	-	-
		(0)	(0)	(0)	(40.19)
10	Inter Corporate Deposits received	-	-	-	246.00
	Outstanding as on 31.03.2009				
		(0)	(0)	(40.00)	(0)
11	Allotment of Equity Shares	-	1250.00	-	-
		(0)	(320.00)	(0)	(80.00)
12	Remuneration	40.84	-	-	-
		(37.54)	(0)	(0)	(0)
13	Outstanding receivables as on 31.03.2009	6.00	-	-	-
		(6.38)	(0)	(0)	(0)
14	Outstanding payables as on 31.03.2009	-	-	-	376.85
		(0)	(0)	(42.12)	(453.28)

Annexure - XIV – C

Summary of the transactions with related parties is as follows :-					
		(Rs. In Lacs)			
		For the year 2007-08 & (2006-07)			
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Beach Plaza Contractors & Developers Pvt Ltd	Futura Polyesters Ltd
1	Interest payable	-	-	2.12	-
		(0)	(0)	(0)	(0)
2	Purchase of Goods	-	-	-	27.22
		(0)	(0)	(0)	(35.55)
3	Purchase of Fixed Assets	-	-	-	1.15
		(0)	(0)	(0)	(0)
4	Sale of Goods	-	-	-	-
		(0)	(0)	(0)	(358.67)
5	Services rendered	-	-	-	-
		(0)	(0)	(0)	(845.10)

6	Services received	-	-	-	-
		(0)	(0)	(0)	(1.56)
7	Travelling Expenses payable	-	-	-	7.11
		(0)	(0)	(0)	(0)
8	Guarantees	-	-	-	-
		(0)	(0)	(0)	(2,800.00)
9	Stock on loan	-	-	-	40.19
		(0)	(0)	(0)	(0)
10	Inter Corporate Deposits received	-	-	40.00	-
	Outstanding as on 31.03.2008	(0)	(0)	(0)	(0)
11	Allotment of Equity Shares	-	320.00	-	80.00
		(0)	(793.62)	(0)	(0)
12	Remuneration	37.54	-	-	-
		(33.69)	(0)	(0)	(0)
13	Outstanding receivables as on 31.03.2008	6.38	-	-	-
		(6.75)	(0)	(0)	(0)
14	Outstanding payables as on 31.03.2008	-	-	42.12	453.28
		(0)	(0)	(0)	(340.81)

Annexure - XIV – D

Summary of the transactions with related parties is as follows:-			
		(Rs. In Lacs)	
		For the year 2006-07 & (2005-06)	
Sr. No.	Nature of Transaction	Key Management Personnel	Futura Polyesters Ltd
1	Purchase of Goods	-	35.55
		(0)	(0)
2	Sale of Goods	-	358.67
		(0)	(211.72)
3	Services rendered	-	845.10
		(0)	(485.01)
4	Services received	-	1.56
			(0)
5	Non Compete Fees Paid	-	0
		(0)	(10.90)
6	Guarantees	-	2,800.00

		(0)	(13.00)
7	Remuneration	33.69	-
		(30.86)	(0)
8	Outstanding receivables as on 31.03.2007	-	340.81
		(0)	(-214.13)

Annexure - XIV - E

Summary of the transactions with related parties is as follows:-			
		(Rs. In Lacs)	
		For the year 2005-06 & (2004-05)	
Sr. No.	Nature of Transaction	Key Management Personnel	Futura Polyesters Ltd
1	Purchase of Goods	-	-
		(0)	(195.23)
2	Sale of Goods	-	211.72
		(0)	(614.31)
3	Services rendered	-	485.01
		(0)	(1,020.63)
4	Interest and Finance Charges paid	-	-
			(14.03)
4	Non Compete Fees Paid	-	10.90
		(0)	(174.72)
5	Guarantees	-	13.00
		(0)	(300.00)
6	Remuneration	31.05	-
		(0)	(0)
7	Outstanding receivables as on 31.03.2006	-	214.13
		(0)	(88.84)

INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED

Annexure - XV

CASH FLOW FOR THE PERIOD ENDED :-		(Rs. In Lacs)									
	PARTICULARS	YEAR : 2009-2010		YEAR : 2008-2009		YEAR : 2007-2008		YEAR : 2006-2007		YEAR : 2005-2006	
A	CASH FLOW FROM OPERATING ACTIVITIES :										
	Net Profit before tax & extra-ordinary items		(1112.61)		(1353.77)		(1,442.27)		(1,521.97)		(1,984.42)
	Adjustment for										
	- Depreciation	763.68		719.27		655.17		582.00		626.27	
	-Share Issue Expenses written off	6.49		6.22							
	- Miscellaneous Expenditure Written off					3.21		3.00		0.70	
	- Foreign Exchange fluctuation	10.38		23.94		(43.02)		(3.55)		(0.52)	
	- Interest Income	(14.95)		(17.90)		(9.48)		(9.94)		(23.28)	
	- Interest expenses	595.43		785.66		682.95		552.94		340.01	
	- Profit on Sale of Fixed Assets	0.08		13.13		(2.34)		0.10		(0.15)	
	- Provision for Doubtful Advances					5.98		49.38		1.08	
	- Provision for Doubtful Debts / Advances Written Back	50.01		228.00				0.00		(4.28)	
	- Bad debts					0.09		1.03		22.72	
	- Provision no longer required	(10.06)		(273.88)		(59.07)		(33.00)		(25.31)	
	- Misc. Balance written back	(5.90)		0		(45.67)		(22.36)		(7.13)	
	- Misc. Balance written off	0	13,95.15	0	1,484.44	0.64	1,188.46	0.10	1,119.70	1.79	931.90
	Operating Profit / (Loss) before working capital changes		282.54		130.67		(253.81)		(402.27)		(1,052.52)
	Changes in -										

	- Trade & Other Receivables	494.56		(502.45)		(243.58)		47.94		(246.26)	
	- Inventories	(69.71)		(314.52)		(461.83)		(577.18)		(354.81)	
	- Trade Payables	(472.17)	(47.32)	(82.98)	(899.94)	1,146.33	440.92	825.29	296.05	568.12	(32.95)
	Cash generated from operations		235.23		(769.27)		187.11		(106.22)		(1,085.47)
	- Direct Taxes Paid		(0.27)		19.51		(7.21)		(6.63)		(13.27)
	NET CASH USED IN OPERATING ACTIVITIES		235.23		(749.76)		179.90		(112.85)		(1,098.74)
B	CASH FLOW FROM INVESTING ACTIVITIES :										
	- Purchase of Investments	0		(159.00)							
	- Purchase of Fixed Assets	(662.37)		(293.78)		(427.91)		(563.83)		(557.05)	
	- Disposal of Fixed Assets	0		160.01		8.19		0.67		1.54	
	Inflow on Purchase Business (Cap. Reserve)										
	- Interest Received	17.53	(644.84)	17.61	(275.16)	6.90	(412.82)	10.00	(553.16)	24.64	(530.87)
	NET CASH USED IN INVESTING ACTIVITIES		(644.84)		(275.16)		(412.82)		(553.16)		(530.87)
C	CASH FLOW FROM FINANCING ACTIVITIES :										
	- Proceeds from Issue of Share Capital	0		1847.76		600.00		1,048.87		0.00	
	-Share Issue Expenses	(1.35)		(15.04)							
	- Deferred Expenses (Share issue expenses)					(1.07)		(11.50)		(3.50)	
	- Proceeds/Repayment from Long Term borrowings	515.93		397.68		(77.60)		4.18		1,001.02	
	- Proceeds /(Repayment) from Short Term borrowings	481.89		(512.33)		661.00		(35.00)		495.00	
	- Financial Expenses	(484.87)	511.59	(792.78)	925.29	(717.49)	464.84	(483.73)	522.82	(362.76)	1,129.76

	NET CASH FROM FINANCING ACTIVITIES		511.59		925.29		464.84		522.82		1,129.76
D	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		101.70		(99.64)		231.92		(143.19)		(499.85)
E	CASH AND CASH EQUIVALENTS										
	(Opening Balance)		224.44		324.08		92.16		235.35		735.20
F	CASH AND CASH EQUIVALENTS										
	(Closing Balance)		326.15		224.44		324.08		92.16		235.35
G	NET INCREASE / (DECREASE) AS DISCLOSED ABOVE (E-F)		101.70		(99.64)		231.92		(143.19)		(499.85)
NOTE:											
1	Cash and Bank Balances as per accounts have been classified as cash and cash equivalent.										
2	All figures in brackets are outflows.										

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Following material contracts and documents will be available for inspection at the registered office of the Company at Paragon Condominium, Pandurang Budhkar Marg, Mumbai-400 013 from 10.00 a.m. to 1.00 p.m. except on Saturdays, Sundays and public holidays.

1. Memorandum and Articles of Association of ITIL.
2. Memorandum and Articles of Association of IIL.
3. Certificate of Incorporation of ITIL wherein registration No.134105 dated 4.12.2001
4. Certificate of Incorporation of IIL wherein registration No.178923 dated 15.2.2008
1. Certificate of Commencement of business of ITIL dated 4.12.2001
2. Certificate of Commencement of business of IIL dated 4.03.2008
3. Copy of Board Resolution held on 4th January, 2011 approving the Updated Information Memorandum.
4. Report of Auditors, N.M. Raiji & Co. dated 4.1.2011 of the financial statements of ITIL
5. Report of Auditors, N.M. Raiji & Co. dated 4.1.2011 of the financial statements of IIL.
6. Annual Reports of IIL for the financial year ended 31st March, 2008 ,2009 and 2010
7. Annual Report of ITIL for the financial year ended 31st March, 2010,2009, 2008, , 2007, and 2006,.
8. Copy of the Listing application made to Bombay Stock Exchange Ltd., for listing of IIL shares.
9. Tripartite agreement dated 4.8.2008 entered into with NSDL by Registrars and Transfer Agents of IIL to establish direct connectivity with depository
10. Tripartite agreement dated 24.9.2008 entered into with CDSL by Registrars and Transfer Agents of IIL to establish direct connectivity with depository
11. Order of the High Court of Bombay dated July 4, 2008 sanctioning the Scheme of Arrangement.
12. Letter of approval No.DCS/AMAL/RCG/24(f)/2825/2007-08 dated 3.3.2008 from Bombay Stock Exchange Ltd., giving No objection to the Scheme of Arrangement

13. Approval letter from SEBI granting 19(2)(b) exemption Letter No DCS/AMAL/VB/355/2009-10 dated 22nd July 2009 received from the The Bombay Stock Exchange Ltd granting Listing Approval
14. SEBI letter No CFD/DIL/SP//VB/OW/30328/2010 DATED 16th Dec 2010, granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957.

Schedule - A

**Articles of Association of
Innovassynth Investments Ltd.**

<p style="text-align: center;">THE COMPANIES ACT, 1956 COMPANY LIMITED BY SHARES</p> <p style="text-align: center;">ARTICLES OF ASSOCIATION OF</p> <p style="text-align: center;">INNOVASSYNTH INVESTMENTS LIMITED</p> <p>1. No regulation contained in Table A, in the First Schedule to the Companies Act, 1956 shall apply to this Company but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its resolutions by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.</p> <p>2. The Company may under a scheme of arrangement or an agreement with Futura Polyesters Limited, (FPL) acquiring the equity shares held by FPL Innovassynth Technologies (India) Ltd and other shares on such terms and conditions as may be agreed between Futura Polyesters Limited and the Directors of the company.</p>	<p>Table A not to apply but Company to be governed by these Articles.</p>
<p style="text-align: center;">INTERPRETATION</p> <p>3. In the interpretation of these Articles, unless repugnant to the subject or context :- "The Company" or "this Company" means INNOVASSYNTH INVESTMENTS LIMITED.</p>	<p>Interpretation clause.</p> <p>"The Company" or "this Company"</p>
<p>"Accounts" means audited Accounts (including the notes thereto) of the Company, for a financial year as determined by the Board from time to time.</p> <p>"The Act" means 'the Companies Act, 1956', or any statutory modification or re-enactment thereof for the time being in force.</p> <p>"Auditors" means and includes those persons appointed as such for the time being by the Company.</p> <p>"Board or Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Board of Directors of the Company Collectively.</p>	<p>"Accounts"</p> <p>"The Act"</p> <p>"Auditors"</p> <p>"Board" or "Board of Directors".</p>
<p>"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.</p>	<p>"Capital".</p>
<p>"Debenture" includes debenture-stock.</p>	<p>"Debenture"</p>

"Directors"	"Directors" means the Directors for the time being of the Company or, as the case may be, the persons who are acting as Directors of the Company.
"Dividend"	"Dividend" includes bonus.
"Financial Year"	'Financial Year' of the Company shall mean a period of twelve months commencing from 1 st April of any financial year and ending on the 31 st March of the next financial year, unless otherwise decided by the Board of Directors;
"FV" or "Face Value"	“FV” or 'Face Value' means face value or par value of the Shares;
"Member"	"Member" means the duly registered holder from time to time of the share of the Company and includes the subscribers of the Memorandum of Association of the Company.
"Meeting" or "General Meeting"	"Meeting" or "General Meeting" means a meeting of members
"Annual General Meeting".	"Annual General Meeting" means a general meeting of the Members held in accordance with the provision of Section 166 of the Act.
"Extraordinary General Meeting"	"Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
"Month"	"Month" means a calendar month.
"Office"	"Office" means the registered office for the time being of the Company
"Person"	'Person' includes any legal or natural person, an individual, corporation, partnership, limited liability Company, companies with unlimited liability, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof;
"The Registrar".	"The Registrar" means the Registrar of Companies of the State in which the office of the Company's for the time being situate .
"Secretary"	"Secretary" means any individual appointed by the Board to perform any of the duties of a Secretary under the Act and any other ministerial or administrative duties and includes a temporary, deputy or assistant Secretary.
"Seal"	"Seal" means the Common Seal for the time being of the Company
"Shares"	'Shares' shall mean the fully paid-up equity shares of face value of Rs. 10/- each of the Company issued from time to time.
"Shareholders"	'Shareholders' means a Person whose name is registered in the register of members of the Company, as the holder of a Share.
"Transfer"	'Transfer' in relation to Shares and or other securities of the Company, shall mean the sale, assignment, Transfer, alienation of, or the grant of any option or right to purchase, Shares and/or securities of the Company;

<p>"Warranties" means the warranties, representations, covenants and undertakings as set out in Schedule B of the Subscription Agreement.</p>	<p>"Warranties"</p>
<p>"Words" importing the singular number include, where the context admits or requires, the plural number and vice versa.</p>	<p>"Singular Number".</p>
<p>"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 189 of the Act. The marginal notes used in these Articles shall not affect the construction hereto. Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.</p>	<p>"Ordinary Resolution" and "Special Resolution"</p>
<p>CAPITAL AND INCREASE AND REDUCTION OF CAPITAL</p>	
<p>4.* a) The Authorised Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crores fifty lacs only) Equity Shares of Rs.10/- (Rupees Ten only) each with power to increase, consolidate, sub-divide, cancel and/or reduce the capital of the Company and to issue any of these shares in the capital, original or increased, with or subject to any rights or conditions as regards dividend, repayment of capital or otherwise in accordance with the Company's regulations and the provisions of the Said Act. The Company shall have power to convert fully paid-up shares into stock and to reconvert stock into shares. The Company shall have power to issue equity shares with differential rights as to dividend, voting or otherwise, in accordance with such rules and subject to such conditions as may be prescribed, from time to time, by the Government of India. The share(s), in the capital of the Company, for the time being, whether original or increased, may be divided into several classes, with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable preference shares. If and whenever the capital of the Company is divided into shares of different classes, rights of any class may, subject to the provisions of Section 106 and 107, and whether or not the company is being wound-up, be varied, modified, affected, extended, abrogated or surrendered with the consent of the in writing of the holders of three-fourth of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these regulations relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question. Regulations 4 to 8 of Table A of Schedule I to the Companies Act, 1956 shall apply to the Company.</p> <p>b) The minimum paid up share capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lakhs only)</p>	<p>Amount of Authorised Capital</p>

<p>Increase of Capital by the Company and how carried into effect.</p>	<p>5. The Company in general meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Articles, the Directors shall comply with the provisions of Section 97 of the Act.</p>
<p>New Capital same as existing capital</p>	<p>6. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the original capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transmission, voting and otherwise.</p>
<p>Redeemable Preference Shares.</p>	<p>7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are, or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.</p>
<p>Reduction of Capital</p>	<p>8. The Company may (subject to the provisions of Sections 78, 80, 100 to 105, inclusive of the Act) from time to time by Special Resolution, reduce its capital, any Capital Redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.</p>
<p>Sub-division and cancellation of shares</p>	<p>9. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which 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.</p>
<p>Modification of rights.</p>	<p>10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provision of Sections 105 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of that class.</p>

SHARES AND CERTIFICATES	
11. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.	Register and Index of Members.
12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares to be numbered progressively and no share to be sub-divided.
13. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company. The Board of Directors at their discretion may permit the share holders the right to renounce their entitlement of equity shares offered by the Company on Rights basis in full or part in favour of one or more persons subject to such terms and conditions as may be prescribed by the Board and subject to renounces giving such undertakings in writing as may be required by the Board. The right of renunciation is subject to the express condition that the Board of directors/ Committee of the directors shall be entitled in its absolute discretion to reject the request for allotment to renouncee(s) without assigning any reason thereof.	Further Issue of Capital.
(b) Notwithstanding anything contained in the preceding sub-clause, the Company may:-	
(i) by a special resolution; or	
(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company offer further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.	

	(c) Notwithstanding anything contained in sub clause(a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.
Shares under control of Directors	14. Subject to the provisions of these Articles and of the Act, the shares, forming part of any increased capital Company shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.
Power also to Company in General Meeting to issue shares	15. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14 the Company in general meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether a Member or not), in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
Acceptance of shares.	16. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.
Deposit and call etc. to be debt payable immediately.	17. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	18. Every Member, or his heirs, executors, or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

<p>19. (a) Every member or allottee of shares shall be titled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation, or in cases of issues of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorney and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a wholetime Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.</p>	Share Certificates
<p>(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be subject of joint ownership may be delivered to any one of such joint holders on behalf of all of them.</p>	
<p>20. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as, engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose</p>	
<p>21. (a) No certificate of any shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cases on the reverse for recording transfer have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.</p>	Renewal of share certificates.
<p>(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of shares certificate No. Subdivided/replaced/on consolidation of shares".</p>	
<p>(c) If a share certificate is lost or destroyed, anew certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.</p>	
<p>(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of which the new share certificate No...". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.</p>	

	(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the “Remarks” column.
	(f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
	(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub-Article (f).
	(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.
The first name of joint-holders deemed sole holder.	22. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notice and all any other matter connected with the company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company’s regulations.
Company not bound to recognise any interest in shares other than that of registered holder.	23. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.
Discretion to refuse subdivision of consolidation of Certificate(s).	24. Notwithstanding anything contained in these Articles, the Board may in its absolute discretion, refuse applications for sub-division or consolidation of share Certificate(s), Debenture or Bond Certificate(s) into denominations of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or an order of a competent Court of Law, Provided that notwithstanding anything contained in these Articles, the Board of Directors shall, at its discretion, be entitled to charge and recover the stamp duty payable on Share Certificate(s) and Debenture Certificate(s) issued arising from splitting or consolidation or renewal or issue of duplicate Certificate(s), or transfer or transmission of shares or Debentures; and such stamp duty shall be paid by the Shareholder/Debentureholder prior to issue of the Certificate(s).

<p>25. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.</p>	<p>Funds of the Company may not be applied in purchase of shares of the Company</p>
<p>DEMATERIALISATION OF SECURITIES</p>	
<p>26.(1) For the purpose of this Article : 'Beneficial Owner' means a person or persons whose name/s is/are recorded as such with a depository; 'SEBI' means the Securities & Exchange Board of India. 'Depository' means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; 'Security' means such security as may be specified by SEBI from time to time. 'Depositories Act, 1996' shall include any statutory modification or re-enactment thereof. 'Registered owner' means a Depository whose name is entered as such in the records of the Company.</p>	<p>Definitions</p>
<p>2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize /rematerialized its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.</p>	<p>Dematerialization of Securities</p>
<p>3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.</p>	<p>Option for investors</p>
<p>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 record the name of the allottee as the beneficial owner of the security.</p>	
<p>4) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.</p>	<p>Securities in Depositories to be in fungible form</p>
<p>5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p>	<p>Rights of Depositories and Beneficial owners</p>

	(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
	(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
Service of Documents	6) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	7) (a) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
	(b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
Allotment of Securities dealt with in a Depository	8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant securities thereof to the Depository immediately on allotment of such securities.
Certificate number and Distinctive numbers of Securities held in a Depository	9) Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
Register and Index of Beneficial Owners	10) The Register and Index of beneficial owners maintained by a Depository under the the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.
UNDERWRITING AND BROKERAGE	
Commission may be paid	27. Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
Brokerage	28. The Company may also, on any issue of share or debentures, pay such brokerage as may be lawful

INTEREST OUT OF CAPITAL	
29. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.	Interest may be paid out of Capital
CALLS	
30. The Board may, from time to time, subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call maybe made payable by installments.	Directors may make calls
31. Fourteen day's notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of call
32. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.	Call to date from resolution
33. A call may be revoked or postponed at the discretion of the Board.	Call may be revoked or postponed
34. The joint-holder of a share shall be jointly and severally liable to pay calls in respect thereof.	Liability of Joint-holders
35. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest
36. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Article be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expense, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Sums deemed to be calls

Proof on trial of suit for money due on shares	<p>37. On the trial or hearing of any action or suit brought by the Company against any Member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the is sought to be recovered, appears entered on the Register of Members as the holder at or subsequently to the date which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or his representatives, so sued in pursuance of these Article; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Partial payment not preclude forfeiture to	<p>38. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal of interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.</p>
Payment in anticipation of calls may carry interest	<p>39. (a) The Board may, if it thinks, fit, agree to and receive from any Member willing to advance the same , allot any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the Member paying sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three month's notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.</p>
	<p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.</p>
Company have lien shares	<p>40. 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 interest in any share shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.</p>

<p>41. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer there of on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.</p>	<p>As enforcing lien by sale to</p>
<p>42. The net proceeds of any such sale shall be received by the Company and applied in or towards the payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.</p>	<p>Application of proceeds of sale</p>
<p>FORFEITURE OF SHARES</p>	
<p>43. If any Member falls to pay any call or installment of a call on or bore the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p>	<p>If money payable on shares not paid notice to be given to Member</p>
<p>44. The notice shall name a day (not being less than fourteen days from the date of the notice) and the place or places on and at which such call or installment and such interest thereon at such rate not exceeding 18 per cent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid 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 appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.</p>	<p>Forms of notice</p>
<p>45. If the requirements of any such notice as aforesaid shall not be complied with every or 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 are solution of the Board to the effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.</p>	<p>In default of payment, shares to be forfeited</p>
<p>46. When any shares shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>	<p>Notice of forfeiture to a Member</p>

Forfeited share to be property of the Company and may be sold, etc.	47. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
Member still liable to pay money owing at time of forfeiture and interest	48. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest, and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from time to time of the forfeiture until payment, at such rate not exceeding 18 per cent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
Effect of forfeiture	49. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such those rights as by these Articles are expressly saved.
Evidence of forfeiture	50. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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. Such declaration and the receipt of the Company for the consideration, if any, given for the share on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Validity of sale under Article 40 and 46	51. Upon any sale after forfeiture or for enforcing alien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Cancellation of share certificates in respect of forfeited shares	52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereof.

53. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.	Power to annul forfeiture
TRANSFER AND TRANSMISSION OF SHARES	
54. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.	Register of transfers
55. Every instrument of transfer of shares shall be in writing in such form as shall from time to time be permissible to used under the relevant provisions of the Act in that behalf. The Directors may from time to time alter or vary the form of such transfer but so as to comply with the provisions of the Act in that behalf.	Form of transfer
56. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.	Transfer form to be completed and presented to the Company
57. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Registered Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debenture holders at such time or times and for such periods, not exceeding thirty days at a time and not exceeding the aggregate forty-five days in each year as to it may seem expedient.	Transfer books when closed
58. Subject to the provisions of Section 111 of the Act and Section 22A of Securities Contracts (Regulation) Act,1956, the Board may refuse to register any transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in the Company Provided however that the registration of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Provided further that in the event of refusal to register any such transfer of, or the transmission of the right to, any shares or interest of the Member in the Company, the Company shall, within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of such refusal to the transferee and transferor or the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.	Directors may refuse to register transfer(s)

Notice of application when to be given	59. When, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110of the Act
Death of one or more joint holders of shares	60. In the case of the death of any one of more of the persons named in the Register of Members as the joint holders of any share, the survivor, or 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 betaken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
Title to Shares of deceased Member	61. The executors or administrators or holder of a Succession Certificate or the legal representative of a deceased Member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with the production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.
No transfer to infant, etc.	62. No share shall in any circumstances be transferred to any infant, insolvent person of unsound mind.
Registration of persons entitled to share otherwise than by transfer	63. Subject to the Provisions of the Act and Artiles59 and 60 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency or any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
Persons entitled may receive dividend without being registered	64. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge, for, any dividends or other moneys payable in respect of the shares.

65. No fee shall be payable to the Company, in respect of the transfer or transmission of shares	Fees on transfer or transmission
66. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.	Company not liable for disregard of a notice prohibiting registration of a transfer
67. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company.	Transfer of Debentures
68. (A) (1) Every holder of share(s) in and/or debenture(s) of the Company, so entitled under the Act and Rules framed there under, may, at anytime, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.	Nomination
(2) Where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the joint holders, so entitle under the Act and the Rules framed there under, may, together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.	
(3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) in and/or debenture(s) of the Company, where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of the joint holders as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s), to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.	
(4) Where a nominee is a minor, the holder of the share(s) in and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in and/or debenture(s) of the Company, in the event of his death, during the minority.	

Transmission in case of nomination	67 (B) (1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67(A), upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -(a) to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or(b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased share holder and/or debenture holder concerned or deceased joint holder, as the case may be, could have made.
	(2) If the person being a nominee, so becoming entitled, elects himself to be registered as holder of the share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/debentureholder/ jointholders, as the case may be.
	(3) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture-holder had not occurred and the notice or transfer were signed by that shareholder and/or debenture holder or joint holders, as the case may be.
	(4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s)and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at anytime, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s); and if the notice is not complied with, within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s) until the requirements of the notice have been complied with.
	COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS
Copies of Memorandum & Articles of Association to be sent by the Company	70. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act, shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

GENERAL AUTHORITY	
<p>71. Wherever in the said Act, it has been provided that the Company shall have any right, privilege or authority that the Company could carry out any transactions only if the Company is so authorised by its Articles, then and in that case, this regulation hereby authorises and empowers the Company to have such rights, privilege or authority to carry such transactions as have been permitted by the Act without there being any specific regulation in that behalf herein provided. An illustration of such rights, privileges, authorities and transactions area set out with relevant sections, as they being provided under the Companies Act, 1956, but the same shall hold true under the provisions of the amended Act or any re-enactment thereof .</p>	General Authority
<p>Section 77A Power to purchase its own shares</p> <p>Section 79 Power to issue shares at discount</p> <p>Section 79A Issue of sweat equity shares</p> <p>Section 80 to issue Redeemable Preference Shares</p> <p>Section 92 to accept unpaid share capital although paidup.</p> <p>Section 93 to pay dividend in proportion to amount paidup.</p> <p>Section 94 to alter the share capital of the Company</p> <p>Section 100 to reduce the share capital of the Company</p> <p>Section 106 to alter the rights of the holders of special class of shares</p> <p>Section 114 to issue bearer share bonds</p> <p>Section 157 the company may, keep in any State or country outside India a branch register of members or debenture holders resident in that State or country.</p> <p>Section 203 to pay interest on capital in certain cases</p> <p>Section 313 to authorising the Board to appoint Alternate Directors</p> <p>Section 323 to make liability of directors and/or manager, unlimited, by passing special resolution at general meeting of shareholders.</p>	

BORROWING POWER	
Power to borrow	72. Subject to the provisions of Section 292 and 293 of the Act and these Articles, the Board may, from time to time at its discretion, accept deposits from Members (either in advance of calls or otherwise), and from other persons and generally borrow or raise or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's, Bankers in the ordinary course of business), exceed the aggregate of the paid-up capital of the Company and its free reserves, (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.
Payment or repayment of moneys borrowed	73. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and, in particular, by a resolution passed at a meeting of the Board (and not by circular resolution), by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Terms of issue of Debentures	74. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and maybe issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meeting, appointment of Directors and otherwise. Debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company. in General Meeting.
Register of Mortgages etc. to be kept	75. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive), of the Act in that behalf to be duly complied with by the Board.
	76. The Company, shall, if at any time it issued debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders resident in that State or Country.
	CONVERSION OF SHARES INTO STOCK AND RECONVERSION
Rights of Stock holder	77. The Company in General Meeting may convert and any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

<p>78. The holders of stock shall according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privileges or advantages,(except participation in the dividends and profits of the Company and in the winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p>	
<p>MEETINGS OF MEMBERS</p>	
<p>79. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Annual General Meeting shall be held within six months after expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time, during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city in which the Registered Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts) the Proxy Register with proxies and the Register of Director's Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar, in accordance with Sections 159, 161 and 220 of the Act.</p>	<p>Annual General Meeting, Annual Summary</p>
<p>80. The Board may, whenever it think fit, call an Extraordinary General Meetings and it shall do so upon a requisition in writing by any Member or Members holding aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.</p>	<p>Extra ordinary General Meeting</p>

Requisition of Members to state object of meeting	81. Any valid requisition so made by Members must state the object or objects of the Meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board shall forthwith call an extraordinary general meeting, and if they do not proceed within 21 days from the date of requisition being deposited at the office to cause a meeting to be called on a day not later than forty five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called be held within three months from the date of the delivery of the requisition as aforesaid.
Meeting called by requisitionists	82. Any Meeting called under the foregoing Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.
Twenty-one day's notice of meeting to be given	83. Twenty-one day's notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote there at and in case of any other Meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, Balance Sheet and Report of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest if any therein of every Director and the Manager (if any). Where any such item of business relates to or affects any other company, the extent of shareholding interest in that other company of every Director, and the Manager, (if any), of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

84. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.	Omission to give notice not to invalidate a resolution passed
85. No General Meeting Annual or Extra ordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.	Notice of business to be given
86. Five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187of the Act.	Quorum at General Meeting
87. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the Meeting shall stand adjourned to the same day in the next week or, if that isa public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the city, town or village in which the Registered Office of the Company is situate, as the Board may determine, and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	If quorum not present, Meeting to be dissolved or adjourned
88. The Chairman (if any), of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the Vice-Chairman (if any) of the Board shall be entitled to take the chair at such General Meeting. If there be no such Vice-chairman of the Board or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be the Chairman.	Chairman of General Meeting
89. No business shall be discussed at any General Meeting except the election of Chairman, while the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant

Chairman with consent may adjourn meeting	90. The Chairman with the consent of the Meeting may adjourn any meeting from time to time and from place to place within the City, Town or Village in which the Registered Office of the Company is situate, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the Meeting which was adjourned.
Questions at General Meetings how decided	91. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded as provided in Article 94 hereof. A declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by particular majority or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of proportion of the votes recorded in favour or against that resolution.
Demand for Poll	92. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand in that behalf by any Member or Members present in person or by proxy and holding shares in Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Chairman's casting vote	93. In the case of an equality of votes, the Chairman shall both on a show hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Poll to be taken if demanded	94. If a poll is demanded as aforesaid, the same shall subject to Article 96 be taken at such time, (not later than forty-eight hours from the time when the demanded was made), and place with City, Town or Village in which the Registered Office of the Company is situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Scrutineers at poll	95. Where a poll is to be taken, the Chairman of Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to appointed. The Chairman shall have the power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
In what case poll taken without adjournment	96. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.

97. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of
VOTE OF MEMBERS	
98. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.	other business Members in arrears not to vote
99. Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll, the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up Equity Share capital of the Company. Provided however, if any preference share holder be present at any Meeting of the Company, save as provided in Clause (b) of Sub-Section (2) of Section 87 of the Act, he shall have right to vote only on resolution placed before the Meeting which directly affect the rights attached to his preference shares.	Number of votes to which Member entitled 54
100. On a poll taken at a Meeting of the Company, a Member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a Member entitled to more than one vote
101. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee guardian may, on a poll, vote by proxy; if any member be a minor, the vote in respect of his share shall be by his guardian, or any one of his guardians, if more than one, to be elected in case of dispute by the Chairman of the meeting.	How members Non component is and Minor may vote
102. Any person entitled under Article 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased and insolvent Member

Voters of joint Members	103. If there be any joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person, (whether a Member or not), his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, that one of said persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the Meeting. Several, executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
Voting in person or by proxy	104. Subject to the provisions of these Articles, vote may be given personally or by an attorney or by proxy. A Body corporate being a Member may vote either by a proxy or a representative duly authorized in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which here presents as that body could exercise if it were an individual Member.
Appointment of Proxy	105. Every Proxy, (whether a Member or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer corporation under the Common seal of such corporation or be signed by an officer or an attorney duly authorized by it. In case of a Member who is of unsound mind or who is a minor, his committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
Proxy either for specified Meeting or for a period	106. An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
Proxy to vote only on a poll	107. A Member present by proxy shall be entitled to vote only on a poll.

<p>108. The instrument appointing a proxy and the power of attorney or other authority, (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, be notice in writing addressed to the Member of the attorney, given at least fourteen days before the meeting, require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such non production and deposit.</p>	<p>Deposit of Instrument of appointment</p>
<p>109. Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in Schedule IX of the Act.</p>	<p>Form of Proxy</p>
<p>110. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office of the Company before the Meeting.</p>	<p>Validity of votes given by proxy notwithstanding death of Member</p>
<p>111. No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote is tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll what so ever.</p>	<p>Time for objections to vote</p>
<p>112. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of poll shall be the sole judge of the validity of every vote tendered at such poll.</p>	<p>Chairman of any Meeting to be the judge of validity of any vote</p>

MINUTES OF MEETINGS	
Minutes of General Meeting and inspection thereof by Members	<p>113. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose</p> <p>(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(4) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(5) All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.</p> <p>(6) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting is, or could reasonably be regarded as, defamatory of any person; is irrelevant or immaterial to the proceedings; or is detrimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non inclusion of any matter in the Minutes on the aforesaid grounds.</p> <p>(7) Any such Minutes shall be evidence of the proceedings recorded therein.</p> <p>(8) The book containing the Minutes of proceedings of General Meeting shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, to the inspection of any Member without charge.</p>
DIRECTORS	
Constitution, Appointment and Nomination	<p>114. Unless otherwise determined by the General Meeting and subject to Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three or more than twelve. First Directors of the Company shall be:</p> <ol style="list-style-type: none"> 1. Mr. S.B. Ghia 2. Dr. Bhabatosh Sahu 3. Mr. S Ramachandran

<p>115. Whenever the Company enters into a contract with any Government, Central, State or Local any Bank or financial institution or any person or persons (hereinafter referred to as “the appoint or”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors of the Company shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appoint or shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the notice and that such Director or Directors may not be liable to retire by rotation not be required to hold any qualification shares. The Directors of the Company may also agree that any such Director or Directors may be removed from time to time by the appoint or entitled to appoint or nominate them and the appoint or may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as maybe agreed by the Company with the appoint or. The persons/nominees appointed as Directors shall be entitled to receive all notices of the Board of Directors of the Company and of the meetings of the Committee/s to which such person/Director is a member and also the Minutes of all such meetings.</p>	<p>Power to appoint ex-officio Directors</p>
<p>116. Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as “the Debenture Director”) for and on behalf of the Debenture holders for such period as is therein provided not exceeding the period for which the debenture or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid. The Debenture Director shall not be bound to hold any qualification shares.</p>	<p>Debenture Director</p>
<p>117. The Board may appoint an Alternate Director to act for a Director (hereinafter called the “Original Director”)during his absence for a period of not less than three months from the State of Bombay. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he so returns to the state of Bombay, any provision in the Act or in these Article for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	<p>Appointment of Alternate Director</p>

Directors' power to add to the Board	118. Subject to the provisions of Section 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 114. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.
Directors' power to fill casual vacancies	119. Subject to the provisions of Section 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be Director to fill a casual vacancy. 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 been vacated by him.
Qualification of Directors	120. A Director of the Company shall not be required or bound to hold any qualification shares.
Special Remuneration for Director performing extra service	121. If any Director be called upon to perform extra services or make any special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors) the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts, either by fixed sum or a percentage of profits or otherwise as maybe determined by the Board, and such remuneration may be either in addition to or in substitution for his remuneration above provided.
Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company business	122. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the Ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

31	
<p>123. (1) Subject to the provisions of the Act, a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>(2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either :-</p> <p>(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or</p> <p>(ii) by way of commission if the Company by special resolution authorises such payment.</p> <p>(3) The fee payable to a Director (including a Managing or Whole-time Director, if any) for attending a meeting of the Board or Committee thereof shall be such sum as the Board may determine from time to time but not exceeding such sum as may be prescribed by the Central Government under the Act from time to time.</p>	<p>Remuneration of Directors 63</p>
<p>124. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum fixed by Article 114 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.</p>	<p>Continuing Directors may act notwithstanding any vacancy</p>
<p>125. Subject to Section 283(2) of the Act, the office of a Director shall be vacated if :</p> <p>(a) he is found to be of unsound mind by a Court of Competent jurisdiction; or</p> <p>(b) he applies to be adjudicated an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>(e) he fails to pay any call made on him in respect of shares of the Company held by him whether alone or jointly with others, within six months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or</p> <p>(f) he absents himself from three consecutive Meetings of the Board or from all Meetings of the Board for a continuous period of three months, whichever is longer, without leave of absence from the Board; or</p> <p>(g) he, (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 295 of the Act; or</p>	<p>When office of Directors to be vacated</p>

	<p>(h) he acts in contravention of Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed in pursuance of Section 284 of the Act; or</p> <p>(k) he or any of his relatives or partners or any firm of which he or any of his relative is a partner or any private company of which he is a Director or member holds any office or place of profit under the Company in contravention of Section 314 of the Act; or</p> <p>(l) he resigns his office by a notice in writing addressed to the Board.</p>
<p>Director may contract with Company 65</p>	<p>126. (1) A Directors or his relative, a firm in which such Director or relative is a partner, or any other partner in such a firm, or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods ,materials or services or for underwriting the subscription of any shares in, or debentures of, the Company; Provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act. Provided further that if the paid up share capital of the Company is Rupees one crore or more, no such contract shall be entered into except with the previous approval of the Central Government as may be required under the provisions of Section 297 of the said Act.</p> <p>(2) No sanction however shall be necessary for:</p> <p>(a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or</p> <p>(b) any contract or contracts between the Company on one side and such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services, in which either the Company or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/in the aggregate in any year comprised in the period of the contractor contracts. Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract or contracts with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or materials or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a Meeting within three months of the date on which the contract was entered into.</p> <p>(3) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation there by established.</p>

<p>127. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or agreement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section 299 (2) of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into between two companies where any of the Directors of the one company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in any such other Company.</p>	<p>Disclosure of interest</p>
<p>128. A general notice given to the Board by the Director, to the effect that he is a director or member of as specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into which that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.</p>	<p>General notice of interest</p>
<p>129. No director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; Provided however that nothing herein contained shall apply to :</p> <p>(a) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely :-</p> <p>(i) in his being –</p> <p>(a) a Director of such company, and</p> <p>(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or</p> <p>(ii) in his being a member holding not more than 2 per cent of its paid-up share capital.</p>	<p>Interested Director not to participate or vote in Board's proceeding.</p>

Register of contracts in which Directors are interested	130. The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 124. The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such Office, and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163of the Act shall apply accordingly.
Directors may be Directors of Companies promoted by the Company	131. A Director may be or becomes a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and any such Director shall be accountable for any benefits received and Director or shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.
RETIREMENT AND ROTATION OF DIRECTORS	
Retirement and rotation of Directors	132. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.
Ascertainment of Directors retiring by rotation and filling of vacancies	133. Subject to the provisions of Section 256 (2) of the Act, the Directors to retire by rotation under the forgoing Article 128 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any Agreement among themselves, be determined by lot.
Eligibility for re-election	134. A retiring Director shall be eligible for re-election.
Company to appoint successors	135. Subject to Sections 258 and 262 of the Act, the Company at the General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing such retiring Director or some other person thereto.

<p>136. (a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :</p> <p>(i) at the Meeting or at the previous Meeting, a resolution for the reappointment of such Director has been put to the Meeting and lost;</p> <p>(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be sore-appointed;</p> <p>(iii) he is not qualified or is disqualified for reappointment;</p> <p>(iv) a resolution, whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act; or</p> <p>(v) the provision so sub-section (2) of Section 263 of the Act is applicable to the case.</p>	<p>Provision in default of appointment</p>
<p>137. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time increase or reduce the number of Directors and may alter their qualifications and the Company may, (subject to the provisions of Section 284 of the Act), remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.</p>	<p>Company may increase or reduce the number of Directors</p>
<p>138. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some members intending to propose him has, not less than fourteen days before the meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, such member, if the person succeeds in getting elected as a Director.</p> <p>(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed;</p> <p>(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as a Additional or Alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</p>	<p>Notice of candidate for office of Directors except in certain cases</p>

<p>(a) Register of Directors and notification of change of Registrar</p> <p>Register of shares of debentures held by Director</p>	<p>139. (a) The Company shall keep at its Registered Office, a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>(b) The Company shall in respect of each of his Directors also keep at its Registered Office a Register as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.</p>
<p>Disclosure by Director of appointment to any other body corporate</p>	<p>140. (a) Every Director, (including a person deemed to be a Director by virtue of the Explanation to sub-section(1) of Section 303 of the Act), Managing Director, Manager, and Secretary of the Company shall, within twenty days of his appointment to any of the above offices in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.</p> <p>(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10)of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.</p>
<p>Appointment of Managing Director or Whole-time Director</p>	<p>141. (a) Subject to the provisions of Sections 197A, 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act, the Company in General Meeting or the Directors may from time to time appoint or re-appoint any one or more of their Body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director or a Deputy Managing Director) or Whole time Director or Whole time Directors of the Company for such term not exceeding five years at a time as may be thought fit to manage the business and affairs 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 or their place or places.</p>

<p>(b) The Managing Director or Whole time Director, while he continues to hold that office, shall not be subject to retirement by rotation, but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provision as to resignation or removal of the other Directors of the Company and he shall ipso facto immediately cease to be a Managing Director or Whole time Director if he ceases to hold the office of a Director, for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Whole time Director or Whole time Directors as the Directors shall from time to time select shall be liable to retirement by rotation to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. A Managing Director or a Whole time Director, who is reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director or Whole time Director and such reappointment as Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole time Director.</p> <p>(c) The remuneration of a Managing Director or a Whole time Director shall be from time to time fixed by the Board of Directors and subject to the provisions of the Act, may be by way of fixed salary or commission on profit of the Company, or by any or all these modes and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.</p> <p>(d) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Whole time Director for the time being such of the powers exercisable by the Directors under these presents or by Law, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p>	<p>Managing and Whole time Director not to retire by rotation</p> <p>Remuneration of Managing or Whole time Director</p>
<p>142. The Managing Director or Managing Directors shall not exercise the powers to :</p> <p>(a) Make calls on shareholders in respect of money unpaid on the shares in the Company;</p> <p>(b) issue debentures :and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the power to</p> <p>(c) borrow moneys, otherwise than on debentures;</p> <p>(d) invest the funds of the Company; and</p> <p>(e) make loans.</p>	<p>Restriction on Management</p>

PROCEEDINGS OF THE BOARD OF DIRECTORS	
Meetings of the Board	143. The Board of the Company shall meet at least once in every quarter at the times and under the circumstances specified in the Articles of Association of the Company and in accordance with the provisions of the Act, for the purpose of making decisions on all matters of policy for the Company and for determination of issues regarding the business of the Company. The Company shall issue the notice and agenda for the meeting of the Board to all Directors at least 7 (Seven) days before the proposed date of the meeting.
Notice of Meetings of the Board	144. Notice of every Meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.
Quorum	145. The quorum for the meeting of the Board of the Company or any adjournment thereof shall require the presence of one-third (1/3) of the Directors in office for the time being. In case the quorum is not present, the meeting shall be adjourned to the same day in the following week or if such day is a holiday the next Business Day thereafter, and directors present at such meeting shall constitute the quorum.
Adjournment of Meetings for want of quorum	146. If a Meeting of the Board could not be held for want of a quorum, then the Meeting shall automatically stand adjourned to such other day, time and place as may be fixed by the Chairman not being later than seven days from the date originally fixed for the Meeting.
When Meeting to be convened 8	147. A Director may at any time, and the Secretary upon the request of a Director shall, convene a Meeting of the Board by giving a notice in writing to every other Director.
Chairman and Vice-Chairman	148. The Directors may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office. The Directors may also from time to time elect from their number a Vice-Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present, within fifteen minutes after the time appointed for the same, the Vice-Chairman shall be the Chairman of that meeting. If at any meeting of the Board, the Chairman or the Vice-Chairman are not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of their member to be the Chairman of the Meeting.
Questions at Board Meetings how decided	149. Questions arising at any meeting of the Board shall be decided by a majority of the votes and in case of an equality of votes, the Chairman shall not have a second or a casting vote

<p>150. A Meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally. Without prejudice to the powers conferred by the other Articles and so as not in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 292 of the Act, delegate any of their powers to the Managing Director the Manager or any other principal officer of the Branch office and may at any time revoke such delegation. The Managing Director, the Manager or other principal officer as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effects as if done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.</p>	<p>Powers of Board Meetings</p>
<p>151. Subject to the restrictions contained in Section 292 of the Act the Board may delegate any of their powers to Committees of the Board consisting of such Member or Members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committees of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board</p>	<p>Board may appoint Committees</p>
<p>AUDIT COMMITTEE</p>	
<p>151B. 1. The Company shall establish an audit committee (hereinafter referred to as the "Audit Committee") which shall comprise of a maximum of 3 persons. 2. Meetings of the Audit Committee shall be convened and held at such times and places as the Audit Committee shall determine, but not less than once each quarter till the end of the Financial Year 2004-05 and twice a year thereafter, by giving of not less than 7 Business Days notice in writing to all the other members. 3. The function and purpose of the Audit Committee shall be as follows:</p> <ul style="list-style-type: none"> (i) to review the conduct of the business of the Company; (ii) to review all books and records pertaining to the Company and the conduct of the business of the Company; and (iii) to review all Management letters, reports and other information provided by the auditors of the Company . <p>4. The Company hereby covenants promptly to provide such information (including annual audited Accounts, annual budgets and monthly Management reports) and assistance as may be reasonably requested by the Audit Committee in connection with the exercise of its functions.</p> <p>5. The Company shall present the Audit Committee's report before the Board of Directors within a period of 7 days of the finalisation of such report and the Board shall take note of the recommendations/ observations of such report and the same shall be recorded in the minutes book of the Company. The Company covenants that it shall undertake to implement the recommendations/observations of the Audit Committee as may be approved by the Board of Directors.</p>	<p>Constitution of Audit Committee</p> <p>Meetings of the Audit Committee</p> <p>Function and Purpose of the Audit Committee</p> <p>Audit Committee - Covenants</p> <p>Reporting of Observations to Board</p>

Meeting of Committee how to be governed	152. The meetings and proceedings of any such Committee of the Board 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 regulations made by the Directors under the last preceding Article.
Resolution by circular	153. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a Meeting of the Board of Committee, as the case may be), and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.
Acts of Board or Committee valid not withstanding informal appointment	154. All acts done by any Meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were dis-qualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Directors after his appointment has been shown to the Company to be invalid or to have terminated.
Minutes of proceedings of Meetings of the Board	155. (1) The Company shall cause minutes of the proceedings of the every Meeting of the Board to be kept by making within fourteen days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding Meeting. (3) In no case the minutes of proceedings of a Meetings shall be attached to any such books as aforesaid by pasting or otherwise. (4) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. (5) All appointments of officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting. (6) The minutes shall also contain - (a) the names of the Directors present at the Meeting and (b) in the case of each resolution passed at the Meeting, of the names of the Directors, if any, dissenting from or not concurring in, the resolution.

<p>(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter, which in the opinion of the Chairman of the Meeting -</p> <ul style="list-style-type: none"> (a) is or could reasonably be regarded as, defamatory of any person; (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interest of the Company. <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub clause.</p> <p>(8) Minutes if Meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.</p>	
POWERS OF DIRECTORS	
<p>156. The management and control of the business of the Company shall be vested in Director who may exercise all such powers of the Company and do all such acts and things, as are not, by the Act, or any other Act or by the Memorandum or by Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in the Company General Meeting :-</p> <ul style="list-style-type: none"> (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking; (b) remit or give time for the repayment of any of any debt due by a Director; (c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-article (a) or of any premises or properties or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. <p>Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at Meetings of the Board, unless the same be delegated to the extent therein stated.</p>	General powers of the Board

	<p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.</p>
<p>Certain powers of the Board</p>	<p>157 Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and Without prejudice to the other powers conferred by these Articles but subject to restrictions contained in the last preceding Article, it is hereby declared that the Board shall have the following powers that is to say, power :</p> <p>(1) To pay and change to the capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208 of the Act.</p> <p>(2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.</p> <p>(3) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.</p> <p>(4) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company for the time being or in such manner as they may think fit.</p> <p>(5) To accept from any Member, as far as maybe permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>(6) To appoint any person to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee.</p> <p>(7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any claims demands by or against the Company to arbitration and observe, the terms of any awards made thereon.</p> <p>(8) To act on behalf of the Company in all matters relating to bankrupts and insolvents and winding up and liquidation of Companies.</p> <p>(9) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p>

(10) Subject to the provisions of Sections 292, 293(1)(a), 295, and 372-A to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security, (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(11) To execute in the name and on behalf of the Company in favour of any Director other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future), as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreements as shall be agreed upon..

(12) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsement, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(13) To distribute by way of bonus amongst the staff of the Company, a share or shares in the profits of the Company, and to give any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

(14) To provide for the welfare Directors or ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, gratuities, allowances, bonus, or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, and trusts and by providing and subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reasons of locality of operation, or of public and general utility or otherwise; Provided that when contributing (a) to any political party or (b) for any political purpose to any individual or body, the provisions of Section 293A of the Act shall be complied with.

(15) Before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking Fund, or any special fund to meet contingencies, or to repay debentures or debenture stock, or for special dividends or for equalising dividends, or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion, think conducive to the interests of the company, and subject to Section 292 of the Act, to invest the several sums so sets aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and such purposes as the Board of Directors, in their absolute discretion, think conducive to the interests of the company notwithstanding that the matters to which the Board of Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Funds into such special funds as the Board of Directors may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of Reserve Fund and with full powers to employ the assets constituting all or any of the above funds including, the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper, not exceeding nine per cent per annum.

(16) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, stenographers, assistants, supervisors, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remunerations, and to require security in such instances and for such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the following sub-articles shall be without prejudice to the general powers conferred by this sub article.

(17) To comply with the requirements of any local law which in its opinion, it shall in the interest of the Company necessary or expedient to comply with.

(18) From time to time and at any time to establish any Local Boards for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.

<p>(19) At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion, (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers which may, under the Act or these Articles, be exercised only by the Board), and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may, (if the Board think fit), be made in favour of the Members or any of the Members of any Local Board, established as aforesaid or in favour of the Company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.</p> <p>(20) Subject to Sections 294, 297, 300 and other applicable provisions of the Act and the Articles, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things, in the name and on behalf of the Company as they may consider expedient, or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p>(21) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.</p>	
<p>MANAGEMENT</p>	
<p>158. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely :-</p> <p>(a) Managing Director.</p> <p>(b) Manager.</p>	<p>Prohibition of simultaneous appointment of different categories of managerial personnel</p>
<p>THE SECRETARY</p>	
<p>159. The Directors shall from time to time appoint a Secretary, and, at their discretion remove any such Secretary, to perform any functions which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers required to be kept by the Company.</p>	<p>Secretary</p>

	THE SEAL
The Seal, its custody and use	<p>160. (a) The Board shall provide a common seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory, district or place outside India.</p>
Deeds how executed	<p>161. Every Deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by one Director and the Secretary or some other person appointed by the Board for the purpose. Provided that in respect of Shares Certificate(s) the Seal be affixed in accordance with Article 19.</p>
Division of profits	<p>162. The profits of the Company, subject to the any special rights relating thereto created or authorized to be created by the Memorandum or these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid up or credited as paid-up on the shares held by them respectively.</p>
The Company in General Meeting may declare a dividend	<p>163. The Company in General Meeting may declare dividends, to be paid to the Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.</p>
Dividend to be paid only out of profits	<p>164. (a) No dividend shall be declared or paid other wise, by the Company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except after the transfer to reserves of the Company of such percentage of its profits for that year as may be prescribed, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both</p> <p>Provided that :</p> <p>(i) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year or years it shall, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years.</p> <p>(ii) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years, whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.</p>

<p>PROVIDED FURTHER that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.</p> <p>(b) The declaration of the Board as to the amount of net profits shall be conclusive.</p>	
<p>165. The Board may from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies</p>	<p>Interim Dividend</p>
<p>166. Where capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof confer a right to dividend or to participate in profits.</p>	<p>Capital paid up in advance at interest not to earn dividend</p>
<p>167. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.</p>	<p>Dividends in proportion to amount paid up</p>
<p>168. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article (Article 63) entitled to become a member, or which any person under that Article is entitled to transfer until such person become a member in respect thereof or shall duly transfer the same.</p>	<p>Retention in certain cases</p>
<p>169. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such shares.</p>	<p>Dividend etc. to joint-holders</p>
<p>170. Subject to provisions of the Act, no Member shall be entitled to receive payment of any interest or dividends in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.</p>	<p>No Member to receive dividend whilst indebted to the company's right of reimbursement thereof</p>
<p>171. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.</p>	<p>Transfer of shares must be registered</p>

Dividends how remitted	172. Unless otherwise directed any dividend may be paid by cheques or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through post to the registered address of the Member or person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as jointholders of any share or shares any one of them can give effectual receipts for any moneys payable in respect thereof. Several executors or administrators of a deceased Member in whose sole name any share stands, shall for the purpose of this clause be deemed to be joint-holders thereof.
Unclassified Dividend	173. (a) If the Company has declared a dividend but which has not been paid or a dividend warrant in respect thereof has not been paid 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 the expiry of the said period of 30 days open a special account in that behalf in any scheduled bank called “the unpaid dividend account of Indian Organic Chemicals Limited.” (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established u/s 205C(1) of the Act.
No interest on dividends	174. No unpaid dividend shall bear interest as against the Company.
Dividends and call together Capitalisatino	175. Any General Meeting declaring a dividend may on the recommendation of the Board make a call on the members of such amount as the Meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

176. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company or standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company, the Capital Redemption Reserve Account, or in the hands of the Company and available for dividend, or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the shareholders or any class of shareholders as would be entitled to receive the same if distributed by way of dividend in accordance with their respective rights and interests and in proportion to the amount of capital paid up on shares held by them respectively, on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company or debentures of the Company which shall be distributed accordingly, or in or towards payment of the whole or part of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(b) Subject to the provision of Section 205 of the Act, a General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax, be distributed among the Members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fractions of less value than Rupees ten may be disregarded in order to adjust the rights of all parties and may vest any such cash, share, debenture or other specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures and fractional certificates or otherwise as they may think fit. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund and such appointment shall be effective.

	ACCOUNTS
Board to keep true accounts	<p>177. (a) The Company shall keep at its office or at such other place in India as the Board thinks fit proper books of Accounts in accordance with Section 209 of the Act with respect to-</p> <p>(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure taken place;</p> <p>(ii) all sales and purchases of goods by the Company.</p> <p>(iii) the assets and liabilities of the Company.</p> <p>(b) Where the Board decides to keep all or any of the books of account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.</p> <p>(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.</p> <p>(d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article of proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.</p> <p>(e) The books of accounts shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions and shall be open to inspection by any Director during business hours.</p> <p>(f) The Company shall at all times maintain accurate and complete accounting and other financial records in accordance with the requirements of all Applicable Laws and the Indian generally acceptable accounting principles (GAAP) and in accordance with all relevant Indian statutory and accounting standards and the policies adopted by the Board from time to time.</p>
As to inspection of accounts or books by Members	<p>178. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members, not being Directors, and no Member, (not being a Director), shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.</p>
Statement of accounts to be furnished to General Meeting	<p>179. The Board shall from time to time, in accordance with Sections 210, 211, 212, 215, 216, and 217 of the Act, cause to be prepared to be laid before the Company in General Meeting, the Balance Sheet, Profit and Loss Accounts and Reports as are required by the said Sections. shall comply with</p>

<p>180. (a) A copy of every such Profit and Loss Account and Balance Sheet (including Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company (whether such Member or trustee is or is not entitled to have notice of general meetings of the Company sent to him), and to all persons other than such Members or trustees, being persons so entitled. Provided that the documents aforesaid shall not be required to be sent if copies thereof are made available for inspection at the Company's Registered Office during working hours for a period of twenty-one days before the date of the aforesaid meeting and a Statement, containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, 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 said meeting.</p> <p>(b) 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 and Loss Account and the Auditors Report.</p>	<p>Copies/State ments to be sent to each Member</p>
<p>AUDIT</p>	
<p>181. Auditor shall be appointed and the rights and duties regulated in accordance with Section 224 to 233 of the Act</p>	<p>Audited Accounts</p>
<p>DOCUMENTS AND NOTICE</p>	
<p>182. (1) A document or notice may be given or served by the Company to or on any Member whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.</p> <p>(2) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notice should be sent to him under a certificate of posting or by registered post with or without acknowledgment due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted or after telegram has been dispatched and in any other case, at the time at which the letter would be delivered in the ordinary course of the post or the cable or telegram would be transmitted in the ordinary course.</p>	<p>Service of documents or notices on Members by Company</p>

<p>Notices</p> <p>By Advertisement</p>	<p>Unless another address has been specified by a party hereto by written notice thereof to the other party, any notice, request, demand or other communication given or made shall be deemed to have been received</p> <p>(i) in the case of personal delivery, on the date of delivery,</p> <p>(ii) in the case of mail delivery, on the date which is fifteen (15) days after the mailing thereof and</p> <p>(iii) in the case of a telex or cable or facsimile, the date of transmission/dispatch thereof.(4) A documents or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.</p>
<p>On Joint holders</p>	<p>183. A document or notice may be given or served by the Company to or on the joint-holders of a share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the share.</p>
<p>On personal representatives, etc.</p>	<p>184. A documents or notice may be given or served y the Company to or on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any), in India supplied for the purpose by the persons claiming to be so entitled, or, (until such an address has been so supplied), by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.</p>
<p>To whom documents or notices must be served or given</p>	<p>185. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to</p> <p>(a) every Member,</p> <p>(b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.</p>
<p>Members bound by documents or notices served on or given to previous holders</p>	<p>186. Every person, who by operation of law, transferor other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.</p>
	<p>187. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed, Photostat or lithographed.</p>

WINDING-UP	
<p>188. (a) If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefits of the contributories as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	Distribution of assets in specie
<p>189. All documents or notices to be given or served by Members on or to the Company or to any officer thereof, shall be served or given by sending the same to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.</p>	Service of document or notice by Member
INDEMNITY	
<p>190. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable or by reason of any contract enter into or any act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act, in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.</p>	Indemnity
INDEMNITY AND RESPONSIBILITY	
<p>191. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through insufficiency or deficiency of the title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damages 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.</p>	Not responsible for acts of others

	SECURITY CLAUSE
Secrecy clause Confidential Information Officers, employees and agents	<p>192. (a) Every Director, Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all secret processes or other secret technical information of any nature whatsoever, transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>(b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose.</p>

**The Authorised Share Capital of the Company was increased as above pursuant to an order of the High Court of Judicature Bombay passed on 4th July 2008.*

Schedule - B

**Articles of Association of
Innovassynth Technologies (India) Ltd.**

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
INNOVASSYNTH TECHNOLOGIES
(INDIA) LIMITED

1. No regulation contained in Table A, in the First Schedule to the Companies Act, 1956 shall apply to this Company but the regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its resolutions by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

Table A not to apply but Company to be governed by these Articles.

2. The Company may forthwith enter into an agreement with Indian Organic Chemicals Limited, for the purchase of their existing division carrying on business of manufacturers, processors and dealers of speciality chemicals, fine chemicals, custom synthesis of all kinds and descriptions and its exports, with all its assets, liabilities, agency agreement(s), in such terms and conditions as may be agreed between Indian Organic Chemicals Limited and the Directors of the company.

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context :-

Interpretation clause.

"The Company" or "this Company" means **The Company" of INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED.** "this Company"

"Accounts"	"Accounts" means audited Accounts (including the notes thereto) of the Company, for a financial year as determined by the Board from time to time.
"The Act"	"The Act" means 'the Companies Act, 1956', or any statutory modification or re-enactment thereof for the time being in force.
"Affiliate"	"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person (or, in the case of a natural person, any Relative of such person). For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.
"Attendant Interest"	"Attendant Interest" means the additional rights, preferences and privileges attached to the Equity Shares of RKJ, RKJ Associates as are set out in Article 24D (Tag Along Rights), Article 24F & 24G (Right of Free Transfer), Articles 114 and 114A (Director Nomination Right), Article 112A (Voting Rights at General Meetings and Fundamental Issues - Super Majority Rights), Articles 24K(3)(i) (IPO Participation), Article 24L (Drag along Option), Article 24M (Buy Back Rights), Article 194(1) (Indemnification);
"Auditors"	"Auditors" means and includes those persons appointed as such for the time being by the Company.
"Board" or "Board of Directors"	"Board or Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Board of Directors of the Company Collectively.

"Board Super Majority Resolution" means, in relation to any Fundamental Issues enumerated in Article 150A, a resolution on which a positive affirmative vote of the nominee of RKJ on the Board of Directors of the Company as the case may be, is required for the resolution to be passed, so long as RKJ and RKJ Associates continue to hold 18,00,000 (eighteen lacs) equity shares of the Company. **"Board Super Majority Resolution"**

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company. **"Capital".**

"Closing" means Closing as defined in Article 4B; **"Closing"**

"Closing Date" means the date of Closing decided by FPL and RKJ not later than 7 days after satisfaction of the conditions precedent to Closing as set out in Article 4B. **"Closing Date"**

"Confidential Information" means all information relating to the Company that might fairly be considered to be of a confidential nature and identified as confidential at the time of disclosure and includes, but is not limited to: **"Confidential Information"**

- > any business or technical information whether or not stored in any medium, relating to the business of the Company (and/or those of its customers) including but not limited to financial information, equipment, documentation, strategies, marketing plans, pricing information, information relating to existing, previous and potential customers and contracts disclosed to either Party or its representatives;
- > information relating to the Company which is obtained whether (without limitation) in writing, pictorially, in machine - readable form, on floppy diskettes or orally, by any Party or its representatives from either the

Company or its representatives, in each case in connection with the business relationship between the Company, FPL, RKJ;

-> information derived from information falling within this definition;

-> original information supplied by the Company;

Notwithstanding the above, however, no information constitutes confidential information if it is generic information or general knowledge that RKJ would have learned in the course of similar relationship elsewhere in the trade or if it is otherwise publicly known and in the public domain;

"Corporate Restructuring Event"

"Corporate Restructuring Event" means merger, demerger, amalgamation, acquisition or other corporate restructuring involving a share swap or a combination of share swap and cash or issuance of debt securities, by the Company;

"Debenture"

"Debenture" includes debenture-stock.

"Directors"

"Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.

"Dividend"

"Dividend" includes bonus.

"Gender"

Words importing the masculine gender also include the feminine gender.

"Effective Date"

"Effective Date" means Effective Date when the Subscription Agreement shall come into effect on date of its execution first;

"Encumbrance"

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, option, right of pre-emption, right of retention of title or any other form of security, interest or any obligation (including conditional obligation) to

create any of the same;	"ESOP"
'ESOP' means Employees Stock Options Plan;	
	"Financial Year"
'Financial Year' of the Company shall mean a period of twelve months commencing from 1st April of any financial year and ending on the 31st March of the next financial year, unless otherwise decided by the Board of Directors;	
	"FPL"
'FPL' means Futura Polyesters Limited;	
	"Fundamental Issues"
'Fundamental Issues' shall mean such issues or matters vis-à-vis the Company in respect of which special voting rights are provided for under Subscription Agreement in terms of Articles 112A and 150A hereof;	
	"FV" or "Face Value"
'FV' or 'Face Value' means face value or par value of the Shares;	"Debenture".
	"IPO"
'IPO' shall mean the initial public offering of the equity shares of the Company or of the shares forming part of the equity share capital of the Company in terms of Article 24K;	
	"Intellectual Property Rights"
'Intellectual Property Rights' includes any patents, trademarks, designs, applications for such rights, copyrights, trade or business names, internet domain names, brand names, inventions, processes, geographical indications, neighboring rights, trade secrets, know-how, integrated circuits, exploitation of any present or future technologies, proprietary information, and other industrial property rights;	
	"In writing" and "Written".
'In Writing' and 'Written' include printing, lithography and other modes or representing or reproducing words in visible form.	
	"Listing"
'Listing' means the admission of the Shares of the Company or the shares forming part of common stock of the Company, to the official list of the Stock Exchange, Mumbai or the National Stock Exchange in India (whether or not preceded	

by admission of the Shares of the Company to the official list of the Mumbai/National Stock Exchange), or the London Stock Exchange in the United Kingdom, or New York Stock Exchange or NASDAQ in the United States of America, or any other recognized stock exchange in Europe or South-East Asia as may be agreed to in writing by RKJ;

"Management"

"Management" means the key personnel/executives of the Company as may be identified and agreed to in writing by RKJ and FPL from time to time;

"Management Accounts"

"Management Accounts" means the Management Accounts of the Company for the twelve month period ending on March 31 each year and such other Management Accounts required by RKJ from the Company from time to time in the agreed form;

"Material Breach"

'Material Breach' means inter alia and without limitation, non-compliance with the Subscription Agreement, or a breach of the Warranties as mentioned in SCHEDULE B of the Subscription Agreement and will be deemed to have occurred if the provisions of the Subscription Agreement have not been or are not being complied with;

"Member"

"Member" means the duly registered holder from time to time of the share of the Company and includes the subscribers of the Memorandum of Association of the Company.

"Meeting" or "General Meeting".

"Meeting" or "General Meeting" means a meeting of members.

"Annual General Meeting".

"Annual General Meeting" means a general meeting of the Members held in accordance with the provision of Section 166 of the Act.

"Extraordinary General Meeting"

"Extraordinary General Meeting" means an extraordinary general meeting of the members duly called and constituted and any adjourned

holding thereof.	"Month"
"Month" means a calendar month.	
	"Office"
"Office" means the registered office for the time being of the Company.	
	"PAT"
"PAT" means Profit After Tax;	
	"Paid-up".
"Paid-up" includes credited as paid up.	
	"Person"
'Person' includes any legal or natural person, an individual, corporation, partnership, limited liability Company, companies with unlimited liability, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof;	
	"Promoter"
"Promoter" means FPL.	
	"Register of Members"
"Register of Members" means the Register of Members to be Kept pursuant to the Act.	
	"The Registrar".
"The Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time being situate.	
	"Relative"
'Relative' means relative as defined in section 2(41) of the Companies Act, 1956;	
	"RKJ"
'RKJ' means Mr. Rakesh K. Jhunjhunwala, a resident and citizen of India, residing at 3, Sital Sagar, Sital Baug, 64, Walkeshwar Road, Mumbai-400 006 and shall, unless repugnant to the context or contrary to the meaning thereof, mean and or include his respective heirs and executors;	
	"RKJ Associates"
'RKJ Associates' means the persons whose names and addresses are set out in SCHEDULE C of the Subscription Agreement who are/will be the shareholders of the Company and shall unless repugnant to the context or meaning thereof be deemed to include their respective heirs and executors;	

"SEBI"

"SEBI" means the Securities and Exchange Board of India, a body established under the provisions of the Securities and Exchange Board of India Act, 1992;

"Secretary"

"Secretary" means any individual appointed by the Board to perform any of the duties of a Secretary under the Act and any other ministerial or administrative duties and includes a temporary, deputy or assistant Secretary.

"Seal"

"Seal" means the Common Seal for the time being of the Company.

"Shares"

'Shares' shall mean the fully paid-up equity shares of face value of Rs. 10/- each of the Company issued from time to time.

"Shareholders"

'Shareholders' means a Person whose name is registered in the register of members of the Company, as the holder of a Share and shall include RKJ, each of RKJ Associates in Subscription Agreement on allotment of shares of the Company to them.

"Specified Breach"

'Specified Breach' means FPL's or the Company's non-compliance with the provisions of Articles 112A and 150A (Fundamental Issues), Article 194 (Indemnification), or any breach of Warranties of FPL and/or the Company

"Shareholders' Super Majority Resolution"

'Shareholders' Super Majority Resolution' means in relation to any Fundamental Issues enumerated in Article 112A for consideration at a general meeting or extra-ordinary general meeting of the Shareholders of the Company, a resolution on which a positive affirmative vote of RKJ in favour of such resolution is required for the resolution to be passed, so long as RKJ and RKJ Associates hold not less than 18,00,000 (eighteen lacs) equity shares of the Company.

"Subscription Agreement"

'Subscription Agreement' means Subscription-cum-

<p>Shareholders Agreement dated 18th February, 2004 entered by and between the Company, FPL, AND RKJ/through RKJ Associates, as from time to time amended, supplemented or replaced or otherwise modified and any document which amends, supplements, replaces or otherwise modifies Subscription Agreement; together with the Schedules and Annexures attached thereto, and other documents to be executed and delivered by the Company or as the case may be, Parties to the Subscription Agreement, pursuant to Subscription Agreement;</p> <p>"Third Party" means any Person, which is not a party to Subscription Agreement.</p> <p>'Transfer' in relation to Shares and or other securities of the Company, shall mean the sale, assignment, Transfer, alienation of, or the grant of any option or right to purchase, Shares and/or securities of the Company;</p> <p>"Warranties" means the Warranties, representations, covenants and undertakings as set out in Schedule B of the Subscription Agreement.</p> <p>"Words" importing the singular number include, where the context admits or requires, the plural number and vice versa.</p> <p>"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 189 of the Act.</p> <p>The marginal notes used in these Articles shall not affect the construction hereto.</p>	<p>"Third Party"</p> <p>"Transfer"</p> <p>"Warranties"</p> <p>"Singular Number"</p> <p>"Ordinary" Resolution and "Special Resolution"</p>
<p>Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context bear the same meaning in these Articles.</p> <p>CAPITAL AND INCREASE AND REDUCTION OF CAPITAL</p> <p>4. ** The Authorised Share Capital of the Company is Rs. 61,00,00,000 (Rupees Sixty One Crores only) divided into 6,10,00,000 (Six Crores Ten lakhs) Equity</p>	<p>Amount of Authorised Capt</p>

Shares of Rs.10/- each (Rupees Ten only) with power to increase, consolidate, sub-divide, cancel and /or reduce the capital of the Company and to issue any of these shares in the Capital, original or increased, with or subject to any rights or conditions as regards dividend, repayment of capital or otherwise in accordance with the Company's regulations and the provisions of the Said Act. The company shall have power to convert fully paid-up shares into stock and to reconvert stock into shares.

The Company shall have power to issue equity shares with differential rights as to dividend, voting or otherwise, in accordance with such rules and subject to such conditions as may be prescribed, from time to time, by the Government of India.

The share(s), in the capital of the Company, for the time being, whether original or increased, may be divided into several classes, with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise. The Company shall have power to issue redeemable preference shares.

If and whenever the capital of the Company is divided into shares of different classes, rights of any class may, subject to the provisions of Section 106 and 107, and whether or not the company is being wound-up, be varied, modified, affected, extended, abrogated or surrendered with the consent of the in writing of the holders of three-fourth of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting, the provisions of these regulations relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

Regulations 4 to 8 of Table A of Schedule I to the Companies Act, 1956 shall apply to the Company.

4A. Upon the terms and subject to the conditions of Subscription Agreement, RKJ, RKJ Associates agree to

subscribe and pay for the below indicated number of equity shares in the below indicated manner and time schedule :

Name	No. of Equity Shares of FV Rs.10/- each	Issue Price Rs.	Investment Amount Rs.	Equity Share Capital Rs.	Share Premium Rs.
RKJ	25,00,000	25	625,00,000	250,00,000	375,00,000
RKJ Associates	15,00,000	25	375,00,000	150,00,000	225,00,000
Total	40,00,000	25	1,000,00,000	400,00,000	600,00,000

4B The closing (the 'Closing') shall take place at any place mutually agreed upon by the Parties as soon as possible, but in no event later than the close of banking hours on the Closing Date, or at such other time or place as the Parties may agree. At Closing, all (but not part only) of the following shall take place:

Closing, and Company's Obligation to allot equity shares to RKJ and RKJ Associates at Closing

- (i) RKJ, and RKJ Associates shall subscribe to the equity shares in accordance with Article 4A and the Company shall allot to RKJ, and RKJ Associates the equity shares so subscribed as fully paid up Shares and shall make the necessary entries in its register of members, and shall issue to RKJ, and RKJ Associates (or as it may have directed) definitive certificates (in such lots as it may have directed) for the equity shares allotted to RKJ, and RKJ Associate;
- (ii) RKJ, and RKJ Associates shall transfer the Subscription Amount to the Company through a mode as may be mutually agreed upon by the Parties. The 'Subscription Amount' in respect of RKJ, and RKJ Associates shall mean the respective investment amount for Closing referred to in Article 4A
- (iii) All requisite forms and returns including, without

limitation, the allotment return, shall, subsequent to Closing, be filed by the Company in respect of Subscription Agreement.

- (iv) All Share certificates shall be received by the Investor within 15 Business Days from Closing

**Capital Structure
Standstill Pending
Subscription by
the Investor.**

4C. Until the Shares have been subscribed to by RKJ, and RKJ Associates in accordance with Article 4B , the Company shall not, unless the RKJ otherwise agrees in writing:

- (a) Issue or permit to be subscribed any shares or securities convertible into or exchangeable with equity shares or common stock other than the equity shares to be subscribed by RKJ, and RKJ Associates in accordance with Article 4B above; or the equity shares to be issued to FPL by the Company as per the Transfer of Business agreement dated 22nd December, 2003; or the shares to be issued to Strategic Investors consisting of Mr. Satish Raheja and Surin Investments (P) Ltd., (hereinafter referred to as 'Strategic Investors') as per the Term Sheet dated 12th December, 2003
- (b) Change the face value of or rights attached to any of the shares or stock of the Company; or
- (c) Take any other action through reorganisation, consolidation, merger, sale of assets or otherwise, which might result in a dilution of the interest of RKJ, and RKJ Associates in the Company represented by the equity shares agreed to be subscribed to by RKJ, and RKJ Associates in accordance with Article 4B of

**Increase of Capital
by the Company
and how carried
into effect.**

5. Subject to Articles 4A, 4B, 4C, 112A and 150A, the Company in general meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights

and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Articles, the Directors shall comply with the provisions of Section 97 of the Act.

Warranties

5A. The Warranties of the Company and FPL, made in the Subscription Agreement, shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of such date.

Separate Warranty

5B. FPL and the Company agree with RKJ, and RKJ Associates that each Warranty which is set out in a separate paragraph in Schedule B of the Subscription Agreement or which could be treated as a separate Warranty shall be construed independently of any other. Each of the Warranties is a separate and independent warranty, representation and undertaking and the rights of the RKJ, and RKJ Associates under, and the meaning given to, any one such Warranty shall not be restricted by reference to any other Warranty.

Claim under Warranties under the Subscription Agreement

5C. If RKJ, or RKJ Associates make a claim against FPL and not against the Company, FPL shall not pursue any claim, seek damages, reimbursements or contribution from the Company in respect of any such claim.

Undertaking

5D. FPL confirms and irrevocably undertakes to RKJ, and RKJ Associates that the Company has not entered into, or shall not enter into, any indemnity or other agreement or arrangement concerning the liability of FPL for breach of the Warranties as set out in the Subscription Agreement.

No Material Adverse Change

5E. There shall not have occurred any material adverse change in the business prospects of the Company or in the environment affecting the investment by the Investor hereunder between the Effective Date and the Closing as defined in the Subscription Agreement.

New Capital same as existing capital

6. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part

of the original capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transmission, voting and otherwise.

7. Subject to the provisions of Section 80 of the Act and Articles 150A, the Company shall have the power to issue Preference Shares which are, or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

7A Subject to the provisions of Section 80 and other applicable provisions of the Act, the Company shall have the power to issue from time to time, Cumulative Convertible Preference Shares which are convertible into equity shares and the resolution authorizing such issue shall authorize the Board of Directors or a Committee of the Board to prescribe the manner, terms and conditions of issue of Cumulative Convertible Preference Shares and the terms & conditions of their conversion into equity shares.

The holders of the Cumulative Convertible Preference Shares (hereinafter known as CCPS) shall be entitled to be paid dividend at the rate of 6% per annum or such other rate as may be permissible under the Law, on the capital for the time being paid up thereon, payable as regards such financial year out of the profits of such year available for dividends and in case of deficiency of profits to resort to the profits of the previous financial years and in case of non-distribution of dividend in any financial year to a cumulative dividend in any subsequent distribution and on a return of capital on winding up, reduction of capital or otherwise to the payment of such capital and all arrears of such fixed dividend declared upto the commencement of winding up or actual return of capital, as the case may be, in priority to the Equity shares. The holders of CCPS will not be entitled to any further or other participation in the profits or assets of the Company.

The Board of Directors of the Company or the Committee appointed by the Board shall have a right under this Article at any time within 20 years from the date of allotment of CCPS but not

**Redeemable
Preference
Shares.**

**Cumulative
Convertible
Preference
Shares**

later than the date fixed by the Board of Directors or Committee of Directors to convert the whole or part of the CCPS into equity shares Upon such conversion the following provisions shall have effect.

- (i) The holders shall deposit at the Registered office of the Company notice stating that he/they hereby convert the CCPS as specified in the notice ;
- (ii) The said holder/holders shall deposit with the said notice, the certificate/certificates relating to the CCPS to be converted;
- (iii) The notice shall take effect immediately upon the same being deposited with the Company as aforesaid and thereupon the CCPS comprised in the notice shall, on the same being approved by the Board of Directors, for the time being, of the Company, be converted into and then forth be called and known as equity shares which shall rank pari passu in all respects with other equity shares;
- (iv) All rights relating to the CCPS shall be extinguished and the converted shares shall participate in full in all the dividends declared on the equity shares thereafter except in respect of the financial year in which the conversion was affected;
- (v) Forthwith upon any such conversion, the Company shall issue to the holder/holders, free of charge, a new certificate/certificates for the shares so converted as equity shares."
- (vi) The issue of equity shares on conversion of CCPS shall be deemed to be constructive redemption of said CCPS

<p>8. The Company may (subject to the provisions of Sections 78, 80, 100 to 105, inclusive of the Act and Articles 112A and 150A) from time to time by Special Resolution, reduce its capital, any Capital Redemption Reserve Account and Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.</p>	<p>Reduction of Capital</p>
<p>9. Subject to the provisions of Section 94 of the Act and Articles 112A and 150A, the Company in general meeting may, from time to time, subdivide or consolidate its shares, or any of them, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such subdivision one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which 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.</p>	<p>Sub-division and cancellation of shares</p>
<p>10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provision of Sections 105 and 107 of the Act and Articles 112A and 150A, be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting</p>	<p>Modification of rights.</p>

of the holders of shares of that class.

10A. The Company, FPL, and RKJ have agreed that the proceeds from subscription to the Shares by RKJ, and RKJ Associates shall be used for the sole purpose of the expansion of the business of the Company.

Use of Subscription Proceeds

10B. The use by the Company of subscription to the Shares for purposes other than for those set out above, shall result in a Specified Breach of Subscription Agreement.

10C. There shall not be threatened, instituted or pending any action or proceeding by any Person before any court or governmental authority or agency, domestic or foreign, seeking to impose or confirm limitations on the ability of RKJ, and RKJ Associates effectively to exercise full rights of ownership of the shares, or seeking to require divestiture by RKJ, and RKJ Associates.

No Legal Embargo on RKJ

SHARES AND CERTIFICATES

11. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.

Register and Index of Members.

12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Shares to be numbered progressively and no share to be sub- divided.

12A. Save as otherwise specifically provided for in Subscription Agreement, and except for the shares to be issued by the Company to FPL in pursuance of the Transfer of Business agreement dated 22nd December, 2003, and to Strategic Investors as per Term Sheet dated 12th December, 2003 and an Employee Stock Option Plan (ESOP) as may be agreed between Parties to Subscription Agreement; the Company shall not issue any further shares, common stock, warrants, or other securities convertible or exchangeable into shares or common stock of the Company unless such further shares/securities have first been offered to the existing shareholders/stakeholders, in proportion to their shareholding on the date of such issue.

Preemption rights of new issue of shares

Further Issue of Capital.

13. (a) Subject to Articles 4C, 12A, 112A and 150A, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

The Board of Directors at their discretion may permit the share holders the right to renounce their entitlement of equity shares offered by the Company on Rights basis in full or part in favour of one or more persons subject to such terms and conditions as may be prescribed by the Board and subject to renounees giving such undertakings in writing as may be required by the Board.

The right of renunciation is subject to the express condition that the Board of directors/ Committee of the directors shall be entitled in its absolute discretion to reject the request for allotment to renounee(s) without assigning any reason thereof.

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may, subject to Articles 4C, 12A, 112A and 150A :-

- (i) by a special resolution; or
- (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the

proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company offer further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act and Articles 4C, 12A, 112A and 150A, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

14. Subject to the provisions of these Articles and of the Act, the shares, forming part of any increased capital Company shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

Shares under control of Directors

15. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14 the Company in general meeting may, subject to the provisions of Section 81 of the Act and Articles 4C, 12A, 112A and 150A, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether a Member or not), in such proportion and on such terms and conditions

Power also to Company in General Meeting to issue shares

and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Acceptance of shares.

16. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.

Deposit and call etc. to be debt payable Immediately.

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

Liability of Members

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

Share Certificates

19. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation, or in cases of issues of bonus shares. Every

such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and the two Directors or their attorney and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be subject of joint ownership may be delivered to any one of such joint holders on behalf of all of them.

(c) All certificates representing the shares of the Company allotted to FPL, RKJ and RKJ Associates shall bear the following legend: **Legend**

"The shares represented by this certificate are subject to the terms and conditions and certain restrictions under the Shareholders Agreement dated 18th February 2004, as at any time amended, and may not be sold, transferred or encumbered except in accordance with the terms and provisions of said agreement, a copy of which is on file at the principal executive office of the Company and will be furnished to the holder of this certificate upon request and without charge."

20. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as, engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Renewal of share certificates.

21. (a) No certificate of any shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cases on the reverse for recording transfer have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of shares certificate No. Sub-divided/replaced/on consolidation of shares".

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of which the new share certificate No...". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "Remarks" column.

(f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating

to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificate except the blank forms of share certificates referred to in sub-Article (f).

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

21. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipt of dividends or bonus or service of notice and all any other matter connected with the company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

The first name of joint-holders deemed sole holder.

22. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.

Company not bound to recognise any interest in shares other than that of registered holder.

23. Notwithstanding anything contained in these Articles, the Board may in its absolute discretion, refuse applications for sub-division or consolidation of share Certificate(s), Debenture or Bond Certificate(s) into denominations of less than the marketable lot except when such sub-division or consolidation is required to be made to

Discretion to refuse subdivision of consolidation of Certificate(s).

comply with a statutory provision or an order of a competent Court of Law, Provided that notwithstanding anything contained in these Articles, the Board of Directors shall, at its discretion, be entitled to charge and recover the stamp duty payable on Share Certificate(s) and Debenture Certificate(s) issued arising from splitting or consolidation or renewal or issue of duplicate Certificate(s), or transfer or transmission of shares or Debentures; and such stamp duty shall be paid by the Shareholder/Debentureholder prior to issue of the Certificate(s).

Funds of the Company may not be applied in purchase of shares of the Company

24. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

Right of RKJ and RKJ Associates to Unencumbered Shareholding

24A. RKJ, and RKJ Associates shall not be required to pledge, mortgage, hypothecate, charge or otherwise encumber any part of shares of the Company held by it or otherwise offer any such shares as collateral for providing financial support to any third party, including but not limited to the lenders of the Company.

Restriction on Sale or Transfer of Shares by FPL

24B. FPL shall not transfer any part of shares, common stock or securities convertible into shares or common stock of the Company held by them directly or indirectly, except with prior written discretionary consent of RKJ. However, a pro-rate distribution of the equity shares owned by FPL to the shareholders of FPL through a court order in pursuance of a Listing or otherwise will not require prior written discretionary consent of RKJ.

24C. The sale of shares by FPL envisaged under Article 24B thereof shall be subject to the right of first refusal of RKJ in accordance with the Article 24D and Article 24E hereof. This right of first refusal shall cease to have effect on and from the date on which the listing/IPO of shares of the Company is accomplished.

Tag Along Right of RKJ and RKJ Associates

24D. If the FPL propose to Transfer any or all of the shares, common stock or securities convertible into shares or

common stock of the Company held by them directly or indirectly with the express prior written consent of RKJ, as a condition precedent to such Transfer, FPL shall have the obligation to ensure that the proposed purchaser offers to purchase all Shares of the Company held by RKJ, and RKJ Associates on terms and conditions no less favorable than the terms offered by the proposed purchaser to FPL, including, but not limited to the price per share. RKJ, and RKJ Associates shall have the right but not the obligation to accept the said offer of the proposed purchaser.

24E. For the purpose of Article 24D hereof, FPL wishing to Transfer any or all of the shares, common stock or securities convertible into shares or common stock of the Company, shall by notice in writing ('Transfer Notice') to RKJ, and RKJ Associates, notify RKJ, and RKJ Associates of the number of any or all of the shares, common stock or securities convertible into shares or common stock of the Company proposed to be transferred by FPL and the terms and conditions of the Transfer, including price and the name and other necessary particulars of the Purchaser. Within 30 days of receipt of the Transfer Notice, RKJ, and RKJ Associates may respectively agree to or refuse to Transfer its Shares on the same terms and conditions (including the price) as FPL have intimated in the Transfer Notice, and shall communicate the same to FPL. Failure to communicate the same shall be deemed to be a refusal to Transfer their Shares. Upon such refusal, FPL shall be entitled to consummate the sale to the Third Party within a period of 60 days thereafter on the terms and conditions contained in the Transfer Notice. In the event of a failure to so consummate the sale within the stipulated 60 days period, the sale shall again be subject to the provisions of Article 24D and this Article.

24F. RKJ, and RKJ Associates shall be always free and fully entitled to Transfer any or all of their Shares (and Attendant Interest) held in the Company. Until the accomplishment of the Listing/IPO of the Company shares, the right of RKJ, RKJ Associates to freely sell the securities as aforesaid shall be subject to the right of first offer to FPL in accordance with the Article 24G hereof. This right of first offer shall cease to have effect on and from the date on which the Listing/IPO of the Company's shares is accomplished.

**Right of RKJ and
RKJ Associates to
Transfer Shares and
FPL's Right of
First Offer**

24G. Subject to the provisions of Article 24F hereof, and prior to Listing/IPO, in the event RKJ, or RKJ Associates wish to Transfer (hereafter referred to as 'The Transferor'), at any time, some or all of the Shares of the Company held by it to any third party/parties, the Transferor shall, prior to consummating such Transfer, offer to sell such Shares (hereafter referred to as the "Offered Shares") to FPL on such terms and conditions as the Transferor shall specify. If FPL:

- > does not accept or cause to accept such offer through their respective nominee such offer within 60 working days from the date of offer (or do not consummate the purchase within twenty working days thereafter);
- > nor makes nor cause to accept such offer through their respective nominee, within 60 working days from the date of the offer to buy all the offered shares, a counter offer to the Transferor supported by deposit in an escrow bank account a sum of 25% of the aggregate consideration under the counter offer as a financial arrangement to part fulfill her obligation under the counter offer (hereafter referred to as the 'Valid Counter Offer'), the Transferor will be free to sell or Transfer the Offered Shares to one or more Third Party/Parties of its choice on such terms and conditions as the Transferor and such Third Party/Parties may agree. If FPL fails to make or cause to make such offer through its nominee, within 60 working days from the date of the offer to buy the Offered Shares, a Valid Counter Offer to the Transferor, the Transferor will be free to sell or Transfer the Offered Shares (along with Attendant Interest) to one or more Third Party/Parties of its choice, at a price which is not less than the price per Share under the Valid Counter Offer. Any Transfer of the Offered Shares as aforesaid must be contracted between the Transferor and the Third Party/Parties within 60 days after the expiration of the time period for the acceptance of the offer by FPL and/or by its nominee as aforesaid, and must be

consummated within 60 days thereafter. If the Transfer is not so contracted or consummated within the said time periods, any subsequent sale or Transfer of the Offered Shares shall again be subject to the provisions of this Article.

24H. Until the listing of the shares of the Company on a Stock Exchange pursuant to an IPO of the Company shares or otherwise, and subject to provisions of Articles 24D, 24E, 24F and 24G; no Transfer of any shares or other securities with rights of conversion to equity shares/common stock shall be made by any Party to Subscription Agreement to any Third Party, unless such Third Party shall have agreed in writing to be bound by the provisions of Subscription Agreement by executing the letter in the form attached as Schedule A to the Subscription Agreement. **Transfer Procedures**

24I. All Transfer of shares or other securities of the Company shall be subject to applicable regulatory and other approvals of Government of India, Reserve Bank of India or other relevant authorities.

24J. Subject to the provisions of Article 24H and Article 24I, the Board of Directors of the Company shall be bound to register the Transfer of shares, and shall not be entitled to refuse the Transfer of shares.

- 24K. 1. The Company and FPL hereby undertake to procure Listing of the Shares of the Company through an IPO either by the sale of existing shares or by way of a fresh issue of Shares by the Company, or by any other method. **Listing of Company's Shares including through an IPO**
2. The Listing and/or IPO shall be made within a period not exceeding 48 months from the Effective Date of Subscription Agreement (the "Listing/IPO Deadline"). In the event the Listing/IPO Deadline is not met for any reason whatsoever and the Listing is not accomplished by the Listing/IPO Deadline, RKJ shall be entitled to cause an IPO through an offer for sale of a part or the whole of the shares held by RKJ (along with **Timing of Listing/IPO**)

RKJ Associates) as the case may be, in the Company or by requiring the Company to make a fresh issue of shares for the purpose of accomplishing the Listing. Without prejudice to the foregoing, where an offer for sale of all the shares held by RKJ if made would fall short of the divestment threshold prescribed under the IPO listing requirements of the Stock Exchange, RKJ shall be entitled to require FPL to sell such part of the shares held by them as is necessary to increase the aggregate number of Shares offered for sale to the minimum divestment threshold, so that the shares of the Company qualify for Listing.

Right of RKJ and RKJ Associates to fully divert and FPL's obligation of Lock-in, and Pre-IPO Put Option of RKJ and RKJ Associates.

3. (i) Notwithstanding the provisions hereof, RKJ and RKJ Associates shall have the right but not the obligation to divest their respective equity shareholding in the Company at the time of the IPO or at any time thereafter.

(ii) At the time of the IPO, FPL irrevocably undertakes to submit all its shareholding in the Company as the case may be, for lock-in under applicable regulatory guidelines to satisfy the eligibility conditions of an IPO and use their best endeavour to ensure that no part of the shareholding of RKJ and RKJ Associates is subjected to any lock-in under any regulatory guideline or conditionalities. And, if for any reason, any lock-in remains applicable to shareholding of RKJ and RKJ Associates, without prejudice to any other provisions of Subscription Agreement RKJ and RKJ Associates shall have the right but not the obligation to sell any or all shares of the Company held by each of them respectively to FPL, and FPL shall have the unconditional obligations to acquire the shares so offered by RKJ, and RKJ Associates, at the price per share determined by the lead investment banker appointed for

the purpose of the IPO. And, for this purpose, the provisions of Article 5.2.2 of the Subscription Agreement shall mutatis mutandis apply. Notwithstanding anything set out in Subscription Agreement, RKJ and RKJ Associates shall at no point in time be considered / deemed to be the “Promoter” of the Company as defined or understood in the SEBI guidelines for disclosure and investor protection and/or in the Act). This clause will always be read the relevant SEBI regulations applicable at the relevant time.

4. FPL and the Company undertake and covenant to RKJ and RKJ Associates that it shall be their responsibility to obtain all applicable approvals and permissions statutory or otherwise that are necessary for the accomplishment of the Listing/IPO. **Approval and Permissions**

5. All expenses relating to the Listing/IPO whether by way of offer for sale or issue of fresh shares and of listing the shares of the Company on the stock exchange, or otherwise, shall be borne and paid for entirely by the Company. **Listing/IPO Expenses**

- 24L. 1. Without prejudice to any other provisions of Subscription Agreement including but not limited to Article 24K if on expiry of 48 months from the execution of Subscription Agreement neither does the Listing/IPO of shares of the Company takes place nor is FPL able to provide any other exit to RKJ and RKJ Associates, RKJ and RKJ Associates shall have the right to Transfer all of its Shares (and Attendant Interest) held in the Company along with the management control of the Company to any Third Party/Parties. For this purpose, the RKJ and RKJ Associates shall have the right but not the obligation to buy out all or any part of shareholding of FPL in the Company at the price per share ('Offer Price') agreed **Drag along Options of RKJ and RKJ Associates**

with the Third Party/Parties ('Proposed Buyer') for the Shares of the Company as the case may be. And, in such an event, FPL shall be unconditionally obliged to sell the required shareholding to RKJ and RKJ Associates at the Offer Price. As an alternative to buying out the shareholding of FPL, RKJ and RKJ Associates shall be entitled to require FPL to sell their shareholding in full or in part along with the shareholding of RKJ and RKJ Associates to the Proposed Buyer at a price not less than the Offer Price so as to offer such aggregate shareholding to the Proposed Buyer as is required to secure the management control of the Company to the Proposed Buyer. The Valuation for sale or purchase of shares in the context of this clause is to be determined by mutually acceptable Independent agency(ies).

2. RKJ and RKJ Associates's rights envisaged in Article 24L(1) shall be subject to the condition precedent that RKJ (along with RKJ Associates) sell their respective entire equity shareholding in the Company at that time, and not merely a part of its shareholding.

BUY BACK OPTIONS OF RKJ AND RKJ ASSOCIATES

**Buy-back by the
Company**

- 24M i) Without prejudice to any other provisions of Subscription Agreement including without limitation Article 24K , in the event the Listing/IPO deadline at Article 24K is not met for any reason whatsoever and the Listing is not accomplished by the IPO Deadline, RKJ and RKJ Associates shall have a right but not the obligation to require the Company to buyback or acquire all or any part of their respective Shares in the Company. Subject to the provisions of the

Applicable Law and Companies Act, such buyback shall be undertaken by the Company at higher of:

-> a price determined on the basis of valuation as determined by an independent professional valuer acceptable to RKJ; or
 -> a price which would give the RKJ and RKJ Associates on their respective investment-cost-basis per Share a compounded rate of return of 20% per annum for the period from the Closing Date to the date of such buyback or acquisition.

ii) The Company and FPL irrevocably covenant undertake and agree that they shall not be and they shall not participate in any buyback of equity shares by the Company including but not limited to the buyback referred to at Article 24M(1).

2. Without prejudice to any remedies available **Buy-back by FPL** to RKJ and RKJ Associates, in the event any Specified Breach by FPL or the Company is not remedied within 28 days of receipt of formal written notice from RKJ, then RKJ and RKJ Associates shall be entitled to sell to FPL, and FPL shall be under an unconditional obligation to buy from RKJ and RKJ Associates all the Shares held by RKJ and RKJ Associates at a consideration which would give RKJ and RKJ Associates on investment-cost-basis a compounded rate of return of 18% per annum for the period from the Closing Date to the date of such buyback . And, FPL shall make payment to RKJ and RKJ Associates within 60 days following the date upon which notice is served by RKJ and/or RKJ Associates, as the case may be. In the event that there are any delays in payment, then interest on the outstanding amounts shall be payable at a rate of 12% p.a.

25. DEMATERIALISATION OF SECURITIES

Definitions

- 1) For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name/s is/are recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India.

'Depository' means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992;

'Security' means such security as may be specified by SEBI from time to time.

'Depositories Act, 1996' shall include any statutory modification or re-enactment thereof.

'Registered owner' means a Depository whose name is entered as such in the records of the Company.

Dematerialization of Securities

- 2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize / rematerialized its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

Option for investors

- 3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in a manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

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 record the name of the allottee as the beneficial owner of the security.

- 4) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners. **Securities in Depositories to be in fungible form**
- 5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. **Rights of Depositories and Beneficial owners**
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- 6) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or discs. **Service of Documents**
- 7) (a) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a Depository. **Transfer of Securities**

(b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Allotment of Securities dealt with in a Depository

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

Certificate number and Distinctive numbers of Securities held in a Depository

9) Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and Index of Beneficial Owners

10) The Register and Index of beneficial owners maintained by a Depository under the the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

UNDERWRITING AND BROKERAGE

Commission may be paid

26. Subject to the provisions of Section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage

27. The Company may also, on any issue of share or debentures, pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

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

Interest may be paid out of Capital

CALLS

29. Subject to Article 4B, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

Directors may make calls

30. Fourteen day's notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Notice of call

31. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

Call to date from resolution

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

Call may be revoked or postponed

33. The joint-holder of a share shall be jointly and severally liable to pay calls in respect thereof.

Liability of Joint-holders

34. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may

Directors may extend time

extend such time as to all or any of the Members who, from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extensions save as a matter of grace and favour.

Calls to carry interest

35. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 9 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to be calls

36. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purpose of these Article be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expense, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on shares

37. On the trial or hearing of any action or suit brought by the Company against any Member or his representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the is sought to be recovered, appears entered on the Register of Members as the holder at or subsequently to the date which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Member or his representatives, so sued in pursuance of these Article; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly

convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

38. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

**Partial payment
not to preclude
forfeiture**

39. (a) The Board may, if it thinks, fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the Member paying sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three month's notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

**Payment in
anticipation of calls
may carry interest**

(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

40. 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 interest in any share shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. And such lien shall extend to all dividends from time to time declared

**Company have
lien shares**

in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

**As to enforcing
lien by sale**

41. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

**Application of
proceeds of sale**

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

FORFEITURE OF SHARES

**If money payable
on shares not
paid notice to be
given to Member**

43. If any Member falls to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Forms of notice

44. The notice shall name a day (not being less than fourteen days from the date of the notice) and the place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 9 per cent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid 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 appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

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

In default of payment, shares to be forfeited

46. When any shares shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Notice of forfeiture to a Member

47. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Forfeited share to be property of the Company and may be sold, etc.

48. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from time to time of the forfeiture until payment, at such rate not exceeding 9 per cent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Member still liable to pay money owing at time of forfeiture and interest

49. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such

Effect of forfeiture

Evidence of forfeiture

those rights as by these Articles are expressly saved.

50. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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. Such declaration and the receipt of the Company for the consideration, if any, given for the share on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

Validity of sale under Article 40 and 46

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

Cancellation of share certificates in respect of forfeited shares

52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereof.

Power to annul forfeiture

53. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

54. The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Register of transfers

55. Every instrument of transfer of shares shall be in writing in such form as shall from time to time be permissible to used under the relevant provisions of the Act in that behalf. The Directors may from time to time alter or vary the form of such transfer but so as to comply with the provisions of the Act in that behalf.

Form of transfer

56. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

Transfer form to be completed and presented to the Company

57. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Registered Office of the Company is situated to close the transfer books, the Register of Members and/or Register of Debentureholders at such time or times and for such periods, not exceeding thirty days at a time and not exceeding the aggregate forty-five days in each year as to it may seem expedient.

Transfer books when closed

58. Subject to the provisions of Section 111 of the Act and Section 22A of Securities Contracts (Regulation) Act, 1956 and Articles 24H, 24I and 24J, the Board may refuse to register any transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in the Company Provided however that the registration of a share

Directors may refuse to register transfer(s)

shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Provided further that in the event of refusal to register any such transfer of, or the transmission of the right to, any shares or interest of the Member in the Company, the Company shall, within two months from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of such refusal to the transferee and transferor or the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

**Notice of application
when to be given**

59. When, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

**Death of one or
more joint holders
of shares**

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

**Title to Shares
of deceased
Member**

61. The executors or administrators or holder of a Succession Certificate or the legal representative of a deceased Member (not being one of two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with the production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

62. No share shall in any circumstances be transferred to any infant, insolvent person of unsound mind.

No transfer to infant, etc.

63. Subject to the Provisions of the Act and Articles 59 and 60 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency or any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Registration of persons entitled to share otherwise than by transfer

64. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge, for, any dividends or other moneys payable in respect of the shares.

Persons entitled may receive dividend without being registered

65. No fee shall be payable to the Company, in respect of the transfer or transmission of shares.

Fees on transfer or transmission

66. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which

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

may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

**Transfer of
Debentures**

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

Nomination

68. (A) (1) Every holder of share(s) in and/or debenture(s) of the Company, so entitled under the Act and Rules framed thereunder, may, at anytime, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.

(2) Where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the jointholders, so entitled under the Act and the Rules framed thereunder, may, together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) in and/or debenture(s) of the Company, where a nomination is made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in and/or

debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debentureholder concerned or on the death of the jointholders as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s), to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

- (4) Where a nominee is a minor, the holder of the share(s) in and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in and/or debenture(s) of the Company, in the event of his death, during the minority.

- 67 (B) (1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67(A), upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either - **Transmission in case of nomination**

(a) to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or

(b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder concerned or deceased jointholder, as the case may be, could have made.

- (2) If the person being a nominee, so becoming entitled, elects himself to be

registered as holder of the share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/debentureholder/joint-holders, as the case may be.

- (3) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture-holder had not occurred and the notice or transfer were signed by that shareholder and/or debentureholder or jointholders, as the case may be.
- (4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s); and if the notice is not complied with, within ninety days, the

Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s) until the requirements of the notice have been complied with.

COPIES OF MEMORANDUM AND ARTICLES
TO BE SENT TO MEMBERS

70. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act, shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

Copies of Memorandum & Articles of Association to be sent by the Company

GENERAL AUTHORITY

71. Wherever in the said Att, it has been provided that the Company shall have any right, privilege or authority that the Company could carry out any transactions only if the Company is so authorised by its Articles, then and in that case, this regulation hereby authorises and empowers the Company to have such rights, privilege or authority to carry such transactions as have been permitted by the Act without there being any specific regulation in that behalf herein provided. An illustration of such rights, privileges, authorities and transactions area set out with relevant sections, as they being provided under the Companies Act, 1956, but the same shall hold true under the provisions of the amended Act or any re-enactment thereof and subject to Article 112A.

General Authority

Section 77A Power to purchase its own shares

Section 79 Power to issue shares at discount

Section 79A Issue of sweat equity shares

Section 80 to issue Redeemable Preference Shares

Section 92 to accept unpaid share capital although paid up.

Section 93 to pay dividend in proportion to amount paid up.

Section 94 to alter the share capital of the Company

Section 100 to reduce the share capital of the Company

Section 106 to alter the rights of the holders of special class of shares

Section 114 to issue bearer share bonds

Section 157 the company may, keep in any State or country outside India a branch register of members or debenture holders resident in that State or country.

Section 203 to pay interest on capital in certain cases

Section 313 to authorising the Board to appoint Alternate Directors

Section 323 to make liability of directors and/or manager, unlimited, by passing special resolution at general meeting of shareholders.

BORROWING POWER

Power to borrow

72. Subject to the provisions of Section 292 and 293 of the Act and these Articles, the Board may, from time to time at its discretion, accept deposits from Members (either in advance of calls or otherwise), and from other persons and generally borrow or raise or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however that where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's, Bankers in the ordinary course of business), exceed the aggregate of the paid-up capital of the Company and its free reserves, (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Payment or repayment of moneys borrowed

73. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and, in particular, by a resolution passed at a meeting of the Board (and not by circular resolution), by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both

present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

74. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meeting, appointment of Directors and otherwise. Debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company. in General Meeting.

**Terms of issue
of Debentures**

75. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive), of the Act in that behalf to be duly complied with by the Board.

**Register of
Mortgages etc. to
be kept**

76. The Company, shall, if at any time it issued debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

77. The Company in General Meeting may convert and any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

**Rights of
Stock holder**

78. The holders of stock shall according to the amount of stock held by them, have the same rights, privileges and

advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privileges or advantages, (except participation in the dividends and profits of the Company and in the winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETINGS OF MEMBERS

Annual General Meeting, Annual Summary

79. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Annual General Meeting shall be held within six months after expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time, during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the city in which the Registered Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts) the Proxy Register with proxies and the Register of Director's Shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar, in accordance with Sections 159, 161 and 220 of the Act.

80. The Board may, whenever it think fit, call an Extraordinary General Meetings and it shall do so upon a requisition in writing by any Member or Members holding aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

**Extraordinary
General Meeting**

81. Any valid requisition so made by Members must state the object or objects of the Meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like from each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board shall forthwith call an extraordinary general meeting, and if they do not proceed within 21 days from the date of requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called be held within three months from the date of the delivery of the requisition as aforesaid.

**Requisition of
Members to state
object of meeting**

82. Any Meeting called under the foregoing Articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a Meeting is to be called by the Board.

**Meeting called
by requisitionists**

83. Twenty-one day's notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other Meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a Meeting may be convened by a shorter notice. In

**Twenty-one day's
notice of meeting
to be given**

the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, Balance Sheet and Report of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest if any therein of every Director and the Manager (if any). Where any such item of business relates to or affects any other company, the extent of shareholding interest in that other company of every Director, and the Manager, (if any), of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to invalidate a resolution passed

84. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Notice of business to be given

85. No General Meeting Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

General Meeting of Shareholders

85A. Subject to the minimum requirements prescribed by the Applicable Law and subject to Article 112A, no business shall be transacted at any general meeting, or any adjournment thereof, unless RKJ and RKJ Associates are represented by their authorised representative(s) at such general meeting, except if no authorised representative of RKJ and RKJ Associates is present in spite of all reasonable communications and notices. In case the quorum is not present, the meeting shall be adjourned to the same day in the following week or the next Business Day thereafter, and the shareholders present at such meeting shall constitute the quorum.

Quorum at General Meeting

86. Subject to Article 85A, five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

87. Subject to Article 58A, if, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum shall not be present, the Meeting, convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the Meeting shall stand adjourned to the same day in the next week or, if that is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place within the city, town or village in which the Registered Office of the Company is situate, as the Board may determine, and if at such adjourned Meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

If quorum not present, Meeting to be dissolved or adjourned

88. The Chairman (if any), of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Board, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the Vice-Chairman (if any) of the Board shall be entitled to take the chair at such General Meeting. If there be no such Vice-chairman of the Board or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be the Chairman.

Chairman of General Meeting

89. No business shall be discussed at any General Meeting except the election of Chairman, while the Chair is vacant.

Business confined to election of Chairman whilst chair is vacant

90. The Chairman with the consent of the Meeting may adjourn any meeting from time to time and from place to place within the City, Town or Village in which the Registered Office of the Company is situate, but no business shall be transacted at any adjourned meeting other

Chairman with consent may adjourn meeting

than the business left unfinished at the Meeting which was adjourned.

**Questions at
General Meetings
how decided**

91. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded as provided in Article 94 hereof. A declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by particular majority or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of proportion of the votes recorded in favour or against that resolution.

Demand for Poll

92. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand in that behalf by any Member or Members present in person or by proxy and holding shares in Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Chairman's
casting vote**

93. In the case of an equality of votes, the Chairman shall both on a show hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

**Poll to be taken
if demanded**

94. If a poll is demanded as aforesaid, the same shall subject to Article 96 be taken at such time, (not later than forty-eight hours from the time when the demanded was made), and place with City, Town or Village in which the Registered Office of the Company is situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the decision of the Meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

95. Where a poll is to be taken, the Chairman of Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to appointed. The Chairman shall have the power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

Scrutineers at poll

96. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.

In what case poll taken without adjournment

97. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

Demand for poll not to prevent transaction of other business

VOTE OF MEMBERS

98. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

Members in arrears not to vote

99. Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll, the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up Equity Share capital of the Company.

Number of votes to which Member entitled

Provided however, if any preference shareholder be present at any Meeting of the Company, save as provided in Clause (b) of Sub-Section (2) of Section 87 of the Act, he shall have right to vote only on resolution placed before the Meeting which directly affect the rights attached to his preference shares.

Casting of votes by a Member entitled to more than one vote

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

How Members Noncomponent is and Minor may vote

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

Votes in respect of shares of deceased and insolvent Member

102. Any person entitled under Article 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Voters of joint Members

103. If there be any joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person, (whether a Member or not), his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the Meeting and if more than one of such joint-holders be present at any Meeting, that one of said persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in

respect of such shares but the other or others of the joint-holders shall be entitled to be present at the Meeting. Several, executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

104. Subject to the provisions of these Articles, vote may be given personally or by an attorney or by proxy. A Body corporate being a Member may vote either by a proxy or a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

**Voting in person
or by proxy**

105. Every Proxy, (whether a Member or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer corporation under the Common seal of such corporation or be signed by an officer or an attorney duly authorised by it. In case of a Member who is of unsound mind or who is a minor, his committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

**Appointment of
Proxy**

106. An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

**Proxy either for
specified Meeting
or for a period**

107. A Member present by proxy shall be entitled to vote only on a poll.

**Proxy to vote only
on a poll**

108. The instrument appointing a proxy and the power of attorney or other authority, (if any), under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. An attorney shall not be entitled to vote unless the power

**Deposit of Instru-
ment of appointment**

of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Member of the attorney, given at least fourteen days before the meeting, require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such Meeting unless the Board in their absolute discretion excuse such non-production and deposit.

Form of Proxy

109. Every instrument of proxy whether for a specified Meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in Schedule IX of the Act.

Validity of votes given by proxy notwithstanding death of Member

110. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office of the Company before the Meeting.

Time for objections to vote

111. No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote is tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

Chairman of any Meeting to be the judge of validity of any vote

112. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of poll shall be the sole judge of the validity of every vote tendered at such poll.

112A. Notwithstanding the provisions of Subscription Agreement and this Articles of Association, and subject to such additional approvals as may be required by Applicable Law, any action with respect to the following Fundamental Issues shall require a Shareholders' Super Majority Resolution of the Company, and for this purpose, the shares then held by and the shares held by RKJ along with RKJ Associates ('RKJ Group Holding') shall be deemed u/s.86 and other application provisions of the Act, to carry voting rights equal to 26% of the voting equity share capital of the Company for RKJ Group Holding:

**Super Majority
Rights of
Shareholders of
the Company**

1. restructuring, merger, demerger and acquisition activities;
2. changes in the capital structure of the Company including but not limited to issuance of new equity, warrants or equity linked securities either as public offering or on a preferential basis or on a private placement basis; except for an Employee Stock Option Plan (ESOP) as may be agreed upon by the Parties to Subscription Agreement.
3. any fresh issue of capital including, inter alia, creation or issuance of any securities ranking senior or pari passu with the Shares;
4. change, modification or alteration of the resolutions passed under Article 24K (re. IPO)
5. amendment of the Memorandum and Articles of Association or constitutional documents of the Company;
6. declaration of any dividends or the distribution of any other form and return to the Shareholders of the Company;
7. waiver of pre-empting rights in relation to a new issue of Shares as provided in Article 12A ;
8. establishment of the subsidiaries and/or entering into of any partnerships or joint ventures;
9. any change, proposal, plan or action which has the effect of materially affecting the rights and interest of the RKJ as contained in Subscription Agreement;

10. any buyback or repurchase of shares or securities issued by the Company;
11. any increase or decrease in the size of the Board of Directors of any of the Company beyond that contemplated in Subscription Agreement.

MINUTES OF MEETINGS

Minutes of General Meeting and inspection thereof by Members

113. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose
 - (3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (4) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
 - (5) All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.
 - (6) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting is, or could reasonably

be regarded as, defamatory of any person; is irrelevant or immaterial to the proceedings; or is detrimental to the interests of the Company. The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

- (7) Any such Minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the Minutes of proceedings of General Meeting shall be kept at the Registered Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, to the inspection of any Member without charge.

DIRECTORS

114. Unless otherwise determined by the General Meeting and subject to Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors) shall not be less than three or more than twelve. First Directors of the Company shall be:

**Constitution,
Appointment and
Nomination**

1. Mr. Satya Brata Chatterjee
2. Mr. Sankara Ramchandran
3. Dr. Bhabatosh Sahu

After the execution of Subscription Agreement, the strength of the Board of the Directors of the Company shall be 5 (five) Directors. RKJ and RKJ Associates together shall have a right to nominate one Director on the board of the Company immediately on signing of Subscription Agreement (such director hereafter referred to as 'Nominee Director').

114A. 1. RKJ (along with RKJ Associates) shall have the right to replace and/or remove their nominee director at any time and from time to time.

2. The Nominee Director shall not be required to hold qualification shares and not be liable to retire by rotation.

3. The Nominee Director shall be entitled to all the rights and privileges of other directors including the sitting fees and expenses as payable to other Directors.

4. The Nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and board meetings and meetings of any committees of the Board of Directors of which they are members.

5. If, at any time, a Nominee Director is not able to attend a meeting of the Board of Directors or any of its committees of which he is a member, RKJ may depute an observer to attend the meeting.

**Power to appoint
ex-officio Directors**

115. Whenever the Company enters into a contract with any Government, Central, State or Local any Bank or financial institution or any person or persons (hereinafter referred to as “the appointor”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors of the Company shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointor shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the notice and that such Director or Directors may not be liable to retire by rotation not be required to hold any qualification shares. The Directors of the Company may also agree that any such Director or Directors may be removed from time to time by the appointor entitled to appoint or nominate them and the appointor may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointor.

The persons/nominees appointed as Directors shall be entitled to receive all notices of the Board of Directors of the Company and of the meetings of the Committee/s to which such person/Director is a member and also the Minutes of all such meetings.

116. Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director (in these presents referred to as “the Debenture Director”) for and on behalf of the Debentureholders for such period as is therein provided not exceeding the period for which the debenture or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid. The Debenture Director shall not be bound to hold any qualification shares.

**Debenture
Director**

117. The Board may appoint an Alternate Director to act for a Director (hereinafter called the “Original Director”) during his absence for a period of not less than three months from the State of Bombay. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State of Bombay. If the term of office of the original Director is determined before he so returns to the state of Bombay, any provision in the Act or in these Article for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

**Appointment
of Alternate
Director**

118. Subject to the provisions of Section 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 110. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.

**Directors' power
to add to the
Board**

Directors' power to fill casual vacancies

119. Subject to the provisions of Section 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Qualification of Directors

120. A Director of the Company shall not be required or bound to hold any qualification shares.

Special Remuneration for Director performing extra service

121. If any Director be called upon to perform extra services or make any special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors) the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts, either by fixed sum or a percentage of profits or otherwise as may be determined by the Board, and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company business

122. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the Ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Remuneration of Directors

123. (1) Subject to the provisions of the Act, a Manag-ing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a

Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either :-

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

(ii) by way of commission if the Company by special resolution authorises such payment.

(3) The fee payable to a Director (including a Managing or Whole-time Director, if any) for attending a meeting of the Board or Committee thereof shall be such sum as the Board may determine from time to time but not exceeding such sum as may be prescribed by the Central Government under the Act from time to time.

124. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum fixed by Article 114 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

Continuing Directors may act notwithstanding any vacancy

125. Subject to Section 283(2) of the Act, the office of a Director shall be vacated if :

When office of Directors to be vacated

(a) he is found to be of unsound mind by a Court of Competent jurisdiction; or

(b) he applies to be adjudicated an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a Court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

(e) he fails to pay any call made on him in respect of shares of the Company held by him whether alone or jointly with others, within six months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(f) he absents himself from three consecutive Meetings of the Board or from all Meetings of the Board for a continuous period of three months, whichever is longer, without leave of absence from the Board; or

(g) he, (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 295 of the Act; or

(h) he acts in contravention of Section 299 of the Act; or

(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(j) he is removed in pursuance of Section 284 of the Act; or

(k) he or any of his relatives or partners or any firm of which he or any of his relative is a partner or any private company of which he is a Director or member holds any office or place of profit under the Company in contravention of Section 314 of the Act; or

(l) he resigns his office by a notice in writing addressed to the Board.

Director may contract with Company

126. (1) A Directors or his relative, a firm in which such Director or relative is a partner, or any other partner in such a firm, or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of, the Company; Provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act. Provided further that if the paid-up share capital of the Company is Rupees one crore or more, no such contract shall be entered into except with the previous approval of the Central Government as may be required under

the provisions of Section 297 of the said Act.

(2) No sanction however shall be necessary for:

(a) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services, in which either the Company or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract or contracts with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or materials or the cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the agreement, if the consent of the Board shall be obtained to such contract or contracts at a Meeting within three months of the date on which the contract was entered into.

(3) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

Disclosure of interest

127. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or agreement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a Meeting of the Board in the manner provided in Section

299 (2) of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into between two companies where any of the Directors of the one company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in any such other Company.

**General notice
of interest**

128. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into which that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.

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

129. No director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; Provided however that nothing herein contained shall apply to :

- (a) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surely for the Company;
- (b) any contract or arrangement entered into or

to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely :-

- (i) in his being -
 - (a) a Director of such company, and
 - (b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
- (ii) in his being a member holding not more than 2 per cent of its paid-up share capital.

130. The Company shall keep a Register in accordance with Section 301(1) of the Act and shall within the time specified in Section 301(2) of the Act enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 124. The Register shall be kept at the Registered Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

Register of contracts in which Directors are interested

131. A Director may be or becomes a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and any such Director shall be accountable for any benefits received and Director or shareholder of such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

Directors may be Directors of Companies promoted by the Company

RETIREMENT AND ROTATION OF DIRECTORS

Retirement and rotation of Directors

132. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

Ascertainment of Directors retiring by rotation and filling of vacancies

133. Subject to the provisions of Section 256 (2) of the Act, the Directors to retire by rotation under the forgoing Article 128 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any Agreement among themselves, be determined by lot.

Eligibility for re-election

134. A retiring Director shall be eligible for re-election.

Company to appoint successors

135. Subject to Sections 258 and 262 of the Act, the Company at the General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing such retiring Director or some other person thereto.

Provision in default of appointment

136. (a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :

(i) at the Meeting or at the previous Meeting,

a resolution for the reappointment of such Director has been put to the Meeting and lost;

- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for re-appointment;
- (iv) a resolution, whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act; or
- (v) the provision so sub-section (2) of Section 263 of the Act is applicable to the case.

137. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time increase or reduce the number of Directors and may alter their qualifications and the Company may, (subject to the provisions of Section 284 of the Act), remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

Company may increase or reduce the number of Directors

138. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some members intending to propose him has, not less than fourteen days before the meeting, left at the Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, such member, if the person succeeds in getting elected as a Director.

Notice of candidate for office of Directors except in certain cases

- (2) Every person (other than a Director retiring

by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed;

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

(a) Register of Directors and notification of change of Registrar

139. (a) The Company shall keep at its Registered Office, a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

Register of shares of debentures held by Director

(b) The Company shall in respect of each of his Directors also keep at its Registered Office a Register as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

(a) Disclosure by Director of appointment to any other body corporate

140. (a) Every Director, (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager, and Secretary of the Company shall, within twenty days of his appointment to any of the above offices in any other body corporate disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company

of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section.

141. (a) Subject to the provisions of Sections 197A, 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act, the Company in General Meeting or the Directors may from time to time appoint or re-appoint any one or more of their Body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director or a Deputy Managing Director) or Wholetime Director or Wholetime Directors of the Company for such term not exceeding five years at a time as may be thought fit to manage the business and affairs 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 or their place or places.

**Appointment of
Managing Director
or Whole-time
Director**

(b) The Managing Director or Wholetime Director, while he continues to hold that office, shall not be subject to retirement by rotation, but he shall subject to the provisions of any contract between him and the Company, be subject to the same provision as to resignation or removal of the other Directors of the Company and he shall ipso facto immediately cease to be a Managing Director or Wholetime Director if he ceases to hold the office of a Director, for any cause, provided that if at any time the number of Directors (including the Managing Director or Wholetime Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors or Wholetime Director or Wholetime Directors as the Directors shall from time to time select shall be liable to retirement by rotation to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

**Managing and
Wholetime Director
not to retire by
rotation**

A Managing Director or a Wholetime Director, who is reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director or Wholetime Director and such reappointment as Director shall not be deemed to constitute a break in his

**Remuneration of
Managing or
Wholetime Director**

appointment as Managing Director or Wholetime Director.

(c) The remuneration of a Managing Director or a Whole time Director shall subject to the provisions of any contract between the Company and him be from time to time fixed by the Board of Directors and subject to the provisions of the Act, may be by way of fixed salary or commission on profit of the Company, or by any or all these modes and may be in addition to the remuneration for attendance at the Board Meetings and any other remuneration which may be provided under any other Articles.

(d) The Directors may from time to time subject to the provisions of the Act entrust to or confer upon the Managing Director or Wholetime Director for the time being such of the powers exercisable by the Directors under these presents or by Law, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**Restriction on
Management**

142. The Managing Director or Managing Directors shall not exercise the powers to :

(a) Make calls on shareholders in respect of money unpaid on the shares in the Company;

(b) issue debentures :

and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the power to

(c) borrow moneys, otherwise than on debentures;

(d) invest the funds of the Company; and

(e) make loans.

**RKJ's right to
consult management**

142A. RKJ shall have the right to be kept informed, consult with and advise the Management with regard to any material developments in or affecting the business of the Company, to discuss business operations, properties and the financial or other condition of the Company with its officers, employees and Directors, to consult with and advise the Management on significant business issues and to regularly meet with the Management during each year for such consultation and advice.

PROCEEDINGS OF THE BOARD OF DIRECTORS**Meetings of
the Board**

143. The Board of the Company shall meet at least once in every quarter at the times and under the circumstances specified in the Articles of Association of the Company and in accordance with the provisions of the Act, for the purpose of making decisions on all matters of policy for the Company and for determination of issues regarding the business of the Company, including Fundamental Issues enumerated in Article 150A. The Company shall issue the notice and agenda for the meeting of the Board to all Directors at least 7 (Seven) days before the proposed date of the meeting. The Company and FPL agree to place matters proposed by RKJ on the agenda.

**Notice of Meetings
of the Board**

144. Notice of every Meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.

Quorum

145. The quorum for the meeting of the Board of the Company or any adjournment thereof shall require the presence of one-third (1/3) of the Directors in office for the time being. No quorum shall be said to be complete in respect of any meeting at which a resolution in relation to any Fundamental issue enumerated in Article 150A is proposed to be considered, unless one Director nominated by RKJ is present physically (or telephonically, if permitted under Applicable Law) at such meeting. In case the quorum is not present, the meeting shall be adjourned to the same day in the following week or if such day is a holiday the next Business Day thereafter, and directors present at such meeting

Adjournment of Meetings for want of quorum

shall constitute the quorum.

146. If a Meeting of the Board could not be held for want of a quorum, then the Meeting shall automatically stand adjourned to such other day, time and place as may be fixed by the Chairman not being later than seven days from the date originally fixed for the Meeting.

When Meeting to be convened

147. A Director may at any time, and the Secretary upon the request of a Director shall, convene a Meeting of the Board by giving a notice in writing to every other Director.

Chairman and Vice-Chairman

148. The Directors may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office. The Directors may also from time to time elect from their number a Vice-Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present, within fifteen minutes after the time appointed for the same, the Vice-Chairman shall be the Chairman of that meeting. If at any meeting of the Board, the Chairman or the Vice-Chairman are not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of their member to be the Chairman of the Meeting.

Questions at Board Meetings how decided

149. Subject to Article 150A, questions arising at any meeting of the Board shall be decided by a majority of the votes and in case of an equality of votes, the Chairman shall not have a second or a casting vote.

Powers of Board Meetings

150. A Meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally. Without prejudice to the powers conferred by the other Articles and so as not in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 292 of the Act and Article 150A, delegate any of their powers to the Managing Director the Manager or any other principal officer of the Branch office and may at any time revoke such delegation. The Managing Director, the Manager or other

principal officer as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effects as if done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

150A. Notwithstanding the provisions of Subscription Agreement, and subject to such additional approvals as may be required by Applicable Law, any action with respect to the following Fundamental Issues for the Company shall require a Board Super Majority Resolution of the board of the Company:

**Super Majority
Resolution at Board
Level of the Company**

1. restructuring, merger, demerger and acquisition activities;
2. changes in the capital structure of the Company including but not limited to issuance of new equity, warrants or equity linked securities either as public offering or on a preferential basis or on a private placement basis;
3. any fresh issue of capital including, inter alia, creation or issuance of any securities ranking senior or pari passu with the Shares;
4. any proposal for buyback or repurchase of shares or securities issued by the Company
5. change, modification or alteration of the resolutions passed under Article 24K (re. IPO).
6. terms of the IPO;
7. amendment of the memorandum and Articles of Association or constitutional documents of the Company;
8. declaration of any dividends or the distribution of any other form and return to the Shareholders of the Company;
9. any proposal for the appointment of statutory auditors and internal auditors of the Company;
10. waiver of pre-empting rights in relation to a new

issue of Shares as provided in Article 12A.

11. establishment of the subsidiaries and/or entering into of any partnerships or joint ventures;
12. diversification or proposed entry into new business or activity which falls outside the scope of its current areas of operations;
13. entering into any transactions, contracts, Agreement with the Affiliates or Related Parties of FPL relating to any matter whatsoever including but not limited to sale or purchase of goods and services, license agreements, distribution agreements, technical assistance or consultancy services, financial transactions or arrangement, IPR related transactions, and employment or professional services of a value in excess of Rs.1.5 million per annum or such higher limit as RKJ may notify in writing to the Company.
14. material deviation from the agreed annual business plan including but not limited to the following :
 - (a) Incidence of any unplanned debt, guarantee or security above Rs.100 million p.a.;
 - (b) Adverse deviations by more than 20% from the approved operating budgets for the respective review period;
 - (c) Incurring of any additional capital expenditure in excess of Rs.200 million;
 - (d) Any change in the Financial Year of the Company
 - (e) Resorting to debt financing otherwise than for temporary working capital requirement.
15. the entry into of any long term contracts other than in the ordinary course of business;
16. the establishment or change in the accounting methods adopted by the Company other than as may be required under Applicable Law;
17. appointment of key personnel (i.e. managing director, chief operating officer, chief financial officer, chief marketing officer and chief technology officer);

18. any change in the scope of the business of the Company;
19. the annual operating plan and budget and other financial plans;
20. any increase in the liability structure of the Company exceeding an amount of Rs.50 million, including off-balance sheet items, such as leasing, financial guarantees and any Encumbrances, Transfer, pledge, creation of lien.
21. appointment of all senior personnel/business heads and employees whose compensation exceeds Rs.2.5 million p.a. and appointment and terms of employment of senior staff who are related to any Directors of the Company or to FPL, or to the Affiliates of FPL.
22. grant of powers of attorney except for matters in the ordinary course of business.
23. approval or disapproval of any allotment of shares, and approval or disapproval of any transfer of stock or shares or convertible securities of the Company.
24. loans to Directors or their relatives or to Affiliates of FPL.
25. delegation of authority or power by the Board to any individual Director or a committee of the Board
26. making any claim, disclaimer, surrender, election or consent of a material nature for tax purposes
27. making any gift or donation of a value of more than Rs.0.5 million at a time.
28. entering into by the Company of any unusual or onerous contracts otherwise than in the ordinary course of the business
29. any increase in the size of the Board of Directors of the Company beyond that envisaged in Subscription Agreement.
30. any sale, disposal or grant of exclusive license of Intellectual Property Rights

**Board may
appoint
Committees**

151. Subject to the restrictions contained in Section 292 of the Act and Article 150A, the Board may delegate any of their powers to Committees of the Board consisting of such Member or Members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committees of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

151A. RKJ shall have the right to nominate his respective nominee on each Committee appointed by the Board. No quorum of the meeting of any such Committees shall be said to be complete unless the nominee of RKJ and a nominee of FPL is present at such meeting of the Committee. In case the quorum is not present, the meeting shall be adjourned to the same day in the following week or if such day is a holiday the next Business Day thereafter, and directors present at such meeting shall constitute the quorum.

**Constitution of
Audit Committee**

AUDIT COMMITTEE

151B. 1. As soon as RKJ so advises after Closing, the Parties agree that the Company shall establish an audit committee (hereinafter referred to as the "Audit Committee") which shall comprise of a maximum of 3 persons. RKJ shall at all times be entitled to appoint one person on the Audit Committee.

**Meetings of the
Audit Committee**

2. Meetings of the Audit Committee shall be convened and held at such times and places as the Audit Committee shall determine, but not less than once each quarter till the end of the Financial Year 2004-05 and twice a year thereafter, by giving of not less than 7 Business Days notice in writing to all the other members.

**Function and
Purpose of the
Audit Committee**

3. The function and purpose of the Audit Committee shall be as follows:

- (i) to review the conduct of the business of the Company;
- (ii) to review all books and records pertaining to the Company and the conduct of the business of the Company; and
- (iii) to review all Management letters, reports and other information provided by the auditors of the Company .

**Audit Committee
- Covenants**

4. The Company hereby covenants promptly to provide such information (including annual audited Accounts, annual budgets and monthly Management reports) and assistance as may be reasonably requested by the Audit Committee in connection with the exercise of its functions.

**Reporting of
Observations to
Board**

5. The Company shall present the Audit Committee's report before the Board of Directors within a period of 7 days of the finalisation of such report and the Board shall take note of the recommendations/ observations of such report and the same shall be recorded in the minutes book of the Company. The Company covenants that it shall undertake to implement the recommendations/observations of the Audit Committee as may be approved by the Board of Directors.

**Meeting of
Committee how
to be governed**

152. The meetings and proceedings of any such Committee of the Board 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 regulations made by the Directors under the last preceding Article.

**Resolution by
circular**

153. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a Meeting of the Board of Committee, as the case may be), and to all other Directors or Members of the Committee, at their usual address

Acts of Board or Committee valid not withstanding informal appointment

in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

154. All acts done by any Meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were dis-qualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by a Directors after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of proceedings of Meetings of the Board

155. (1) The Company shall cause minutes of the proceedings of the every Meeting of the Board to be kept by making within fourteen days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding Meeting.

(3) In no case the minutes of proceedings of a Meetings shall be attached to any such books as aforesaid by pasting or otherwise.

(4) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.

(6) The minutes shall also contain -

(a) the names of the Directors present at the

Meeting and

- (b) in the case of each resolution passed at the Meeting, of the names of the Directors, if any, dissenting from or not concurring in, the resolution.

(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter, which in the opinion of the Chairman of the Meeting -

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

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

(8) Minutes if Meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

**General powers
of the Board**

POWERS OF DIRECTORS

156. The management and control of the business of the Company shall be vested in Director who may exercise all such powers of the Company and do all such acts and things, as are not, by the Act, or any other Act or by the Memorandum or by Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in the Company General Meeting :-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;

- (b) remit or give time for the repayment of any

**Certain powers
of the Board**

restrictions contained in the last preceding Article, it is hereby declared that the Board shall have the following powers that is to say, power :

(1) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208 of the Act.

(2) Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

(3) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.

(4) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company for the time being or in such manner as they may think fit.

(5) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(6) To appoint any person to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee.

(7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any claims demands by or against the Company to arbitration and observe, the terms of any awards made thereon.

(8) To act on behalf of the Company in all matters relating to bankrupts and insolvents and winding up and liquidation of Companies.

(9) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(10) Subject to the provisions of Sections 292, 293(1)(a), 295, and 372-A to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security, (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(11) To execute in the name and on behalf of the Company in favour of any Director other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future), as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreements as shall be agreed upon..

(12) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsement, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(13) To distribute by way of bonus amongst the staff of the Company, a share or shares in the profits of the

Company, and to give any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.

(14) To provide for the welfare Directors or ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, gratuities, allowances, bonus, or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, and trusts and by providing and subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reasons of locality of operation, or of public and general utility or otherwise; Provided that when contributing (a) to any political party or (b) for any political purpose to any individual or body, the provisions of Section 293A of the Act shall be complied with.

(15) Before recommending any dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking Fund, or any special fund to meet contingencies, or to repay debentures or debenture stock, or for special dividends or for equalising dividends, or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion, think conducive to the interests of the company, and subject to Section 292 of the Act, to invest the several sums so sets aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and

apply and expand all or any part thereof for the benefit of the Company, in such manner and such purposes as the Board of Directors, in their absolute discretion, think conducive to the interests of the company notwithstanding that the matters to which the Board of Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Funds into such special funds as the Board of Directors may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of Reserve Fund and with full powers to employ the assets constituting all or any of the above funds including, the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper, not exceeding nine per cent per annum.

(16) To appoint and at their discretion remove or suspend such general managers, managers, secretaries, stenographers, assistants, supervisors, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remunerations, and to require security in such instances and for such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the following sub-articles shall be without prejudice to the general powers conferred by this sub-article.

(17) To comply with the requirements of any local law which in its opinion, it shall in the interest of the Company necessary or expedient to comply with.

(18) From time to time and at any time to establish any Local Boards for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.

(19) At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion, (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers which may, under the Act or these Articles, be exercised only by the Board), and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may, (if the Board think fit), be made in favour of the Members or any of the Members of any Local Board, established as aforesaid or in favour of the Company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

(20) Subject to Sections 294, 297, 300 and other applicable provisions of the Act and the Articles, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things, in the name and on behalf of the Company as they may consider expedient, or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

(21) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

MANAGEMENT

158. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely :-

- (a) Managing Director.
- (b) Manager.

**Prohibition of
almultaneous
appointment of
different categories
of managerial
personnel**

THE SECRETARY

Secretary

159. The Directors shall from time to time appoint a Secretary, and, at their discretion remove any such Secretary, to perform any functions which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers required to be kept by the Company.

THE SEAL

The Seal, its custody and use

160. (a) The Board shall provide a common seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory, district or place outside India.

Deeds how executed

161. Every Deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by one Director and the Secretary or some other person appointed by the Board for the purpose. Provided that in respect of Shares Certificate(s) the Seal be affixed in accordance with Article 19.

Division of profits

162. The profits of the Company, subject to the any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend

163. The Company in General Meeting may declare

dividends, to be paid to the Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

164. (a) No dividend shall be declared or paid otherwise, by the Company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except after the transfer to reserves of the Company of such percentage of its profits for that year as may be prescribed, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both Provided that :

Dividend to be paid only out of profits

- (i) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year or years it shall, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years.
- (ii) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years, whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

PROVIDED FURTHER that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the

Act or such higher percentage of its profits as may be allowed in accordance with that Section.

(b) The declaration of the Board as to the amount of net profits shall be conclusive.

Interim Dividend

165. The Board may from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies.

Capital paid up in advance at interest not to earn dividend

166. Where capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof confer a right to dividend or to participate in profits.

Dividends in proportion to amount paid up

167. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention in certain cases

168. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article (Article 63) entitled to become a member, or which any person under that Article is entitled to transfer until such person become a member in respect thereof or shall duly transfer the same.

Dividend etc. to joint-holders

169. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or sale proceeds of fractional certificates or other moneys payable in respect of such shares.

No Member to receive dividend whilst indebted to the Company's right of reimbursement thereof

170. Subject to provisions of the Act, no Member shall be entitled to receive payment of any interest or dividends in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct

from the interest or dividend payable to any Member all sums of money so due from him to the Company.

171. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. **Transfer of shares must be registered**

172. Unless otherwise directed any dividend may be paid by cheques or warrant or by a payslip or receipt having the force of a cheque or warrant sent through post to the registered address of the Member or person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any payslip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint-holders of any share or shares any one of them can give effectual receipts for any moneys payable in respect thereof. Several executors or administrators of a deceased Member in whose sole name any share stands, shall for the purpose of this clause be deemed to be joint-holders thereof. **Dividends how remitted**

173. (a) If the Company has declared a dividend but which has not been paid or a dividend warrant in respect thereof has not been paid 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 the expiry of the said period of 30 days open a special account in that behalf in any scheduled bank called "the unpaid dividend account of Indian Organic Chemicals Limited." **Unclassified Dividend**

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established u/s 205C(1) of the Act.

174. No unpaid dividend shall bear interest as against the Company. **No interest on dividends**

Dividends and call together

175. Any General Meeting declaring a dividend may on the recommendation of the Board make a call on the members of such amount as the Meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

Capitalisatino

176. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company or standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company, the Capital Redemption Reserve Account, or in the hands of the Company and available for dividend, or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the shareholders or any class of shareholders as would be entitled to receive the same if distributed by way of dividend in accordance with their respective rights and interests and in proportion to the amount of capital paid up on shares held by them respectively, on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company or debentures of the Company which shall be distributed accordingly, or in or towards payment of the whole or part of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(b) Subject to the provision of Section 205 of the Act, a General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject

to charge for income-tax, be distributed among the Members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any Members upon the footing of the value so fixed or that fractions of less value than Rupees ten may be disregarded in order to adjust the rights of all parties and may vest any such cash, share, debenture or other specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures and fractional certificates or otherwise as they may think fit. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund and such appointment shall be effective.

ACCOUNTS

177. (a) The Company shall keep at its office or at such other place in India as the Board thinks fit proper books of Accounts in accordance with Section 209 of the Act with respect to-

Board to keep true accounts

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure taken place;
- (ii) all sales and purchases of goods by the Company.
- (iii) the assets and liabilities of the Company.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office

of the Company, the Company shall within seven days of the decision file with the Registrar, a notice in writing giving the full address of that other place.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

(d) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article of proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns made upto dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) The books of accounts shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions and shall be open to inspection by any Director during business hours.

(f) The Company shall at all times maintain accurate and complete accounting and other financial records in accordance with the requirements of all Applicable Laws and the Indian generally acceptable accounting principles (GAAP) and in accordance with all relevant Indian statutory and accounting standards and the policies adopted by the Board from time to time.

**Business Plans,
Budget and
Management
Accounts**

177A. The Company shall prepare and provide to RKJ business plans and budgets of the Company. Further, the Company shall prepare and provide to RKJ quarterly unaudited financial statements prepared in accordance with Indian GAAP (consisting of operating statement, balance sheet, income statement, cash flow, Management discussions and accompanying notes) within 15 days after the end of each quarter.

**Operating Plan
and Budget**

177B. The Company shall prepare and provide to RKJ 60 days prior to the close of each Financial Year, the annual business plan and budget for the next financial year.

177C. The provisions of Article 177A& 177B shall remain in force so long as RKJ and RKJ Associates collectively hold not less than 18,00,0000 (eighteen lacs) equity shares of the Company.

178. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members, not being Directors, and no Member, (not being a Director), shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

As to inspection of accounts or books by Members

178A. RKJ shall, at the cost of RKJ, have the right to inspect the books and records of the Company and shall have the right to appoint a qualified accountant to inspect the accounting records of the Company at such reasonable times and as often as RKJ may reasonably request.

Right of Inspection

179. The Board shall from time to time, in accordance with Sections 210, 211, 212, 215, 216, and 217 of the Act, cause to be prepared to be laid before the Company in General Meeting, the Balance Sheet, Profit and Loss Accounts and Reports as are required by the said Sections. shall comply with

Statement of accounts to be furnished to General Meeting

180. (a) A copy of every such Profit and Loss Account and Balance Sheet (including Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty-one days before the meeting at which the same are to be laid before the Members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company (whether such Member or trustee is or is not entitled to have notice of general meetings of the Company sent to him), and to all persons other than such Members or trustees, being persons so entitled. Provided that the documents aforesaid shall not be required to be sent if copies thereof are made available for inspection at the Company's Registered Office during working hours for a period of twenty-one days before the date of the aforesaid meeting and a Statement, containing the salient features of such documents

Copies/Statements to be sent to each Member

in the prescribed form or copies of the documents aforesaid, as the Company may deem fit, 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 said meeting.

(b) 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 and Loss Account and the Auditors Report.

Audited Accounts

(c) The Company shall furnish to RKJ and RKJ Associates as soon as they are available, but in any event not later than 90 days after the end of each Financial Year to which they are related (i) certified copies of its Financial Statements prepared in accordance with Indian GAAP, and (ii) the opinion of the auditors of the Company concerning the Company's financial statements, all in the English language.

AUDIT

Audited Accounts

181. The Company shall appoint firms of accountants acceptable to RKJ as its statutory auditors.

DOCUMENTS AND NOTICE

Service of documents or notices on Members by Company

182. (1) A document or notice may be given or served by the Company to or on any Member whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(2) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notice should be sent to him under a certificate of posting or by registered post with or without acknowledgment due or by cable or telegram and has

deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member. Such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted or after telegram has been despatched and in any other case, at the time at which the letter would be delivered in the ordinary course of the post or the cable or telegram would be transmitted in the ordinary course.

Notices

(3) All notices, requests, demands and other communications made or given under the terms of Subscription Agreement or in connection herewith shall be in writing and shall be either personally delivered, transmitted by courier services, postage prepaid registered mail (air mail if international), or by telex or cable (confirmed and writing by postage prepaid registered mail - air mail if international) or facsimile transmission or e-mail, and shall be addressed to the appropriate party at the following address or to such other address or place as such party may from time to time designate :

To INNOVASYNTH TECHNOLOGIES (INDIA)
LIMITED

Paragon Condominium, 3rd floor,
Pandurang Budhkar Marg,
Mumbai - 400 013

Attn: Mr. Shyam B. Ghia, Director

To FUTURA POLYESTERS LIMITED

Paragon Condominium, 3rd floor,
Pandurang Budhkar Marg,
Mumbai - 400 013

Attn : Mr. Shyam B. Ghia, Chairman & Managing Director

To RKJ & To RKJ Associates

3, Sital Sagar, Sital Baug,
64, Walkeshwar Road,
Mumbai - 400 006

Unless another address has been specified by a party hereto by written notice thereof to the other party, any notice, request, demand or other communication given or made pursuant to Subscription Agreement shall be deemed to have been received (i) in the case of personal delivery, on the date of delivery, (ii) in the case of mail delivery, on the date which is fifteen (15) days after the mailing thereof and (iii) in the case of a telex or cable or facsimile, the date of transmission/dispatch thereof.

By Advertisement

(4) A documents or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notice to him.

On Joint holders

183. A document or notice may be given or served by the Company to or on the joint-holders of a share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the share.

On personal representatives, etc.

184. A documents or notice may be given or served by the Company to or on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any), in India supplied for the purpose by the persons claiming to be so entitled, or, (until such an address has been so supplied), by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

To whom documents or notices must be served or given

185. Documents or notices of every General Meeting shall be served or given in some manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the Auditor or Auditors for the time being of the Company.

Members bound by documents or notices served on or given to previous holders

186. Every person, who by operation of law, transfer

or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such share.

187. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

WINDING-UP

Distribution of assets in specie

188. (a) If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefits of the contributories as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Service of document or notice by Member

189. All documents or notices to be given or served by Members on or to the Company or to any officer thereof, shall be served or given by sending the same to the Company

or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

Indemnity

INDEMNITY

190. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable or by reason of any contract enter into or any act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act, in which relief is granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

**Not responsible
for acts of others**

INDEMNITY AND RESPONSIBILITY

191. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through insufficiency or deficiency of the title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damages 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.

SECRECY CLAUSE

Secrecy clause

192. (a) Every Director, Manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all secret processes or other secret technical information of any nature whatsoever, transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose.

**Confidential
Information**

(c) Information: FPL, RKJ and RKJ Associates warrant that they shall at all times use their best endeavors to keep confidential, (and to procure that its respective employees and agents keep confidential) any Confidential Information which is in their possession or which they may acquire in relation to the Company or in relation to the clients, business or affairs of any other Party hereto and shall not use or disclose such information except with the consent of every other Party to Subscription Agreement.

**Officers, employees
and agents**

(d) FPL, RKJ and RKJ Associates and the Company further warrant that they shall use all reasonable endeavors to ensure that the officers, employees and agents

**Dispute
Resolution**

of each of them shall observe a similar obligation of confidence and secrecy in favour of the Parties.

193. 1. Submission to arbitration - In the event of any dispute, controversy or difference ("Dispute") of whatever nature, arising under, out of, in connection with or relating to the enforcement, performance or the terms and conditions of Subscription Agreement or any provision thereof, such Dispute shall be settled through good faith negotiation amongst the parties to such Dispute. In the event that such Dispute cannot be resolved by negotiation within thirty (30) days of the Dispute having arisen, such Dispute shall be referred to binding arbitration and determined in accordance with the provisions of the Arbitration and Conciliation Act 1996 read with the Arbitration Agreement comprised in Article 193.

Place and language

2. The place of arbitration and the seat of arbitral proceedings shall be Mumbai, India. Any arbitral proceeding begun pursuant to any reference made under Subscription Agreement shall be conducted in English language. The decision of the arbitral tribunal and any award given by the arbitral tribunal shall be final and binding upon the Parties.

**Appointment
of the Arbitral
Tribunal**

3. The arbitral tribunal shall be composed of one sole arbitrator if the Parties so agree. Failing such agreement within a period of ten (10) days of the end of the conciliation process provided for in Article 193(1), the arbitral tribunal shall comprise three arbitrators, each Party appointing one arbitrator within a period of fifteen (15) days from the end of the 10-day period referred to in this Article. The third arbitrator shall be selected by the two arbitrators so appointed within a period of fifteen (15) days of their appointment and where such third arbitrator has not been selected on account of a difference of opinion amongst the arbitrators, the third arbitrator shall be appointed in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

**Conduct of
Arbitral
Proceedings**

4. The parties, recognising the necessity that any arbitral proceeding be concluded expeditiously, agree:

- (a) to carry out in full, promptly and without delay such procedural orders or directions

- as may be made by the arbitral tribunal from time to time;
- (b) to carry out in full, promptly and without delay such interim measures of protection as may be ordered by the arbitral tribunal;
 - (c) to co-operate with each other and with the arbitral tribunal in the conduct of any arbitral proceeding with a view to enabling the arbitral tribunal to conclude the proceeding (so far as may be practicable), by means of a final arbitral award within a period of 2 months from the date upon which recourse to arbitration was initiated by the service of a notice of arbitration.
 - (d) that questions of procedure may be decided by the presiding arbitrator, as he or she deems fit, and that the presiding arbitrator is authorised accordingly.
 - (e) The arbitral tribunal may determine in their discretion, that (a) no oral hearing be held (unless it considers any such hearing to be either necessary or appropriate) and (b) accordingly any arbitral proceeding be conducted (in whole or in part) upon the basis of documents and other materials.
 - (f) The arbitral tribunal shall have the power to award costs to the parties.

**Making of the
Arbitral Award**

5. Subject to Article 193(2) the Parties, recognising that the arbitrators may be resident in different cities or towns agree that they need not execute or append their signatures to any arbitral award in the presence of each other or at the same time or place provided that any such arbitral award is made and perfected following upon and is the product of, joint deliberations by the arbitral tribunal.

Indemnification

194. 1. The Company and FPL agree to indemnify and save harmless RKJ and RKJ Associates, and the nominee and alternate directors appointed by RKJ on the Board of

Directors of the Company ('Indemnified Persons') to the fullest extent lawful, from and against any and all actions, suits, claims, proceedings, costs, damages, judgements, amounts paid in settlement and expenses (including without limitation attorneys' fees and disbursements at actuals) (collectively, 'Loss') relating to or arising out of -

- (i) any inaccuracy in or breach of the representations, warranties, covenants or agreements made by the Company or FPL herein; or
- (ii) any other conduct by FPL or the Company or its employees or agents as a result of which, in whole or in part, any Indemnified Person is made a party to, or otherwise incurs any loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or
- (iii) any action undertaken or failure to act by an Indemnified Person at the request of or with the consent of the Company or FPL; or
- (iv) contravention of any laws.

The Company also agrees to indemnify and hold harmless each Indemnified Person, to the full extent lawful, from and against any and all Loss otherwise related to or arising out of the actual or proposed transactions contemplated hereby.

2. The Company and FPL agree to indemnify and save harmless, RKJ and RKJ Associates their employees, legal counsel, agents, independent accountants, and nominees and alternate directors appointed by RKJ on the Board of Directors of the Company ("Indemnified Parties") to the fullest extent from and against any and all actions, suits, claims, proceedings, liabilities, judgements, litigations (commenced or threatened) arising out of or based on the following:

- i. Any untrue or misleading statement (or alleged untrue or misleading statement) of, or any omission (or alleged omission) to state, any material fact contained in any prospectus, offer document, offering memorandum, registration, qualification, admission filings (including any amendment or supplement thereto and any related statement, declaration, disclosure, notification or the like) relating to or incidental to any IPO made in accordance with Article 181A, and/or registration, qualification, admission filings of the Shares of the Company for trading on the qualified participants market or qualified investor market segment (by whatever name called) of any stock exchange; or
- ii. any violation by the Company of any law or rule or regulation applicable to the Company and relating to action or inaction required of the Company in connection with any such IPO, registration, qualification, admission filings.

3. The Company and FPL shall reimburse every Indemnified Person referred to in Article 194(1) and every Indemnified Party referred to in Article 194(2) for all reasonable actual out-of-pocket expenses (including legal fees) incurred in connection with investigating, preparing to defend or defending any such claim, action, suit, proceeding, enquiry, liability, damage, whether or not an Indemnified Person or Indemnified Party, as the case may be, is a party thereto. If an Indemnified Person or Indemnified Party makes a claim hereunder, the same shall be paid or reimbursed by the Company and FPL promptly upon receipt and verification of appropriate documentation relating thereto, even if the Company and/or FPL reserves the right to dispute whether Subscription Agreement requires the payment or reimbursement of such costs and expenses.

195. Schedule A, Schedule B and Schedule C of the Subscription shall be deemed to be part of this Articles of Association of the Company.

These Articles of Association were either inserted or modified vide the Special Resolutions passed in the General Meetings of the Members of the Company held till 1st June , 2007.

*** The Authorised Share Capital of the Company was increased as above vide Ordinary Resolution passed in the Extra-Ordinary General Meeting of the Members of the Company held on 10th Dec 2008.*

DECLARATION

All statement made in the Information Memorandum are true and correct

Signed on behalf of Board of Directors

For Innovassynth Investments Limited,

Sd/-
Mr. S.B. Chatterjee
Director.

Place : Mumbai
Date : 25TH Jan 2011

DECLARATION

All statement made in the Information Memorandum are true and correct

Signed on behalf of Board of Directors

For Innovassynth Technologies (India) Limited,

Sd/-
Mr. S. B. Ghia
Director.

Place : Mumbai
Date : 25th Jan 2011