

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
HERITAGE FOODS LIMITED

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L15209AP1992PLC014332

मैसर्स HERITAGE FOODS (INDIA) LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
HERITAGE FOODS (INDIA) LIMITED

जो मूल रूप में दिनांक पाँच जून उन्नीस सौ बानवें को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
HERITAGE FOODS (INDIA) LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्.आर्.एन B79654398 दिनांक 16/08/2013 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
HERITAGE FOODS LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र हैदराबाद में आज दिनांक सोलह अगस्त दो हजार तेरह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L15209AP1992PLC014332

In the matter of M/s HERITAGE FOODS (INDIA) LIMITED

I hereby certify that HERITAGE FOODS (INDIA) LIMITED which was originally incorporated on Fifth day of June
Nineteen Hundred Ninety Two under the Companies Act, 1956 (No. 1 of 1956) as HERITAGE FOODS (INDIA)
LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the
approval of the Central Government signified in writing having been accorded thereto under Section 21 of the
Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No.
G.S.R 507 (E) dated 24/06/1985 vide SRN B79654398 dated 16/08/2013 the name of the said company is this day
changed to HERITAGE FOODS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Hyderabad this Sixteenth day of August Two Thousand Thirteen.

Digitally signed by
Registrar of Companies, Andhra Pradesh
DN: cn=Registrar of Companies, o=Andhra Pradesh, ou=Registrar of Companies, email=Registrar@ap.nclt.gov.in, c=IN

Registrar of Companies, Andhra Pradesh

कम्पनी रजिस्ट्रार, आंध्र प्रदेश

*Note: The corresponding form has been approved by SHASHI RAJ DARA, Deputy Registrar of Companies and this certificate has
been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing
and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

HERITAGE FOODS LIMITED
6-3-541/C, PUNJAGUTTA, HYDERABAD, HYDERABAD - 500082,
Telangana, INDIA.

* CIN : L15209TG1992PLC014332 w.e.f 02-06-2014





फॉर्म आई आर
Form I.R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता.

का म.

No 01-14332

of 19 92-93

महोदय द्वारा प्रमाणित किया है कि आज

गणनी अधिनियम, 1956 (1956 का 1) के अधिनियम की धारा 1 और पर
उपरोक्त शर्तों पर है।

I hereby certify that **HERITAGE FOODS (INDIA) LIMITED**

is this day incorporated under the Companies Act, 1956 (No 1 of 1956) and that the
Company is limited.

पर हस्ताक्षर से आज ता

को दिया गया।

Given under my hand at **HYDERABAD** this **5th**

Day of **June** One thousand nine hundred and **Ninety two.**

(15th Jyaishta 1914 saka)



J.S.C-1.

P. Rajagopalan
(P. RAJAGOPALAN)

कम्पनियों का रजिस्ट्रार
ASST. Registrar of Companies
Andhra Pradesh

Co.No.01-14332



Certificate for Commencement of Business

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

I hereby certify that the HERITAGE FOODS (INDIA) LIMITED

which was incorporated under the Companies Act, 1956, on the 5th
day of June 1992 and which has this day filed a duly verified
declaration in this prescribed form that the conditions of section 149 (1) (a) to
(d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to
commence business.

Given under my hand at HYDERABAD
this 10th day of July One thousand nine
hundred and Ninety Two.



Nagshama
(N.R. SRIDHARAN)
Registrar of Companies
Andhra Pradesh.

UNDER THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
HERITAGE FOODS LIMITED

- I. The name of the Company is HERITAGE FOODS LIMITED.
- II. The Registered Office of the Company will be situated in the state of Telangana
- III. The objects for which the Company is established are :
 - (A) The objects to be pursued by the Company on its Incorporation are :**
 - 1. To manufacture, process, prepare, preserve, refine, bottle, buy, sell and deal whether as wholesaler or retailers or as exporters or importers or as Principals or agents or as keepers or dealers in all kinds of milk products, including Cheese, Butter, Ghee, Ice creams, Baby foods, Instant foods and any by-products or co-products thereof and to carry on the business and setting up of Dairy Farms, Milk Processing Plants, Food Processing Plants, Cold Storage Plants, Research laboratories, Packing units, Bottling Plants and to manufacture and deal in all kinds and varieties of foods for human or animal consumption.

2. To carry on the business of Manufacturers, Millers, Grinders, Rollers, Processors, Tankers, Packers and Preserves, and dealers of all foods from agriculture products, Dairy products, Horticulture and Poultry products, Fruits, Vegetables, Flowers, Meats, Processed meat scanned and tinned and processed foods, fast foods, processed fish and sea foods, frozen foods, Potential foods, health and instant foods of all kinds, including baby and dietetic foods, cereals, beverages, restoratives and aerated mineral waters and food stuffs and consumable provisions and to extract by-products, derivatives food preparations of every kind and description.

(B) Matters which are necessary for furtherance of the objects specified in Clause III (A):

1. To render assistance to buy, sell, import, export, manipulate, prepare for market, and deal in all kinds of foods and food products.
2. To advance, subject to the provisions of the Banking Regulation Act, 1949, deposit or lend money, securities and properties to / with any company, body corporate, firm, person or association with or without security and on such terms as may be determined from time to time.
3. To draw, make, accept, endorse, execute, and discount promissory notes, cheques, bills of exchange, hundies and other negotiable and transferable instruments.
4. To acquire or amalgamate with any other Company whose objects include objects similar to those of this Company, whether by sale or purchase (or fully or partly paid up shares or otherwise) of the undertaking, subject to liabilities of this or any such other Company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all the shares or stock of this or any such other Company as aforesaid, or by partnership or in any other manner.
5. To carry out all public works and enter into all types of private contracts in connection with the main objects.
6. To enter into partnership or into any arrangements for sharing profits, union of interests, cooperation, joint venture, reciprocal concessions, or otherwise, with any person, firm or company carrying on or engaged in or about to carry on or engage in or any business or undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the Company and to lend money to guarantee the contracts of or otherwise assist any such persons, firm or Company and to take or otherwise acquire and hold shares or securities of any such person, firm or Company and to sell, re-issue with or without guarantee or otherwise deal with the same.
7. To enter into any agreement with any Government or authorities (municipal, local or otherwise) or any corporations, companies, or persons, which may seem conducive to the Company's objects or any of them and to obtain from any such Government authority, corporation, Company or person any contracts, rights, privileges and concessions which the Company

may think desirable and to carry out, exercise and comply with any such contracts, rights, privileges and concessions.

8. To be interested in promoting, and undertaking, the formation and establishment of such institution, business, companies (industrial, agricultural, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the Company and to carry on any other business (industrial, agricultural, trading, manufacturing or other) which may seem to the Company capable of being conveniently carried or in connection with any of these objects or otherwise calculated directly or indirectly.
9. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.
10. To obtain any act of Central or State Legislature, provisional order, licence or autonomous body or authority for enabling the Company to carry out any of its objects into effect or for effecting any modification of the Company's constitutions, or for other purpose which may seem expedient and to oppose any proceedings or application which may seem calculated directly or indirectly to prejudice the Company's interest.
11. To pay all the costs, charges and expenses of and incidental to the promotion and formation, registration and establishment of the Company and the issue of its capital including costs, charges, expenses of negotiations and contracts and arrangements made prior to and in application of the formation and incorporation of the Company.
12. To remunerate (by cash or otherwise or in kind or by allotment of fully or partly paid shares or shares credited as fully or partly paid up or in any other manner) any persons, firms, associations, or companies for services rendered or to be rendered or in rendering technical aid and advice, granting licences or permission for the use of patents, trade secrets, trademarks, processes and acting as trustees for debenture holders or debentures stock-holders or the Company or for subscribing or agreeing to subscribe whether absolutely or conditionally or for procuring or for agreeing to procure subscriptions whether absolute or conditional for any shares, debentures, or debenture for services rendered in or about the formation or promotion of the Company or any Company promoted by this or introducing any property or business to the Company or about the conduct of the business of this Company or for guaranteeing payment of such debenture stock or other securities and any interest thereon.
13. To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join applying to any Parliament, Local Government, Municipal or other authority or body, Indian, British colonial or foreign, for any acts of Parliament, laws, decrees, concessions, orders, rights or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or application which may seem calculated directly to prejudice the Company's interests.

14. To open and keep a register or registers in any state in India or abroad wherever it may be deemed necessary and expedient so to do and to allocate any number of shares on the Company to such register or registers.
15. To undertake and execute any trusts, the undertaking where and may seem desirable, either gratuitously or otherwise.
16. To draw, make, issue, accept and endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading, delivery orders, warrants, warehouse-keepers, certificates and other negotiable or commercial or mercantile instruments connected with the business of the Company.
17. To open account or accounts with any individual firm or Company or with any bank or banks and to pay into and to withdraw money from such account or accounts.
18. To invest, apply for and acquire or otherwise employ moneys belonging to or entrusted to or at the disposal of the Company in securities and shares or without security, upon such terms as may be thought proper and from time to time to vary such transactions in such manner as the Company think fit.
19. To lend or deposit moneys belonging to or entrusted to or at the disposal of the Company to such persons or Company and in particular to customers and others having dealings with the Company with or without security, upon such terms as may be thought proper and to guarantee the performance of contracts by such person or company but not to do the business of banking as defined in the Banking Regulation Act, 1949.
20. To incur debts and obligation for the conduct of any business of the Company and to purchase or hire goods, materials or machinery on credit or otherwise for any business or purpose of the Company.
21. To make advances upon or for the purchase of materials, goods, machinery, stores and other articles required for the purpose of the Company.
22. To borrow or make money, or to receive money on deposit at interest or otherwise in such manner as the Company may think fit, for the purpose of financing the business of the Company and in particular by the issue or sale of any bonds, mortgages, of debentures or debenture-stock perpetual or otherwise, including debentures or debenture stock convertible into shares of this or any other Company, or perpetual annuities and on securities of any such money so borrowed, raised or received, to mortgage, or charge the whole or any part of property, assets or revenue of the Company present or future, including its uncalled capital assignment or otherwise, and to transfer of sale and other powers as may seem expedient, and to purchase, redeem or pay off any such securities.

23. To sell, mortgage, assign or lease or in any other manner deal with or dispose off the undertaking or property of the Company or any part thereof, whether movable or immovable for such consideration as the Company may think fit and in particular for shares, debentures and other securities of any other Company having objects altogether or in part similar to those of this Company.
24. To improve, manage, work, develop, alter, exchange, lease, mortgage, up to account abandon, or otherwise deal with all or any part of the property, rights and concessions of the Company.
25. To distribute any of the property of the Company amongst the members in specie or kind upon the winding up of the Company.
26. To create a Depreciation Fund, Reserve Fund, Insurance Fund, of any other Special Fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company, or for any other purpose conducive to the interest of the Company.
27. To do all or any of the above things and all such things as are incidental or may be thought conducive to the attainment of the above object or any of them in any part of the world and as principals, agents, contracts, trustees or otherwise and by or through trustees, agents or otherwise and either along or in conjunction with others.
28. To carry on all kinds of agency business and to take part in the management, supervision or control of the business or operations of any other Company, association, firm or Person (and to act as the agent, secretaries, or other of any such Company, association, firm or person) and in connection therewith to appoint and remunerate any directors, accountants and other experts or agents.
29. To carry on the Retail business of FMCG Products and Dairy Products etc, by either establishing the Retail Stores by its own or in a Franchise Mode and to carry on the business of import, export, distribution of all merchandise, and to act as agents, stockiest, distributors for firms and companies in India and abroad.
30. To buy, sell, manufacture, refine, manipulate, import, export and deal wholesale and retail in commodities, substances, apparatus and things of all kinds, capable of being used or which can conveniently be dealt in by the Company in connection with any of its objects.
31. To carry on the business of agriculturists, horticulturists, planters, cultivators of tea, coffee, teak, tobacco or any other kind of commercial plantations.

32. 1(To construct, enlarge, repair, equip, acquire, improve, work, develop, administer, manage or wholly or partially control in India or elsewhere public or other works roads, bridges, subways, express ways, tunnels, railways, tramways, docks, locks, harbour, piers, wharves, jetties, ships, launching ways, canals, reservoirs, aqueducts, bridges, embankments, irrigations, reclamations, air and water pollution plant, solar energy devices, sanitary water gas and electrical and electronic works conveyor systems and aerodromes, hangers, cold storage plants, warehouses, shops, shopping complexes or centres, recreational facilities such as theatre, clubs, sports centres, gardens, hotels, restaurants, parks, resorts, medical centres like hospitals and dispensaries, educational centres like schools and colleges, libraries, infrastructural facilities for village, town/city developments, other construction such as parking spaces and to promote and participate in ecological developments, preservation and betterment of environment through plantation of trees, effluent treatment and disposal systems and to carry on the business of proprietors, managers and renters either separately or in collaboration with others and to render technical and managerial advice in building construction, maintaining, repairing and managing such places including terminals and all other works of public utility, and to carry on, contribute to, subsidies, or otherwise aid or take part in any such operations.
33. To purchase or acquire land and to undertake development of land and building activities.
34. To promote, establish, generate, operate, distribute accumulate, maintain, transmit, supply electricity and or power for Captive consumption or for sale by installing, maintaining, operating power plants whether based on thermal, hydel, gas, solar, wind energy, tidal energy or any other source, whether conventional or non-conventional and to lay down, establish power stations, cables, transmission lines, towers, substation terminals and other works for the aforesaid purposes as a division or as a generating company or separate undertaking and to acquire, take on lease, run or manage any company or undertaking engaged in similar activities with in the policies, if any laid down by the government from time to time and for any or all of the aforesaid purposes, to do all the ancillary activities as may be considered necessary or beneficial or desirable.
35. To buy, sell, manufacture and deal in minerals, charcoal, coal woods, plants, machinery, implements, appliances, conveniences, and to take on lease or licence, concessions or otherwise in India or elsewhere, mines, mining rights any land and to explore, work, export, develop, turn to account the same and to crush, win, get, carry smelt, calcine, refine, dress, amalgamate, manipulate or prepare for market ore, metal and mineral substances of all kinds and to carry on any other metallurgical operations which may seem conducive to any of the objects of the company.
36. To aid, assist, promote, develop and manufacture agricultural implements, agricultural machinery and other equipments and technological development in equipments used in agricultural field and to organise, conduct, or manage engineering or repair shop or workshops of all description and to manufacture, import, export, buy, sell, or otherwise deal in, agricultural machinery, of all kinds and to adopt such means of making known the uses thereof.)¹

- IV. The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.
- V. 'The Authorised Share Capital of the Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 9,60,00,000 (Nine Crore Sixty Lakhs) equity shares of Rs.5/-(Rupees Five only) each and 20,00,000 (Twenty Lakhs) Preference Shares of Rs.10 (Rupees Ten Only) each with powers to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any referential or special rights and conditions attached thereto from time to time in accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013.'

1. The Authorised Capital was altered as above vide Resolution passed at 21st AGM held on 17.07.2013
- The Authorised Capital was altered as Rs. 20,00,00,000 divided into 1,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10 each vide resolution passed at 16th AGM held on 26.09.2008.
 - The Authorised Capital was altered as Rs. 15,00,00,000 divided into 1,30,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10 each vide resolution passed at 4th EGM held on 28.11.2007.
 - The Authorised Capital increased from Rs. 12,00,00,000/- to Rs. 15,00,00,000 divide into 1,50,00,000 Equity Shares of Rs.10 each vide resolution passed at 3rd EGM held on 22.05.2006.
 - The Authorised Capital increased from Rs. 5,00,00,000/- to Rs. 12,00,00,000/- vide resolution passed at 2nd AGM held on 11.07.1994.
 - The Authorised Capital increased from Rs. 1,00,00,000/- to Rs. 5,00,00,000/- vide resolution passed at 1st AGM held on 04.12.1993.
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We the several persons whose names, addresses, descriptions are subscribed here under, are desirous of being formed into a company in pursuance of the Memorandum of Association and we respectively agree to take the number of shares on the capital of the Company set opposite our respective names.

Sl. No.	Name, Address, Description and Occupation of Subscribers	Number of Shares taken by each Subscriber	Signature of subscribers	Signature of the Witness and their Addresses, Descriptions and Occupations
1.	N. CHANDRA BABU NAIDU S/o. N. Karjur Naidu, 1310, Jubilee Hills, Hyderabad-500 034. AGRICULTURE	100	sd/-	sd/- GUTTA PURNACHANDRA RAO S/o. Gopala Krishnamurthy 9B, 4th Floor, Topaz Building, Amrutha Hills, Panjagutta, Hyderabad-082 Chartered Accountant
2.	M. MOHAN BABU S/o. Narayanaswamy Naidu Plot No.6, Film Nagar, Jubilee Hills, Hyderabad-500 034. MOVIE ARTIST	100	sd/-	
3.	B.B.RAMAIHA S/o. B. Veera Venkanna Tanuku (W. Godavari Dist.) Andhra Pradesh BUSINESS	100	sd/-	
4.	N. RAMAKRISHNA S/o. N.T.Rama Rao 4-1-427, Troop Bazar, Abids, Hyderabad-1. BUSINESS	100	sd/-	
5.	N. BALAKRISHNA S/o. N.T. Rama Rao Plot No. 1355, Road No. 45, Jubilee Hills, Hyderabad-500 034. MOVIE ARTIST	100	sd/-	
6.	N. BHUVANESWARI 1310, Jubilee Hills, Hyderabad-500 034. HOUSE WIFE	100	sd/-	
7.	Dr. V. NAGARAJA NAIDU S/o. Rama Naidu 1178, Jubilee Hills, Hyderabad-500 034. SERVICE	100	sd/-	

Total No. of Shares taken : 700 (Seven Hundred only)

Place : Hyderabad

Date : 18.05.1992

UNDER THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
HERITAGE FOODS LIMITED
CONSTITUTION OF THE COMPANY

Constitution

- 1 The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

INTERPRETATION CLAUSE

Interpretation	2	The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
The Act		a) 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof. The articles 1-208 of the Articles of Association was replaced vide the resolution passed by the share holders at 22 nd Annual General meeting held on 26 th September, 2014.
The Board of Directors		b) 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles. c) 'The Company' or 'This Company' means HERITAGE FOODS LIMITED.
Directors		d) 'Directors' means the Directors for the time being of the Company.
In Writing		e) 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.
'Members'		f) 'Members' means members of the Company holding a share or shares of any class.
'Month'		g) 'Month' shall mean a calendar month.
Paid-up'	..	h) 'Paid-up' shall include 'credited as fully paid-up'.
'Person'		i) 'Person' shall include any corporation as well as individual
presents		j) 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
Sections		k) 'Section' or 'Sec.' means Sections of the Act. l) Words importing the masculine gender shall include the feminine gender m) Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
Special Resolution		n) 'Special Resolution' means special resolution as defined by Section 114 in the Act.
The Office'		o) 'The Office' means the Registered Office of the Company for the time being.
The Register		p) The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.

- Proxy
- Securities
- Seal
- Regulation
- Year
- Expressions in the Articles to bear the same meaning as in the Act.
- q) 'Proxy' includes Attorney duly constituted under a Power of Attorney.
- r) 'Securities' means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- s) "The Seal" – means the common seal for the time being of the Company.
- t) "Year" means year of account of the Company.
- u) Unless the context otherwise require words contained in these Articles shall bear the same meaning as in the Act or the rules as the case may be.
- 3 Except as provided by Section 67 of the Companies Act, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
- 4 The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
- 5 Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.
- Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.
- 6 The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or

not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

- 7 1. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:
- I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
 - d) After the expiry of the time specified in the notice aforesaid, or in respect 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 it thinks most beneficial to the Company.
 - II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
 - III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
 - (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
 - (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
- 8 (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may,

subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles 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-tenth of the issued shares of that class.

Issue of further shares with disproportionate rights	9	Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith with the approval of members.
Not to issue shares with disproportionate rights	10	The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.
Power to pay commission	11	The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
Liability of joint holders of shares	12	The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.
Trust not recognised	13	Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
Issue other than for cash	14.	a. The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or

The Issue of Sweat Equity Shares /Stock Option to the Employees of the Company		<p>machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.</p> <p>b. "Notwithstanding anything contained in these Articles, subject to the provisions of Section 53, 54 any other applicable provisions of any Act and/or any law for the time being in force, the Board of Directors may from time to time issue Sweat Equity shares and Stock Option to the employees of the company."</p> <p>c. As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.</p>
Acceptance of shares	15	An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.
Member' right to share Certificates	16	<p>1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:</p> <p>a. One certificate for all his shares; or</p> <p>b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.</p> <p>2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.</p> <p>3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.</p>
One Certificate for joint holders	17	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.
Renewal of Certificate	18	If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided

however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

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| | 19 | For every certificate issued under the last preceding Article, no fee shall be charged by the Company. |
| Splitting and consolidation of Share Certificate | 20 | <p>The shares of the Company may be split up/consolidated in the following circumstances:</p> <p>(i) At the request of the member/s for split up of shares in marketable lot.</p> <p>(ii) At the request of the member/s for consolidation of fraction shares into marketable lot.</p> |
| Directors may issue new Certificate(s) | 21 | Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up. |
| Person by whom installments are payable | 22 | If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any. |

LIEN

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| Company's lien on shares | 23 | The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. |
| As to enforcing lien by sale | 24 | For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the register holder. |
| Authority to transfer | 25 | a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the |

purchaser shall be registered as the holder of the shares comprised in any such transfer.

b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

Application of proceeds of sale	26	The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.
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CALLS ON SHARES

Calls	27	Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
When call deemed to have been made	28	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.
Length of Notice of call	29	Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof
Sum payable in fixed installments to be deemed calls	30	If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.
When interest on call or installments payable	31	If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
Sums payable at fixed	32	The provisions of these Articles as to payment of interest shall apply in the

times to be treated as calls		case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
Payment of call in advance	33	The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.
Partial payment not to preclude forfeiture	34	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency 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 herein after provided.

FORFEITURE OF SHARES

If call or instalment not paid, notice may be given	35	If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share
Evidence action by Company against shareholders	36	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the 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 matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Form of Notice	37	The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the

		<p>payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.</p>
If notice not complied with, shares may be forfeited	38	<p>If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.</p>
Notice after forfeiture	39	<p>When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.</p>
Boards' right to dispose of forfeited shares or cancellation of forfeiture	40	<p>A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.</p>
Liability after forfeiture	41	<p>A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.</p>
Effect of forfeiture	42	<p>The forfeiture of a share(s) shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.</p>
Evidence of forfeiture	43	<p>A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share(s), and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
Non-payment of sums payable at fixed times	44	<p>The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue</p>

of a call duly made and notified.

Validity of such sales

- 45 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

Transfer

- 46 a The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
- Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee.
- The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

Form of transfer

- 47 Shares in the Company shall be transferred by an instrument in writing in

such common form as specified in Section 56 of the Companies Act.

Board's right to refuse to register

48

- a. The Board, may, at its absolute discretion and without assigning any reason, decline to register
 - 1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
 - 2. Any transfer or transmission of shares on which the Company has a lien
- a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
- b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
- c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
- d. The provisions of this clause shall apply to transfers of stock also.

Further right of Board of Directors to refuse to register

49

- a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
 - i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
 - ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
 - iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of

them relating to transfer of less than hundred (100) equity shares.

- iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
- v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).

Rights to shares on death
of a member for
transmission

50

- a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member..

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

Rights and liabilities of
person

51

- 1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
 - a. to be registered himself as a holder of the share or
 - b. to make such transfer of the share as the deceased or insolvent member could have made.
- 2. The Board, shall, in either case, have the same right to decline or

		suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Notice by such a person of his election	52	<p>a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.</p>
No transfer to infant, etc.	53	No transfer shall be made to an infant or a person of unsound mind.
Endorsement of transfer and issue of certificate	54	Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.
Custody of transfer	55	The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
Register of members	56	<p>a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.</p> <p>b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.</p>
Closure of Register of members		
When instruments of transfer to be retained		c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.
Company's right to register transfer by apparent legal owner	57	The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to 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 the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL

Alteration and
consolidation, sub-division
and cancellation of shares

- 58 a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:
1. increase its share capital by such amount as it thinks expedient by issuing new shares;
 2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
 4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
 5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
 - b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
 6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

Reduction of capital, etc.
by Company

- 59 The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:
- a. its share capital;
 - b. any capital redemption reserve account; or
 - c. any share premium account.

SURRENDER OF SHARES

Surrender of shares

- 60 The Directors may, subject to the provisions of the Act, accept the

surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

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| Power of modify shares | 61 | The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act. |
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SET OFF OF MONEY DUE TO SHAREHOLDERS

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| Set-off of moneys due to shareholders | 62 | Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls. |
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CONVERSION OF SHARES INTO STOCK

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| Conversion of shares | 63 | The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa. |
| Transfer of stock | 64 | The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. |
| Right of stockholders | 65 | The holders of the stock shall, according to the amount of the 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 privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. |
| Applicability of regulations to stock and stockholders | 66 | Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively. |

DEMATERIALISATION OF SECURITIES

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| 67 | a) Definitions For the purpose of this Article:

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;
‘SEBI’ means the Securities and Exchange Board of India;
‘Depository’ means a company formed and registered under the Companies Act, 1956 or Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and ‘Security’ means |
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such security as may be specified by SEBI from time to time.

b) Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

c) Options for investors

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 law, in respect of any security in the 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.

d) Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

e) Rights of depositories and beneficial owners:

- (i) 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.
- (ii) 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.
- (iii) 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 the 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.

f) Service of documents Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

g) Transfer of securities Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and

transferee both of whom are entered as beneficial owners in the records of a depository.

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

i) Distinctive numbers of securities held in a depository Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

j) Register and Index of Beneficial owners The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.

k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

GENERAL MEETINGS

Annual General Meeting	68	The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.
Extraordinary General Meeting	69	1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.
Right to summon Extraordinary General Meeting		2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.
Extraordinary Meeting by requisition	70	a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition. b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the

Company by Registered Post addressed to the Company at its Registered Office.

- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.
- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

Length of notice for calling meeting

71

A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

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

Accidental omission to give notice not to invalidate meeting

72

The accidental omission is to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

Special business and statement to be annexed

73

All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. 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.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Quorum	74	<p>The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:</p> <p>Number of members upto 1000: 5 members personally present</p> <p>Number of members 1000-5000: 15 members personally present</p> <p>Number of members more than 5000: 30 members personally present</p>
If quorum not present, when meeting to be dissolved and when to be adjourned	75	<p>If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.</p>
Chairman of General Meeting	76	<p>The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.</p>
When Chairman is absent	77	<p>If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.</p>
Adjournment of meeting	78	<p>The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.</p>
Questions at General Meeting how decided	79	<p>At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands result of electronic voting as per the</p>

provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.

Casting vote	80	In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.
Taking of poll	81	If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
In what cases poll taken without adjournment	82	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.
Votes	83	<p>a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.</p> <p>b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</p> <p>c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</p>

Business may proceed notwithstanding demand for poll	84	A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Joint holders	85	In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Member of unsound mind	86	A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.
No member entitled to vote while call due to Company	87	No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
Proxies permitted on polls	88	On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.
Instrument of proxy	89	<p>a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.</p> <p>b. A body corporate (whether a company within the meaning of this Act or not) may:</p> <ol style="list-style-type: none"> 1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorize such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company; 2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be. <p>c. A person authorised by resolution as aforesaid 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 if he were personally the member, creditor or debenture holder.</p>
Instrument of proxy to be deposited at the office	90	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument

proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

Validity of vote by proxy	91	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
Form of proxy	92	Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

DIRECTORS

Number of Directors	93	Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.
Qualification of Directors	94	Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.
Qualification of Directors	95	Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
Director's remuneration	96	<p>a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/ Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.</p> <p>b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such</p>

period and on such terms as they may deem fit.

- c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

Directors may act
notwithstanding vacancy

97 The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 119 below:

Chairman or Vice-
chairman of the Board

- 98 a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, the Chairman of the Company will act as Chairman of the Board.
- b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.

Casual vacancy

99 If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

VACATION OF OFFICE BY DIRECTORS

Vacation of office by
Directors

- 100 The office of a Director shall be vacated if:
 1. he is found to be unsound mind by a Court of competent jurisdiction;
 2. he applies to be adjudicated as an insolvent;
 3. he is an undischarged insolvent;

4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
7. he has not complied with Subsection (3) of Section 152
8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
11. he becomes disqualified by an order of a court or the Tribunal
12. he is removed in pursuance of the provisions of the Act,
13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:

1. for thirty days from the date of the adjudication, sentence or order;
2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
3. Where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Alternate Directors

- 101 (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

Independent Directors

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.

		(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and schedules there of and clause 49 of Listing Agreement
		(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the Companies Act, 2013 Schedules there of and Listing Agreement and shall not be liable to retire by rotation.
Women Director		(d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.
Key Managerial Personnel		(e) Subject to the provisions of the Act,— (i) Directors, Manager, Company Secretary & Chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board; the Board may appoint one or more Chief Executive officers for its multiple businesses. (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
Additional Directors	102	The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.
Proportion of retirement by rotation		a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.
Debenture	103	Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.
Corporation/Nominee Director	104	a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article

referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).

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

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s. The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

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

- c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation

Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

Disclosure of interest of Directors	105	<p>a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.</p> <p>Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.</p> <p>b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.</p>
Rights of Directors	106	Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
Directors to comply with Section 184	107	Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.
Directors power of contract with Company	108	Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director

shall be disqualified by having contracted with the Company as aforesaid.

ROTATION OF DIRECTORS

Rotation and retirement of Directors	109	At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.
Retiring Directors eligible for re-election	110	A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
	111	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
Retiring Directors to remain in office till successors are appointed	112	Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint 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 national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
Power of General Meeting to increase or reduce number of Directors	113	Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.
Power to remove Directors by ordinary resolution	114	Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed
Rights of persons other than retiring Directors to stand for Directorships	115	Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director 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 the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with

a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution”.

Register of Directors and KMP and their shareholding	116	The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
Business to be carried on	117	The business of the Company shall be carried on by the Board of Directors.
Meeting of the Board	118	The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.
Director may summon meeting	119	A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.
Question how decided	120	<p>a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.</p> <p>b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.</p>
Right of continuing Directors when there is no quorum	121	The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.
Quorum	122	The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

Election of Chairman to the Board	123	If no person has been appointed as Chairperson or Vice Chairperson under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.
Power to appoint Committees and to delegate	124	a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.
Delegation of powers		b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
		c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.
Proceedings of Committee	125	The meeting and proceedings of any such Committee 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 not superseded by any regulations made by the Directors under the last proceeding Article.
Election of Chairman of the Committee	126	a. The Chairman or the Vice Chairperson shall be the Chairperson of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairperson of the meeting.
		b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.
Question how determined	127	a. A Committee may meet and adjourn as it thinks proper.
		b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairperson shall have a second or casting vote in addition to his vote as a member of the Committee.
Acts done by Board or Committee valid, notwithstanding defective appointment, etc.	128	All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be and valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

Resolution by circulation	129	Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Board Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.
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POWERS AND DUTIES OF DIRECTORS

General powers of Company vested in Directors	130	The business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said 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 Directors which would have been valid if that regulation had not been made.
Attorney of the Company	131	The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles 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 thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.
Power to authorise sub delegation	132	The Board may authorise any such attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.
Directors' duty to comply with the provisions of the Act	133	The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.
Special power of Directors	134	In furtherance of and without prejudice to the general powers conferred by

or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

To acquire and dispose of property and rights	13 5	a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.
To pay for property in debentures, etc.		b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
To secure contracts by mortgages		c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.
To appoint officers, etc.		d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants of permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit. e. 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 payments or satisfaction of any dues and of any claims or demands by or against the Company.
To refer to arbitration		f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.
To give receipt		g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.
To act in matters of Bankrupts and insolvents		h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.
To give security by way of indemnity		i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the

Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

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| To give commission | j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company. |
| To make contracts etc. | k. 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 consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company. |
| To make bye-laws | l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants. |
| To set aside profits for provided fund | m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit. |
| To make and alter rules | <p>n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.</p> |
| Managing Director | <p>136 a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:</p> <p>b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.</p> <p>c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.</p> <p>d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act</p> |

or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.

- e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/ Managing Directors shall exercise all powers set out in Article 137 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting. Managing Director(s) are not liable to retire by rotation.

Whole-time Director

- 137 1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole-time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause, whole-time Directors are not liable to retire by rotation.

Secretary

- 138 The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board and defined in the Act.

Powers as to
commencement of
business

- 139 Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is

expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

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| Delegation of power | 140 | Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Whole-time Directors. |
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BORROWING

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| Borrowing Powers | 141 | <p>a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, 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 and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.</p> |
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Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable 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 or by mortgaging or charging or pledging any land, building, bond or other property and security of the

- Company or by such other means as them may seem expedient.
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| Assignment of debentures | 142 | Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued. |
| Terms of debenture issue | 143 | <p>a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p> <p>b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.</p> <p>c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or "Debenture Director" shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding</p> |

any of the other provisions herein contained but subject to the provisions of the Act.

d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.

e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

Charge on uncalled capital	144	Any uncalled capital of the Company may be included in or charged by mortgage or other security
Subsequent assignees of uncalled capital	145	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.
Charge in favour of Director of indemnity	146	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.
Powers to be exercised by Board only at meeting	147	<p>a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <p>(a) to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) to authorise buy-back of securities under section 68;</p> <p>(c) to issue securities, including debentures, whether in or outside India;</p> <p>(d) to borrow monies;</p> <p>(e) to invest the funds of the company;</p> <p>(f) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(g) to approve financial statement and the Board's report;</p> <p>(h) to diversify the business of the company;</p> <p>(i) to approve amalgamation, merger or reconstruction;</p> <p>(j) to take over a company or acquire a controlling or substantial stake in another company;</p> <p>(k) to make political contributions;</p> <p>(l) to appoint or remove key managerial personnel (KMP);</p> <p>(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p>

- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of the disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
- (q) to invite or accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
- (t) such other business as may be prescribed by the Act.

- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.
- c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
- d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.
- e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

Register of mortgage to be kept	148	The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.
Register of holders of debentures	149	Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.
Inspection of copies of and	150	The Company shall comply with the provisions of the Companies Act, 2013,

Register of Mortgages		as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
Supplying copies of register of holder of debentures	151	The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.
Right of holders of debentures as to Financial Statements	152	Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
Minutes	153	<p>a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.</p> <p>b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.</p>
Managing Director's power to be exercised severally	154	All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

MANAGER

Manager	155	Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.
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COMMON SEAL

Common Seal	156	The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.
Affixture of Common Seal	157	The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any

irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

DIVIDENDS AND RESERVES

Rights to Dividend	158	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.
Declaration of Dividends	159	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
What to be deemed net profits	160	The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
Interim Dividend	161	The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
Dividends to be paid out of profits only	162	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
Reserve Funds	163	<p>a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.</p>
Method of payment of dividend	164	<p>a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.</p> <p>b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.</p> <p>c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.</p>
Deduction of arrears	165	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

Adjustment of dividend against call	166	Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts 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 themselves, be set off against the call.
Payment by cheque / Warrant/ Electronic mode	167	<p>a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque /Warrant/ Electronic mode sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.</p> <p>b. Every such cheque /Warrant/ Electronic mode shall be made payable to the order of the person to whom it is sent.</p> <p>c. Every dividend cheque / Warrant/ Electronic mode shall be posted within thirty days from the date of declaration of the dividends.</p>
Retention in certain cases	168	<p>The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.</p> <p>(A) Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:</p> <p>a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and</p> <p>b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.</p>
Deduction of arrears	169	Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
Notice of Dividends	170	Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
Dividend not to bear interest	171	No dividend shall bear interest against the Company
Unclaimed Dividend	172	No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.
Transfer of share not to pass prior Dividend	173	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

Capitalisation of Profits

- 174 1) The Board may resolve:
- a) That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or dividend otherwise available for distribution; and
 - b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto if distributed by way of such dividend and in the same proportion.
- 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards:
- i) Paying up any amount for the time being unpaid on shares held by such members respectively ; or
 - ii) Paying up in full unissued shares of the Company to the allotted and distributed credited as fully paid up, to and amongst such members in the proportion aforesaid ; or
 - iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- 3) A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Powers of Directors for declaration of Bonus

- 175 1) Whenever such a resolution as aforesaid shall have been passed by the Board shall :
- a) make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any ; and
 - b) generally do all acts and things required to give effect thereto.
- 2) The Board shall have full power :
- a) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction ; and also
 - b) to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.
- 3) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of account to be kept	176	<p>a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.</p> <p>b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.</p> <p>c. The books of accounts shall be open to inspection by any Director during business hours.</p>
Where books of account to be kept	177	The books of account and statutory registers as prescribed by the Act and rules shall be kept at the Registered Office or at such other place as the Board may think fit.
Inspection by members	178	The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting. Fees for the inspection of documents as provided by the Act.
Statement of account to be furnished to General Meeting	179	The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.
Financial Statements	180	Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.
Authentication of Financial Statements	181	<p>a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.</p> <p>b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.</p>
Auditors Report to be annexed	182	The Auditor's Report shall be attached to the financial statements.
Board's Report to be attached to Financial Statements	183	a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to

any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.

d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.

e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

Right of member to copies of Financial Statements	184	The Company shall comply with the requirements of Section 136
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ANNUAL RETURNS

Annual Returns	185	The Company shall make the requisite annual return in accordance with Section 92 of the Act.
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AUDIT

Accounts to be audited	186	<p>a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.</p> <p>c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.</p>
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d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.

e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.

f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and

2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.

g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

Audit of Branch Offices	187	The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.
Remuneration of Auditors	188	The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.
Rights and duties of Auditors	189	a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.

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

c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and

2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.

d. The Auditor's Report shall also state:

(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;

(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;

(d) whether the company's balance sheet and statement of profit & loss and Cash Flow Statement dealt with in the report are in agreement with the books of account and returns;

(e) whether, in his opinion, the financial statements comply with the accounting standards;

(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;

(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;

(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

i) whether the company has adequate internal financial controls system in

place and the operating effectiveness of such controls;

(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;

(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.

f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Accounts whether audited and approved to be conclusive

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

Service of documents on the Company

191 A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

How documents to be served to members

192 a. A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.

c. Where a document is sent by post:

i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated

by the member, and such service shall be deemed to have been effected;

- a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
- b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

Members to notify address in India	193	Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
Service on members having no registered address in India	194	If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
Service on persons acquiring shares on death or insolvency of members	195	A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
Notice valid though member deceased	196	Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.
Persons entitled to Notice of General Meeting	197	Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to; <ol style="list-style-type: none"> (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member; (b) the auditor or auditors of the company; and (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

Advertisement	198	<p>a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.</p> <p>b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.</p>
Transference, etc. bound by prior notices	199	Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
How notice to be signed	200	Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

Authentication of document and proceeding	201	Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.
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WINDING UP

Winding up	202	Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities <i>pari-passu</i> and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.
Division of assets of the Company in specie among members	203	If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

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| Directors' and others' right to indemnity | 204 | <p>a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.</p> <p>b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p> |
| Not responsible for acts of others | 205 | <p>Subject to the provisions of Section 197 of the Act, no 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 for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part or for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.</p> |

SECRECY CLAUSE

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| Secrecy clause | 206 | <p>a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be</p> |
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inexpedient in the interests of the Company to communicate to the public.

b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts 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 duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles

REGISTERS, INSPECTION AND COPIES THEREOF

207 a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days notice to the company about his intention to do so.

b. Any ,Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

GENERAL AUTHORITY

208 Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

Sl. No.	Name, Address, Description and Occupation of Subscribers	Signature of subscribers	Signature of the Witness and their Addresses, Descriptions and Occupations
1.	N. CHANDRA BABU NAIDU S/o. N. Karjur Naidu 1310, Jubilee Hills, Hyderabad - 500 034. AGRICULTURE	sd/-	sd/- GUTTA PURNACHANDRA RAO S/o. Gopala Krishnamurthy 9B, 4th Floor, Topaz Building, Amrutha Hills, Panjagutta, Hyderabad - 082. Chartered Accountant
2.	M. MOHAN BABU S/o. Narayanaswamy Naidu Plot No 6, Film Nagar, Jubilee Hills, Hyderabad - 500 034. MOVIE ARTIST	sd/-	
3.	B.B. RAMAIAH S/o. B. Veera Venkanna Tanuku (W. Godavari Dist.) Andhra Pradesh BUSINESS	sd/-	
4.	N. RAMAKRISHNA S/o. N. T. Rama Rao 4-1-427, Troop Bazar, Abids, Hyderabad - 1. BUSINESS	sd/-	
5.	N. BALAKRISHNA S/o. N. T. Rama Rao Plot No. 1355, Road No. 45, Jubilee Hills, Hyderabad - 500 034. MOVIE ARTIST	sd/-	
6.	N. BHUVANESWARI 1310, Jubilee Hills, Hyderabad - 500 034. HOUSE WIFE	sd/-	
7.	Dr. V. NAGARAJA NAIDU S/o. Rama Naidu 1178, Jubilee Hills, Hyderabad - 500 034. SERVICE	sd/-	

Place : Hyderabad

Date : 18.05.1992

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT, HYDERABAD**

C.P.No 19/230/HDB of 2017

Date of order : 03.05.2017

Heritage Foods Limited
CIN L15209TG1992PLC014332
a company incorporated under the
Companies Act, 1956, having its
registered office at #6-3-541/C,
Punjagutta,
Hyderabad - 500082.

FREE OF COST COPY

... Petitioner/Transferor Company

Parties Present:

Counsel for the Petitioner : Mr. Ramachandra Rao Gurram

CORAM

Mr. Rajeswara Rao Vittanala, Member (Judicial)



ORDER

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

(As per Rajeswara Rao Vittanala, Member (Judicial))

1. The present Company Petition bearing C.P.No.19/230/HDB/2017 is filed by Heritage Foods Limited under Sections 52 and 66, 230 to 232 and other applicable provisions of Companies Act, 2013 inter-alia seeking that the Composite Scheme of Arrangement may be sanctioned by the Tribunal as to be binding on all the Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees of the said company and on the company itself and pass such further or other Order(s) be made and/or directions be given as this Hon'ble Tribunal may deem fit and proper.
2. Brief facts, which are relevant to present issue, are as follows:

- a. Heritage Foods Limited ('Petitioner/Transferor Company') was incorporated under the Companies Act, 1956 in the name of 'Heritage Foods (India) Limited' on 5th day of June, 1992. The name of the Petitioner Company was changed to 'Heritage Foods Limited' on 16th day of August, 2013. The Registered Office of the Petitioner Company is situated at #6-3-541/ C, Punjagutta, Hyderabad - 500082.
- b. The shares of the Petitioner Company are currently listed on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'). Subsequent to the above date and till the date of filing the instant Petition, there has been no change in the issued, subscribed and paid up capital of the Petitioner Company.
- c. The Petitioner Company is engaged in 6 (six) key business verticals viz. Dairy business vertical, Retail business vertical, Agri business vertical, Bakery business vertical, Veterinary care business vertical, Renewable energy business vertical.
- d. Heritage Foods Retail Limited (the 'Transferee Company') was incorporated under the Companies Act, 1956 in the name of 'Heritage Foods Retail Limited' on 1st day of December, 2008. It is a wholly owned subsidiary of the Petitioner Company. The registered office of the Transferee Company is situated at #6-3-541/ C, Punjagutta, Hyderabad - 500082. The entire paid up equity share capital of the Transferee Company is held by the Petitioner Company along with its nominees.
- e. Future Retail Limited ('Resulting Company') was incorporated in 2007 as a company under the name 'Bharti Retail Private Limited' under the provisions of Companies Act, 1956 vide certificate of incorporation dated 7th February 2007. The Resulting Company was later converted to a public company under the name 'Bharti Retail Limited' vide certificate of



incorporation dated 21st May 2009. The name of the Resulting Company was further changed to 'Future Retail Limited' vide certificate of incorporation dated 25th May 2016.

- f. The Registered Office of the Resulting Company is situated at Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai – 400 060. The Resulting Company is currently operates multiple retail formats in the Indian consumer market under different brand names including Big Bazaar, FBB, Food Bazaar, Food Hall, Home Town, easyday and eZone.
- g. The Composite Scheme of Arrangement involving the Transferor Company, the Transferee Company and the Petitioner Company would have the following benefits:
- i) facilitate each business to be effectively integrated for achieving growth for each of the verticals independently;
 - ii) enhance management focus and operational flexibility;
 - iii) facilitate investment by strategic players;
 - iv) create a platform to enhance financial flexibility to pursue growth;
 - v) consolidation of the retail operations of the Resulting Company and the Transferee Company;
 - vi) unlocking of value; and
 - vii) synergies expected to bring in cost savings in the marketing, selling and distribution expenses for the Petitioner Company.
- h) In view of the aforesaid, the Board of Directors of the Petitioner Company vide its resolution dated 7th day of November, 2016 approved the Composite Scheme of Arrangement among Heritage Foods Limited and Heritage Foods Retail Limited and Future Retail Limited and their



respective Shareholders and Creditors. The Board of Directors of the Resulting Company and the Transferee Company have also approved the Scheme at their meeting held on 7th day of November, 2016.

- i) No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted or are pending in relation to the Petitioner Company.
- j) It is submitted that the Tribunal by an order dated 10th February, 2017 allowed Company Application No C.A. (C.A.A) No. 6/230/HDB/2017 by directing to convene a meeting of shareholders of Company for the purposes of considering and if thought fit approving with or without modifications the said Composite Scheme of Arrangement. The Order further appointed Sri K. Ram Murthy to act as Chairperson of the said meeting and should report the result thereof to the tribunal by 5th April, 2017. The Hon'ble Tribunal has also dispensed with the meeting of secured creditors and unsecured creditors of the Transferor Company.
- k) It is submitted that on 17th February 2017 notice of the meeting was sent individually to the shareholders whose names appeared on the Register of Members as on 11th February, 2017 as directed by the Order together with a copy of the Composite Scheme of Arrangement and the statement required by Sections 231, 232 read with Section 230 of the Act and a form of proxy. The notice of the meeting was also advertised on 18th February, 2017 as directed by the said Order in Business Standard and Andhra Bhoomi newspapers.
- l) On 20th March, 2017, a meeting of shareholders of the transferor company was duly convened in accordance with the said order, was held at Auditorium Hall, 2nd Floor, Training Block, National Institute for Micro, Small and Medium



Enterprises, Yousufguda, Hyderabad – 500 045 and K. Ram Murthy acted as the chairperson of the meeting.

- m) The said Chairperson K. Ram Murthy reported the result of the meeting to this Hon'ble Tribunal on 22nd March, 2017. It is stated the said meeting was attended by 63 shareholders out of which, 49 shareholders were personally present, 14 shareholders attended through proxy and 163 shareholders e-voted. The total number of shares in respect of which vote was cast 1,42,77,489 with a face value of Rs.10/- each, representing 61.54% of the total issued, subscribed and paid up share capital of the Transferor Company. The Composite Scheme of Arrangement was read and explained by the chairperson appointed by this Hon'ble Tribunal, to the meeting and it was resolved unanimously by 99.9985% votes in favour, out of the total number of votes cast. The resolution passed and approved the scheme in question.

3. As stated supra, all stake holders of Company are put under due notice as per law, of the proposed Scheme of amalgamation and the Chairman appointed by the Tribunal has also conducted the required meeting of Shareholders as per due process of law. As such the scheme in question has the approval of majority of all stake holders of Company. All statutory compliances have been made by the Company for approval of the scheme in question.

4. The Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad, has filed a sworn affidavit dated 22nd March, 2017, by inter-alia stating that the Companies involved in the proposed Scheme of Arrangement have not opposed the scheme in question and submitted that they are regular in filing statutory returns and no complaints, no

Investigations/inspections are pending against them. So he submits that Tribunal can consider the scheme as per merits.

5. The Deputy Commissioner of Income Tax, Circle -2(2), Hyderabad Vide his letter (file) No.DC-2(2)/281/AACCHI365A/2016-17 dated 20th April, 2017 addressed to Principal officer, M/s Heritage Foods Retail Limited, granting permission to transfer of assets of Retail Undertaking (Comprising of retail, agri & bakery) in favour of M/s Future Retail Limited.
6. The Competition Commission of India, by its letter bearing Combination Registration No. C-2016/12/462/5291 dated 17-03-2017 by intimating that proposed combination has been approved by the Commission under Section 31(1) of Competition Act, 2002 on 13.02.2017.
7. It is further filed proof to show paper publication in relation to date of hearings as 27.04.2017 is issued in English Daily of "Business Standard" (National Edition) and in Telugu Daily "Andhra Bhoomi" (State Edition) on 22.04.2017. And confirmed that in pursuance to the said notice, no objection (s) have been received from any sources including statutory authorities for the sanction of Scheme in question.
8. I have carefully perused all the terms and conditions of the Composite Scheme of Arrangement in question. In case of consideration of the scheme of arrangement, primary issues arise for consideration are – whether the scheme proposed is bonafide in nature of interest of all stake holders of company and in general interest of company itself; secondly, concerned authorities have any objections(s) for such scheme(s). In the instant case, as stated supra, that Transferee company has in compliance with Section 230(5) of the Companies Act, 2013 read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, has issued



the notice to the respective statutory authorities in Form No.CAA.3 on February 17, 2017 by way of registered post as a way of service upon (a) The Regional Director; (b) The Registrar of Companies; (c) The Competition Commission of India; (d) The Commissioner of Income Tax; (e) The Securities and Exchange Board of India; (f) National Stock Exchange; and (g) Bombay Stock Exchange.

9. As stated supra, all stake holders of company are put under due notice as per law, of the proposed Scheme of Arrangement and the Chairman appointed by the Tribunal has also conducted the required meeting of shareholders as per due process of law. As such, the scheme in question has the approval of majority of all stake holders of the company. All statutory compliances have been made by the company for approval of the scheme in question.

10. In view of the above facts and circumstance of the case, I am of the considered view that the Company petition deserved to be allowed as prayed for. Hence, the Company petition bearing CP No. 19/230/HDB of 2017 is allowed with the following directions:



- a) The Composite Scheme of Arrangement as enclosed at page 139 of CP, as approved by the Board of Directors is hereby sanctioned and further declare it is binding on all the Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees of the Petitioner Company and also on the Petitioner Company itself.
- b) The Applicant Company is further directed to file a certified copy of this order along with approved Composite scheme of Arrangement with the Registrar of Companies, Ministry

of Corporate Affairs, Hyderabad, within a period 30 days from the date of receipt of copy of this order. And the Registrar of Company is directed to take appropriate action in accordance with law.

- c) The Applicant Company is further directed to intimate all concerned about the sanction of above Scheme in approved mode of communication.



Sd/= **RAJESWARA RAO VITTANALA**
MEMBER (JUDICIAL)

CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

V. Annapoorna
V. ANNA POORNA
Asst. DIRECTOR
NCLT, HYDERABAD - 68

प्रमाणित प्रति
CERTIFIED TRUE COPY
कास संख्या
CAS. NUMBER **CP (Case) No. 19/230/HDB of 2017**
निर्णय का तिथि
DATE OF JUDGEMENT **03/05/2017**
जति मध्य किया गया तिथि
COPY MADE READY ON **19/05/2017**
CR

COMPOSITE SCHEME OF ARRANGEMENT

**UNDER SECTIONS 391 TO 394 AND SECTIONS 100 to 103 OF THE COMPANIES ACT, 1956
AND/OR SECTIONS 230 TO 232 AND SECTION 66 OF THE COMPANIES ACT, 2013 (AS
APPLICABLE) AND SECTION 52 OF THE COMPANIES ACT, 2013**

AMONG

HERITAGE FOODS LIMITED ("Transferor Company" or "HFL")

AND

**HERITAGE FOODS RETAIL LIMITED ("Transferee Company" or "Demerged Company" or
"HFRL")**

AND

FUTURE RETAIL LIMITED ("Resulting Company" or "FRL")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Composite Scheme of Arrangement is presented pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and/or Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as may be applicable, and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (as may be applicable) to reorganize the business of Heritage Foods Limited (hereinafter referred to as the "Transferor Company" or "HFL") by way of Slump Sale (as hereinafter defined) of the Retail Undertaking (as hereinafter defined) and the VetCa Undertaking (as hereinafter defined) to Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL") and demerger of the Retail Undertaking by the Demerged Company to Future Retail Limited ("Resulting Company" or "FRL").

A. Description of Companies:**(a) Heritage Foods Limited ("Transferor Company" or "HFL")**

- i. HFL is a public limited company incorporated under the Companies Act, 1956 (CIN: L15209TG1992PLC014332) and having its registered office at #6-3-541 / C, Punjagutta, Hyderabad - 500082.
- ii. The equity shares of HFL are listed on the BSE Limited (Stock Code: 519552) and the National Stock Exchange (Stock Code: HERITGFOOD).

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iii. HFL, formerly known as Heritage Foods (India) Limited, is a company which has 6 (six) key business verticals:

- a. Dairy business vertical – HFL produces, sources and markets a complete range of dairy products including fresh milk, curd, buttermilk, ice creams and other value added products across various States in India.
- b. Retail business vertical – HFL is engaged in the grocery and food retail business, undertaken from its dedicated retail stores.
- c. Agri business vertical – HFL is engaged in the business of sourcing, processing and marketing fresh fruits and vegetables. This business vertical acts as the supply chain arm for the Retail Undertaking vertical while also supplying the products to other retail chains and stores.
- d. Bakery business vertical – HFL is engaged in the business of manufacturing and supplying bakery products to other customers, besides HFL retail outlets.
- e. Veterinary care business vertical – HFL supplies cattle feed to dairy farmers and general traders and maize to poultries and distilleries.
- f. Renewable energy business vertical – HFL is engaged in the production of solar energy (2.34 MW) and wind energy (4.2 MW) for captive consumption.

The Retail Undertaking (as hereinafter defined) comprises the retail business vertical, the agri business vertical, and the bakery business vertical. The VetCa Undertaking (as hereinafter defined) comprises the veterinary care business vertical.

(b) Heritage Foods Retail Limited ("Transferee Company" or "Demerged Company" or "HFRL")

HFRL is a public limited company incorporated under the Companies Act, 1956 (CIN: U15400TG2008PLC062054) and having its registered office at #6-3-541 / C, Punjagutta, Hyderabad – 500082 for undertaking the following activities: trading and dealing in goods and produce, and processing, packaging and selling agri products. HFRL is a wholly owned subsidiary of the Transferor Company.

(c) Future Retail Limited ("Resulting Company" or "FRL")

- i. FRL is a public limited company incorporated under the Companies Act, 1956 (CIN: U51909MH2007PLC268269) and having its registered office at Knowledge House, Shyam Nagar, Off Jogeshwari – Vikhroli Link Road, Jogeshwari (East), Mumbai - 400060.
- ii. The equity shares of FRL are listed on the BSE Limited (Stock Code: 540064) and the National Stock Exchange (Stock Code: FRETAIL).
- iii. FRL currently operates multiple retail formats in the Indian consumer market under

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different brand names including: Big Bazaar; FBB; Food Bazaar; Foodhall; Home Town and eZone.

B. Rationale and Purpose of the Scheme of Arrangement:

HFL is inter alia engaged in six different business verticals: the dairy business, the retail business, the agri business, the bakery business, the veterinary care business and the renewable energy business.

The Board of Directors and management of HFL believe and are of the view that risk and reward associated with each of the aforesaid business verticals is different. Further, the reorganization / arrangement will enable HFL to provide greater business attention and focus on the dairy and renewable energy business verticals which have high growth potential, which may result in increasing the profitability while simultaneously attracting strategic partners and lenders for the retail, agri and bakery business verticals of HFL and creating long term value for the various stakeholders. In addition, the veterinary care business vertical, which supplements the agri business vertical, will be restructured into a wholly owned subsidiary to unlock value. Accordingly, the Board of Directors of HFL and HFRL are of the opinion that the Retail Undertaking (comprising the retail business vertical, the agri business vertical and the bakery business vertical) and the VetCa Undertaking (comprising the veterinary care business vertical) should be transferred to a wholly owned subsidiary (HFRL) of HFL. Upon such transfer: (i) HFL would continue to carry on the dairy business, the renewable energy business and other businesses not transferred pursuant to this Scheme; and (ii) the Retail Undertaking (comprising the retail business vertical, the agri business vertical and the bakery business vertical) and the VetCa Undertaking would be transferred to HFRL. Subsequently, the Demerged Undertaking (comprising of the retail business vertical, the agri business vertical and the bakery business vertical) would be demerged from HFRL into FRL; each in terms of this Scheme. This would inter alia help in consolidation of the retail operations of FRL and HFRL in FRL. Upon such demerger, HFRL would continue to carry on the VetCa Undertaking and FRL would continue to carry on retail business transferred to it pursuant to the Scheme.

The Board of Directors of the Transferor Company and the Demerged Company are of the opinion that the arrangement under this Scheme would result in benefit to members, creditors and employees of each of the Transferor Company and the Demerged Company and will not be detrimental to the public. The Board of Directors of the Resulting Company is of the opinion that the demerger under this Scheme would result in expansion of retail business attached with the increase in the value for its members in long run. Further, the proposed arrangement would inter alia achieve the following objectives:

- I. facilitate each business to be effectively integrated for achieving growth for each of the verticals independently;
- II. enhance management focus and operational flexibility;
- III. facilitate investment by strategic players;
- IV. create a platform to enhance financial flexibility to pursue growth;
- V. consolidation of the retail operations of FRL and HFRL;

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- VI. unlocking of value; and
- VII. synergies expected to bring in cost savings in the marketing, selling and distribution expenses for FRL.

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed this Composite Scheme of Arrangement under the provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and/or Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013, as may be applicable, and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (as may be applicable).

C. Parts of the Scheme:

The Scheme is divided into the following parts:

- A. **PART I** sets out the Definitions, Share Capital and date of taking effect of the Scheme;
- B. **PART II** sets out provisions with respect to Shump Sale of the Retail Undertaking and VetCa Undertaking to the Transferee Company;
- C. **PART III** sets out provisions for transfer and vesting of the Demerged Undertaking (as defined hereinafter) to and in the Resulting Company;
- D. **PART IV** sets out provisions with respect to the reduction of share capital of the Demerged Company through a cancellation of the shares held by its existing shareholders; and
- E. **PART V** sets out the General Terms and Conditions.

PART I

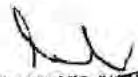
DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT

1. DEFINITIONS:

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

- 1.1 "Act" means the Companies Act, 1956 or, as the case may be, the Companies Act, 2013 (to the extent applicable) and the rules made thereunder and any statutory modification, amendment or re-enactment thereof for the time being in force.
- 1.2 "Board of Directors" or "Board" shall mean the Board of Directors or any duly authorized committee thereof of HFL, HFRL or FRL, as the case maybe or any other person duly authorized by the Board for the purpose of this Scheme.
- 1.3 "Companies" means HFL, HFRL and FRL, collectively and "Company" means HFL, HFRL or FRL, as the context may require.

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1.4 **"Demerged Undertaking"** means the entire undertaking of HFRL pertaining to its Retail Undertaking and includes:

- 1.4.1 All assets (whether moveable or immoveable) and liabilities pertaining to the Retail Undertaking, comprising the retail business, agri business and the bakery business, as on Demerger Appointed Date (as hereinafter defined) (after giving effect to Part II of the Scheme);
- 1.4.2 Without prejudice to the generality of the provisions of the sub-Clause 1.4.1 above, the Retail Undertaking of HFRL shall include without limitation the following:
- 1.4.3 All assets (whether moveable or immoveable) including freehold land, leasehold land, leasehold premises, office premises, all other assets and properties (whether tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) including, without limitation, interests, loans, deposits, advances (including accrued interest), investments including investments in overseas subsidiaries, receivables, cash on hand, investment in mutual funds, liquid funds, balance with banks (including bank fixed deposits), equipment, plant and machinery and the related assets and agreements, capital work in progress, unbilled revenue, furniture, fixtures, office equipment, appliances, accessories, vehicles, power connections, utilities and other service connections, all customer contracts, forward cover contracts, hedging contracts, receivables, claims, refunds, earnest moneys paid, rights and benefits under any agreements or security arrangements and funds, contingent rights, rights arising under contracts and all other rights, title, interests, privileges and benefits of every kind wherever located (including in the possession of vendors, third parties or elsewhere) and used or held, by the Demerged Company in, or otherwise identified for use in, or relating to, the business activities and operations pertaining to the Retail Undertaking of the Demerged Company;
- 1.4.4 All liabilities and all debts, guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future and including, without limitation, borrowings, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to or relatable to the Retail Undertaking of the Demerged Company;

Explanation: For the purpose of this Scheme, it is hereby clarified that the liabilities pertaining to the Retail Undertaking of the Demerged Company shall include:

- (i) liabilities, which accrue or arise out of the activities or operations of the Retail Undertaking of the Demerged Company;
- (ii) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of the Retail Undertaking of the Demerged Company; and

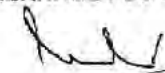
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- (iii) liabilities other than those referred to in sub-clauses (i) and (ii) above, so much of the amounts of general corporate nature or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of assets transferred in the demerger bears to the total value of assets of such Demerged Company immediately before the demerger.
- 1.4.5 All contracts, agreements, leases, memoranda of understanding, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to its Retail Undertaking, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the Retail Undertaking of the Demerged Company;
- 1.4.6 All intellectual properties, labels, brands, trademarks, trade names, service marks, copyrights, patents, designs, software and computer programmes, databases, domain names, including those pending registrations and applications for brands, trademarks, labels, trade names, service marks, copyrights, patents, designs, software and computer programs, databases and domain names, used by the Demerged Company exclusively in the business, activities and operations pertaining to its Retail Undertaking;
- 1.4.7 All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to or pertaining to its Retail Undertaking, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Governmental or quasi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including Municipal), administrative or judicial authority, used or held for use by the Demerged Company in respect of business, activities and operations pertaining to its Retail Undertaking;
- 1.4.8 All tax credits, including ceavat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, and depreciation, if any and exemptions, deductions, benefits and incentives under the Income-tax Act in respect of business, activities and operations pertaining to the Retail Undertaking of the Demerged Company;
- 1.4.9 All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, whether in India or abroad, all pertaining to or relatable to the Retail Undertaking of the Demerged Company;

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1.4.10 All records, files, papers, manuals, data, sales and advertising materials, lists and other details of customers and suppliers, credit information, pricing information, whether in physical or electronic form, all pertaining to or relatable to the Retail Undertaking of the Demerged Company;

1.4.11 All such employees including contract employees of the Demerged Company, as are primarily engaged in or in relation to the business activities and operations pertaining to the Retail Undertaking of the Demerged Company, its respective offices, branches, or by its subsidiaries, etc, that are in the employment of the Demerged Company as of the Effective Date, and any other employees/personnel hired by the Transferor Company on and after the Demerger Appointed Date (as hereinafter defined) who are primarily engaged in or in relation to the business, activities and operations pertaining to its Retail Undertaking, that are in the employment of the Demerged Company as of the Effective Date;

Any question that may arise as to whether a specific asset or liability or any other property or employee pertains or does not pertain to the Retail Undertaking of the Demerged Company or whether it arises out of the activities or operations of the Retail Undertaking of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.5 **"Demerger Appointed Date"** shall mean the close of business on 31 March, 2017.
- 1.6 **"Effective Date"** or **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** means the date on which last of the actions set out in Clause 36 are fulfilled.
- 1.7 **"Encumbrances"** shall mean: (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (b) proxy, any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, or any other preferential arrangement having a similar effect, of any kind or nature, whether arising by agreement, by statute or otherwise, (c) any adverse claim as to title, possession or use, and (d) a contract to give or refrain from giving any of the foregoing.
- 1.8 **"Governmental Authority"** means any applicable central, state or local government (including Municipality, Municipal Corporation), statutory, legislative, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction, exercising powers conferred by Applicable Law in India.
- 1.9 **"HFL"** or the **"Transferor Company"** means Heritage Foods Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at #6-3-541 / C, Punjagutta, Hyderabad - 500082.
- 1.10 **"HFRL"** or the **"Transferee Company"** or the **"Demerged Company"** means Heritage Foods Retail Limited, a public limited company incorporated under the Companies Act, 1956 and having its



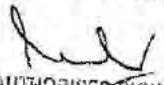
FOR HERITAGE FOODS LIMITED

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registered office at #6-3-541 / C, Punjagutta, Hyderabad – 500082.

- 1.11 **"High Courts"** means the High Court of Judicature at Hyderabad and the Mumbai High Court and/or, as the case may be, the National Company Law Tribunal, Mumbai Bench and National Company Law Tribunal, Hyderabad Bench.
- 1.12 **"Income-tax Act"** means the Income-tax Act, 1961 and the rules framed thereunder, including any statutory modification, re-enactment or amendment thereto, for the time being in force.
- 1.13 **"Permitted Encumbrances"** shall mean the list of litigation pending in respect of the Retail Undertaking and Demerged Undertaking, more specifically set out in Schedule I.
- 1.14 **"Person"** shall mean any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;
- 1.15 **"Record Date"** shall mean the date to be fixed by the Board of Directors of the Demerged Company or a committee thereof in consultation with the Board of Directors of the Resulting Company or a committee thereof for the purpose of determining the members of the Demerged Company to whom shares of the Resulting Company will be allotted pursuant to Part III of this Scheme in terms of Clause 26.1.1.
- 1.16 **"Remaining Undertaking of the Demerged Company"** means all the undertakings, business, activities and operations, including all the assets and liabilities of the Demerged Company (including but not limited to the VetCa Undertaking), excluding the Demerged Undertaking.
- 1.17 **"Remaining Business of the Transferor Company"** means all the undertakings, business, activities and operations, including all the assets and liabilities, of the Transferor Company, excluding the Retail Undertaking and the VetCa Undertaking. It is clarified that the dairy business and the renewable energy business, along with all their assets and liabilities, shall form part of the Remaining Business of the Transferor Company.
- 1.18 **"Retail Undertaking"** means the entire undertaking, business, activities and operations of Transferor Company, pertaining to: (i) grocery and food retail business, undertaken from its dedicated retail stores; (ii) sourcing, processing and marketing fresh fruits and vegetables; and (iii) manufacturing and supplying bakery products to the retail outlets of HFL and other customers, and which shall include:
- 1.18.1 All assets (whether moveable or immoveable), wherever situated, whether leasehold or freehold, including land, building, plant and machinery, installations, equipments, capital works-in-progress, vehicles, furniture, fixtures, appliances, accessories, stocks, inventory, receivables, cash on hand, balance with banks (including bank fixed deposits), advances paid to any persons, loans, advances and deposits, of the Transferor Company with respect to the Retail Undertaking, along with all rights, title, liability and interest in connection therewith.

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- 1.18.2 All trade liabilities, obligations and debts, accruing or arising out of the business, activities or operations of the Retail Undertaking of the Transferor Company; whether secured or unsecured, present or future, raised or incurred, including obligations of every kind, nature and description whatsoever and howsoever arising or accruing, guarantees, advances from customers, bills payable and interest, in relation to the Retail Undertaking of the Transferor Company.


Further, it is clarified that apart from the abovementioned liabilities of the Transferor Company pertaining to the Retail Undertaking, any other liabilities of the Transferor Company shall not be allocated towards the Retail Undertaking of the Transferor Company.

- 1.18.3 All contracts, agreements, leases, memoranda of understanding, memoranda of agreements, arrangements, undertakings deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature, whether written or otherwise, relating to the Retail Undertaking of the Transferor Company, along with all rights, title, liability and interest in connection therewith.
- 1.18.4 All trademarks, trade names, service marks, copyrights, patents, designs, databases, whether registered or not, used by the Transferor Company exclusively in the business, activities and operations of the Retail Undertaking.
- 1.18.5 All permits, licenses, registrations, certificates, consents, approvals, authorizations, no-objection certificates, quotas, rights (including rights under any agreement, contracts, applications, letter of intent or any other contract), subsidies, grants, exemptions, tax benefits, tax credits, refunds, quality certifications and approvals, product registrations, industrial and other licences, granted by any authority including from central government, state government, local authority, customs, central excise, income tax, service tax, sales tax, value added tax, Reserve Bank of India, department of Weights & Measures, Food Safety & Standards Authority of India, of the Transferor Company in relation to the Retail Undertaking, registrations.
- 1.18.6 All records, files, papers, manuals, data, sales and advertising materials, lists and other details of customers and suppliers, credit information, pricing information, whether in physical or electronic form, all pertaining to or relating to the Retail Undertaking of the Transferor Company;
- 1.18.7 All employees, staff and workers of the Transferor Company, as are primarily engaged in the Retail Undertaking.

Any question that may arise as to whether a specific asset or liability or any other property or employee pertains or does not pertain to the Retail Undertaking of the Transferor Company or whether it arises out of the activities or operations of the Retail Undertaking of the Transferor Company shall be decided by mutual agreement between the Board of the Transferor Company and the Transferee Company but with the written consent of the Resulting Company.

- 1.19 "Scheme of Arrangement" or "Scheme" means this Composite Scheme of Arrangement as submitted in the present form to the High Courts, with any modification(s) approved or imposed or directed by the High Courts or made pursuant to Clause 34 of this Scheme.

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- 1.20 "SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.21 "SEBI Circular" means Circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the SEBI including any amendment thereof;
- 1.22 "SEBI LODR Regulations" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.23 "Slump Sale Appointed Date" shall mean the commencement of business on November 1, 2016;
- 1.24 "Slump Sale" means sale of an undertaking on a going concern basis as defined under Section 2(42C) of the Income Tax Act, for a lump sum consideration without values being assigned to individual assets and liabilities;
- 1.25 "Stock Exchanges" means BSE Limited and the National Stock Exchange of India Limited;
- 1.26 "VetCa Undertaking" means the entire undertaking of HFL pertaining to its VetCa Undertaking and includes:
- 1.26.1 All assets (whether moveable or immoveable) including freehold land, office premises, all other assets and properties (whether tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) including, without limitation, interests, loans, deposits, advances (including accrued interest), investments including investments in overseas subsidiaries, receivables, cash on hand, investment in mutual funds, liquid funds, balance with banks (including bank fixed deposits), equipment, plant and machinery and the related assets and agreements, capital work in progress, unbilled revenue, furniture, fixtures, office equipment, appliances, accessories, vehicles, power connections, utilities and other service connections, all customer contracts, forward cover contracts, hedging contracts, receivables, claims, refunds, earnest moneys paid, rights and benefits under any agreements or security arrangements and funds, contingent rights, rights arising under contracts and all other rights, title, interests, privileges and benefits of every kind wherever located (including in the possession of vendors, third parties or elsewhere) and used or held, by the Transferor Company in, or otherwise identified for use in, or relating to, the business activities and operations pertaining to the VetCa Undertaking of the Transferor Company;
- 1.26.2 All liabilities and all debts, guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future and including, without limitation, borrowings, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the VetCa Undertaking of the Transferor Company;

Explanation: For the purpose of this Scheme, it is hereby clarified that the liabilities

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pertaining to the VetCa Undertaking of the Transferor Company shall include:

- (i) liabilities, which accrue or arise out of the activities or operations of the VetCa Undertaking of the Transferor Company; and
 - (ii) specific loans and borrowings raised, incurred and utilized for the activities or operations of the VetCa Undertaking of the Transferor Company.
- 1.26.3 All contracts, agreements, leases, memoranda of understanding, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is a party, relating to its VetCa Undertaking, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to the VetCa Undertaking of the Transferor Company;
- 1.26.4 All intellectual properties, labels, brands, trademarks, trade names, service marks, copyrights, patents, designs, software and computer programmes, databases, domain names, including those pending registrations and applications for brands, trademarks, labels, trade names, service marks, copyrights, patents, designs, software and computer programs, databases and domain names, used by the Transferor Company or held for use by the Transferor Company exclusively in the business, activities and operations of the VetCa Undertaking;
- 1.26.5 All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to or pertaining to its VetCa Undertaking, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Governmental or quasi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including Municipal), administrative or judicial authority, used or held for use by the Transferor Company in respect of business, activities and operations pertaining to its VetCa Undertaking;
- 1.26.6 All tax credits, including cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, and depreciation, if any and exemptions, deductions, benefits and incentives under the Income-tax Act in respect of business, activities and operations pertaining to the VetCa Undertaking of the Transferor Company;
- 1.26.7 All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in

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favour of or enjoyed by the Transferor Company, whether in India or abroad, all pertaining to the VetCa Undertaking of the Transferor Company;

- 1.26.8 All records, files, papers, manuals, data, sales and advertising materials, lists and other details of customers and suppliers, credit information, pricing information, whether in physical or electronic form, all pertaining to the VetCa Undertaking of the Transferor Company;
- 1.26.9 All such employees including contract employees of the Transferor Company, as are primarily engaged in or in relation to the business activities and operations pertaining to the VetCa Undertaking of the Transferor Company its respective offices, branches, or by its subsidiaries, etc, and any other employees/personnel hired by the Transferor Company on and after the date hereof who are primarily engaged in or in relation to the business, activities and operations pertaining to its VetCa Undertaking;

Any question that may arise as to whether a specific asset or liability or any other property or employee pertains or does not pertain to the VetCa Undertaking of the Transferor Company or whether it arises out of the activities or operations of the VetCa Undertaking of the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.

- 1.27 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, the Securities Contracts Regulation Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.28 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 1.29 The headings herein shall not affect the construction of this Scheme.

2. SHARE CAPITAL

2.1 HFL:

The authorised share capital and the issued, subscribed and fully paid-up share capital of HFL, as on September 30, 2016, was as follows:

Particulars	INR
<u>Authorised Share Capital</u>	50,00,00,000
4,80,00,000 equity shares of INR 10 each	48,00,00,000
20,00,000 preference shares of INR 10 each	2,00,00,000
Total	50,00,00,000
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>	
2,31,99,000 equity shares of INR 10 each	23,19,90,000

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Particulars	INR
Total	23,19,90,000

The shares of HFL are currently listed on the Stock Exchange.

2.2 HFRL:

The authorised share capital and the issued, subscribed and fully paid-up share capital of HFRL, as on September 30, 2016, was as follows:

Particulars	INR
<u>Authorised Share Capital</u> 1,50,00,000 equity shares of INR 10 each	15,00,00,000
Total	15,00,00,000
<u>Issued, Subscribed & Fully Paid-up Share Capital</u> 1,65,600 equity shares of INR 10 each	16,56,000
Total	16,56,000

The entire paid up share capital of HFRL is held by HFL and its nominees.

2.3 FRL:

The authorised share capital and the issued, subscribed and fully paid-up share capital of FRL, as on September 30, 2016, was as follows:


Particulars	INR
<u>Authorised Share Capital</u> 12,50,00,00,000 Equity Shares of INR 2 each	25,00,00,00,000
Total	25,00,00,00,000
<u>Issued Share Capital</u> 47,14,42,928 Equity Shares of INR 2 each	94,28,85,856
<u>Subscribed and Paid-up Share Capital</u> 47,13,38,557 Equity Shares of INR 2 each	94,26,77,114

The shares of FRL are currently listed on the Stock Exchange.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be operative from the Effective Date, but shall be effective from and be

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**TRANSFER OF THE RETAIL UNDERTAKING AND THE VETCA UNDERTAKING BY WAY
OF SLUMP SALE TO HERL**

4. TRANSFER OF THE RETAIL UNDERTAKING AND THE VETCA UNDERTAKING

- 4.1 On the coming into effect of this Scheme and with effect from the Slump Sale Appointed Date, each of the Retail Undertaking and the VetCa Undertaking together with their respective assets, properties, liabilities, rights, benefits and interests therein, subject to existing charges if any, thereon, shall, without any further deed, act, matter or thing, stand transferred to and vested with Transferee Company pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, on a going concern and a 'Slump Sale' basis for lump sum consideration as set out hereinafter in this Part II of the Scheme, free from all Encumbrances and litigations, except the Permitted Encumbrances.
- 4.2 The transfer of each of the Retail Undertaking and the VetCa Undertaking under this Scheme is in compliance with the Income-tax Act, specifically Section 2(42C) and other relevant provisions. If any of the terms of this Scheme are inconsistent with the provisions of Sections 2(42C) of the Income-tax Act, the provisions of Sections 2(42C) of the Income-tax Act shall to the extent of such inconsistency, prevail and the Scheme shall, stand and be deemed to be modified to that extent to comply with the said provisions and such modifications shall not affect the other parts of the Scheme.

5. ASSETS AND LICENCES

- 5.1 Without limiting the generality of Clause 4.1, upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date:
- 5.1.1 All the immovable properties (including land, building and other immovable property) of each of the Retail Undertaking and VetCa Undertaking shall stand transferred to, and be vested in, the Transferee Company, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any deed or instrument of conveyance and shall upon such transfer become the property of the Transferee Company so as to vest in the Transferee Company all the rights, title and interest in such immovable properties. Such immovable property transferred shall be free from all Encumbrances except the Permitted Encumbrances. With effect from the Slump Sale Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties.
- 5.1.2 All the assets of each of the Retail Undertaking and the VetCa Undertaking as are movable in nature or are otherwise capable of transfer by endorsement and delivery, shall stand transferred to, and be vested in, the Transferee Company, pursuant to the provisions of Sections 391 to 394 of the

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Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any deed or instrument of conveyance and shall upon such transfer become the property of the Transferee Company so as to vest in the Transferee Company all the rights, title and interest in such assets. The transfer or vesting pursuant to this sub-Clause shall be deemed to have occurred by physical delivery or endorsement and delivery, as appropriate to the property being transferred/ vested and the title to such property shall be deemed to have been transferred and vested accordingly. Such property transferred shall be free from all Encumbrances except the Permitted Encumbrances.

- 5.1.3 All the intellectual property which relate exclusively to the Retail Undertaking and the VetCa Undertaking, shall stand transferred to, and be vested in, the Transferee Company, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any act or deed to be done by the Transferor Company and / or the Transferee Company.
- 5.1.4 All the assets (other than those specified in sub-clauses 5.1.1, 5.1.2 and 5.1.3 above) of each of the Retail Undertaking and the VetCa Undertaking, including sundry debtors, receivables, bills, outstanding loans and advances, bank balances, deposits, etc., the same shall stand transferred to and vested in the Transferee Company, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requirement of any notice or other intimation to any person, to the end and intent that right of the Transferor Company to recover or realize the same stands transferred to the Transferee Company. The Transferee Company shall at its sole and absolute discretion, and without being obliged and if it so deems appropriate, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the Scheme sanctioned by the High Courts, the said debt, receivable, bill, loan, advance or deposit stands transferred and vested in the Transferee Company and the same be paid to or made good to or held on account of the Transferee Company
- 5.1.5 All licences, permissions, approvals, consents, certificates, registrations, no-objections, clearances, concessions, exemptions or rights granted to, issued to or executed in favour of the Transferor Company in relation to the Retail Undertaking and/or the VetCa Undertaking, shall, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, of the Act, stand vested in or transferred to or deemed amended in favour of the Transferee Company as if the same were originally granted to, issued to or executed in favour of the Transferee Company, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Transferee Company upon vesting of the Retail Undertaking and / or the VetCa Undertaking, as the case may be, pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 5.1.6 All the existing Encumbrances, if any, on the assets of the Retail Undertaking and / or the VetCa Undertaking relating to the liabilities of the Retail Undertaking and / or the VetCa Undertaking, shall, after the Slump Sale Appointed Date, continue to relate and attach to only such assets or any part

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thereof to which they are related or attached. Further, the Encumbrances, if any, on the assets of the Remaining Business of the Transferor Company in relation to the liabilities of the Retail Undertaking and / or the VetCa Undertaking, shall without any further act, instrument or deed be released and discharged from such Encumbrance.

- 5.1.7 All the existing Encumbrances, if any, on the assets of the Retail Undertaking and / or the VetCa Undertaking relating to the liabilities of the Remaining Business of the Transferor Company, shall without any further act, instrument or deed be released and discharged from such Encumbrance.
- 5.1.8 The Transferee Company shall be entitled to benefit of all insurance policies which have been issued in relation to the Retail Undertaking and / or VetCa Undertaking and the name of the Transferee Company shall be substituted as the "insured party" in the policies as if the Transferee Company was initially a party.


6. LIABILITIES

- 6.1.1 Without limiting the generality of Clause 4.1, upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, all secured and unsecured debts, sundry creditors, liabilities, contingent liabilities, guarantees, duties and obligations of every kind, nature and description (whether in Indian Rupees or foreign currency) whatsoever and howsoever arising, raised or incurred or utilised by the Transferor Company in relation to each of the Retail Undertaking and the VetCa Undertaking, shall become and be the debts, liabilities, guarantees, duties and obligations of the Transferee Company along with any charge, lien, encumbrance or security thereon, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requirement of any further act, instrument, matter, thing or deed. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. Further, all debts and loans raised and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company in relation to each of the Retail Undertaking and the VetCa Undertaking on or after the Slump Sale Appointed Date till the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme. Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company in relation to each of the Retail Undertaking and the VetCa Undertaking as on the Slump Sale Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Slump Sale Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

7. EMPLOYEES, STAFF AND WORKMEN

- 7.1 Without limiting the generality of Clause 4.1, upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, all employees, staff and workmen of the Transferor Company engaged in the Retail Undertaking and the VetCa Undertaking and who are in such employment as on

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the Effective Date shall become employees of the Transferee Company from the Slump Sale Appointed Date or their respective joining date, whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall be no less favourable than those on which they are engaged in the Transferor Company.

- 7.2 The Transferee Company agrees that the services of all the employees of each of the Retail Undertaking and the VetCa Undertaking prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which such employees may be eligible and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Transferor Company.
- 7.3 In the event of retrenchment of the employees of the Retail Undertaking and/or the VetCa Undertaking, the Transferee Company will be liable to pay compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such Slump Sale.
- 7.4 Till the Effective Date of this Scheme, the Transferor Company shall make contributions to the government maintained provident fund and / or other funds in relation to the staff, workmen and employees of each of the Retail Undertaking and the VetCa Undertaking. On and from the Effective Date, the Transferee Company shall make appropriate contributions to such provident fund and/or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme. The contributions, and all accretions thereto, in the provident fund account, superannuation fund, gratuity fund and other benefit funds if any, of which such employees are members or beneficiaries till the Effective Date, shall, with the approval of the concerned authorities be transferred (in such proportion as is allocable to the employees of the Retail Undertaking and/or the VetCa Undertaking being transferred to the Transferee Company) to the relevant funds of the Transferee Company for the benefit of the employees of the Retail Undertaking and/or the VetCa Undertaking on terms no less favourable. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, such investments shall, subject to the necessary approvals and permissions, be transferred to the relevant funds. In the event that the Transferee Company does not have its own fund in respect of any of the aforesaid matters, the Transferor Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Retail Undertaking and/or the VetCa Undertaking to the existing funds, until such time that the Transferee Company creates its own fund, at which time the investments and contributions pertaining to the employees of the Retail Undertaking and/or the VetCa Undertaking shall be transferred to the funds created by the Transferee Company. In case, necessary approvals are not received and there is delay, all such amounts shall continue to be administered by the Transferor Company in trust for the Transferee Company from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Transferee Company *suo moto*.
- 7.5 Any disciplinary action initiated by the Transferor Company against any employee of the Retail Undertaking and/or the VetCa Undertaking shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.
- 7.6 Any question that may arise as to whether any employee belongs or does not belong to the Retail Undertaking shall be decided by the Board of the Companies.

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- 7.7 Any question that may arise as to whether any employee belongs or does not belong to the VetCa Undertaking shall be decided by the Board of the Transferor Company and the Transferee Company.

8. CONTRACTS AND DEEDS

- 8.1 Without limiting the generality of Clause 4.1, upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, all in relation to the Retail Undertaking and/or the VetCa Undertaking and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder. It is hereby clarified that upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, the Transferor Company shall have no liabilities in respect of any of the aforesaid contracts / arrangements transferred to the Transferee Company.
- 8.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Retail Undertaking and/or the VetCa Undertaking of the Transferor Company in the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above.
- 8.3 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, certificates, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Retail Undertaking and/or the VetCa Undertaking shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company.
- 8.4 Without prejudice to the aforesaid, it is clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Retail Undertaking and/or the VetCa Undertaking which the Transferor Company owns or to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is given effect to.

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9. LEGAL PROCEEDINGS

- 9.1 Without limiting the generality of Clause 4.1, upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, all Permitted Encumbrances of whatever nature pending and / or arising after the Slump Sale Appointed Date, in any court or before any authority, judicial, quasi-judicial or administrative or any adjudicating authority or any arbitral tribunal, by or against the Transferor Company in relation to the Retail Undertaking and/or the VetCa Undertaking shall be continued and/or enforced until the Effective Date as desired by the Transferor Company, and on and from the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this Slump Sale or by anything contained in this Scheme, but the said suits, appeals or other legal proceeding shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or had arisen and/or were pending by or against the Transferee Company.
- 9.2 On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings in relation to the Permitted Encumbrances relating to the Retail Undertaking and / or the VetCa Undertaking, in the same manner and to the same extent as it would or might have been initiated by the Transferor Company, as the case may be, had the Scheme not been made.
- 9.3 On and from the Slump Sale Appointed Date, if any proceedings in relation to the Permitted Encumbrances are taken by or against the Transferor Company in relation to the Retail Undertaking and/or the VetCa Undertaking, the Transferor Company shall till the Effective Date continue and/or defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 9.4 The Transferee Company undertakes to have all legal or other proceedings in relation to the Permitted Encumbrances initiated by or against the Transferor Company referred to in Clause 9.1 above transferred to its name on and after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company as the case may be, to the exclusion of the Transferor Company.
- 9.5 Notwithstanding the above, in case the proceedings referred to in Clause 9.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

10. TAXES

- 10.1 Upon the Scheme becoming effective, and with effect from the Slump Sale Appointed Date, all taxes, duties, cess of any nature (including income-tax, sales tax, excise duty, customs duty, service tax, VAT etc.) paid or payable, including any tax deduction or collection at source, service tax input credit receivables, by the Transferor Company in relation to the Retail Undertaking and the VetCa Undertaking and relating to the period after the Slump Sale Appointed Date until the Effective Date,

For HERITAGE FOODS LIMITED

AUTHORISED SIGNATORIES



shall be deemed to have been on account of or on behalf of or paid or payable by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- 10.2 On the Scheme becoming effective, the Transferor Company and the Transferee Company may revise their respective returns pertaining to income tax, service tax, sales tax, VAT and other tax returns, and claim refunds and/or credits, including credits for tax deducted at source, as applicable pursuant to the provisions of this Scheme.

11. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 11.1 With effect from the Slump Sale Appointed Date and till the Effective Date:

- 11.1.1 The Transferor Company shall carry on, and shall be deemed to have carried on, all the business, activities and operations relating to the Retail Undertaking and/or the VetCa Undertaking, and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of each of the Retail Undertaking and/or the VetCa Undertaking, on account of and / or on behalf of and / or for the benefit of and / or in trust for, the Transferee Company.
- 11.1.2 All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company in relation to each of the Retail Undertaking and the VetCa Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of, the Transferee Company.
- 11.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to each of the Retail Undertaking and the VetCa Undertaking and exercised by or available to the Transferor Company, shall be deemed to have been exercised for and on behalf of and as an agent for the Transferee Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to each of the Retail Undertaking and the VetCa Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Transferee Company.

12. SAVING OF CONCLUDED TRANSACTIONS

- 12.1 Subject to the terms of this Scheme, the transfer and vesting of the Retail Undertaking and the VetCa Undertaking under this Scheme shall not affect any transactions or proceedings already concluded on or after the Slump Sale Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company in relation to the Retail Undertaking and/or the VetCa Undertaking as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

13. CONSIDERATION

- 13.1 In consideration of the transfer of and vesting of the Retail Undertaking and the VetCa Undertaking with the Transferee Company in accordance with this Scheme by way of slump sale as defined under the provisions of section 2(42C) of the Income-tax Act, the Transferee Company shall pay a consideration of INR 135,00,00,000/- (Rupees One Hundred and Thirty Five Crores), subject to adjustment of net working capital between the Slump Sale Appointed Date and the Effective Date,

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AUTHORISED SIGNATORIES



which shall be discharged in the manner specified in Clause 13.2.

- 13.2 The consideration would be discharged by the Transferee Company, without any further application, deed, action or thing, by way of issuance and allotment of 1,40,00,000 (One Crore Forty Lakhs) equity shares of the Transferee Company, each of a face value of INR 10 (Rupees Ten only) and a premium of INR 86.43 (Rupees Eighty Six and Paisa Forty Three), credited as fully paid-up to the Transferor Company.
- 13.3 Upon the issuance of the Equity Shares as per Clause 13.1, the issued, subscribed and paid-up share capital of the Transferee Company shall stand increased to INR 14,16,56,000 (Rupees Fourteen Crores Sixteen Lakhs Fifty Six Thousand) comprising of 1,41,65,600 (One Crore Forty One Lakhs Sixty Five Thousand and Six Hundred only) equity shares having a face value of INR 10 (Rupees Ten only).
- 13.4 The approval of this Scheme by the shareholders of the Transferee Company and the Transferor Company, under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, shall also be deemed to be the approval by the shareholders under the provisions of Section 62 of the Companies Act, 2013 and all other applicable provisions of the Act and applicable law for the purpose of subscription and issuance and allotment of the Equity Shares of the Transferee Company to the Transferor Company in accordance with the Scheme. It is clarified that no additional special resolution under Section 62(1)(c) of the Companies Act, 2013 or any other provision of the Act or applicable law shall be required to be passed for issuance and allotment of the equity shares of the Transferee Company to the Transferor Company under this Scheme.

14. REMAINING BUSINESS OF THE TRANSFEROR COMPANY

- 14.1 The Remaining Business of the Transferor Company including all the properties and assets, investments including investments in subsidiaries, debts, liabilities and obligations of the Transferor Company relating to the Remaining Business of the Transferor Company and which do not form part of the Retail Undertaking or the VetCa Undertaking shall continue to belong to and remain vested in the Transferor Company.
- 14.2 The Transferor Company shall be entitled to carry on its business and activities pertaining to the Remaining Business of the Transferor Company in such manner as it may deem fit and proper and nothing herein contained shall affect the business and activities of the Transferor Company in relation to the Remaining Business. Further, the Transferor Company shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Transferor Company for and on its own behalf.
- 14.3 All assets and properties acquired by the Transferor Company at any time including on and after the start of business on the Slump Sale Appointed Date shall, to the extent that the same do not relate to the Retail Undertaking or the VetCa Undertaking, form part of the Remaining Business.
- 14.4 All liabilities, debts and obligations incurred by or arising against the Transferor Company at any time including on and after the start of business on the Slump Sale Appointed Date shall, to the extent that the same do not relate to the Retail Undertaking or the VetCa Undertaking, form part of the

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AUTHORISED SIGNATORIES



Remaining Business of the Transferor Company.

- 14.5 The Transferor Company shall be entitled to enter into such contracts as the Transferor may deem fit and proper in respect of the Remaining Business of the Transferor Company.
- 14.6 All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company in relation to Remaining Business of the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of, the Transferor Company.
- 14.7 All the legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Slump Sale Appointed Date or which may be instituted after the Slump Sale Appointed Date, relating to the Remaining Business of the Transferor Company shall be continued and enforced by or against the Transferor Company.

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFeree COMPANY

- 15.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets and liabilities comprised in the Retail Undertaking and VetCa Undertaking of the Transferor Company transferred to the Transferee Company pursuant to this Scheme, by undertaking a purchase price allocation for the Slump Sale consideration to the respective assets and liabilities based upon the values determined by an independent valuer or by the Board of the Transferee Company.
- 15.2 The Transferee Company shall credit its share capital account in its books of account with the aggregate face value of the equity shares issued to the Transferor Company pursuant to Clause 13.2 of the Scheme. Further, the Transferee Company shall credit to its securities premium account, the aggregate premium on securities issued by it pursuant to Clause 13.2 of the Scheme. The securities premium account recorded by the Transferee Company shall be applied as per the provisions of Section 52 of Companies Act, 2013.
- 15.3 The difference, if any, in the value of consideration and net value of assets and liabilities of the Retail Undertaking and the VetCa Undertaking, as determined under Clause 15.1 above, shall be accounted in accordance with principles as laid down in the applicable accounting standards, the applicable provisions of the Act and generally accepted accounting principles in India.

16. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

- 16.1 Upon the Scheme becoming effective, the Transferor Company shall transfer the Retail Undertaking and the VetCa Undertaking on a going concern basis along with all their assets, liabilities, rights and obligations as defined in Clause 1.19 and Clause 1.25 respectively of this Scheme, to the Transferee Company.
- 16.2 The Transferor Company shall reduce the book value of assets and liabilities comprised in the Retail Undertaking and the VetCa Undertaking from its books of account.
- 16.3 The aggregate value of the equity shares allotted under Clause 13.2 above, along with the premium shall be debited to the investments account.

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AUTHORISED SIGNATORIES



- 16.4 The excess or shortfall of aggregate value of the equity shares allotted under Clause 13.2 above along with the premium over the book value of Retail Undertaking and VetCa Undertaking and directly attributable transaction cost shall be adjusted to the capital reserve account.

PART III

TRANSFER AND VESTING OF DEMERGED UNDERTAKING TO AND IN THE RESULTING COMPANY

17. TRANSFER OF DEMERGED UNDERTAKING

- 17.1 For the purposes of this Part III, "after giving effect to Part II of the Scheme" will be determined mutually by the Board of Directors of the Demerged Company and the Resulting Company.
- 17.2 With effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme, the Demerged Undertaking, together with its assets, properties, liabilities, rights, benefits and interests therein, shall, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, and without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in the Resulting Company, free of charges, on a going concern basis in consideration for the issuance of the Resulting Company's shares as set out hereinafter in this Part III of the Scheme, so as to vest in the Resulting Company all rights, title and interest pertaining to the Demerged Undertaking, free from all Encumbrances, except the Permitted Encumbrances.
- 17.3 The demerger of the Demerged Undertaking under this Scheme shall be in compliance with the conditions of "demerger" as specified under Section 2(19AA) of the Income-tax Act and other relevant provisions, i.e. transfer of all assets and liabilities relating to the Demerged Undertaking at values appearing in the books of accounts of Demerged Company immediately before the demerger, issue of shares to shareholders of Demerged Company on a proportionate basis, etc..

18. ASSETS AND LICENCES

- 18.1 Without prejudice to the generality of Clause 17.1 above, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme:
- 18.1.1 All the immovable properties (including land, building and other immovable property) of the Demerged Undertaking shall stand transferred to, and be vested in, the Resulting Company, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any deed or instrument of conveyance and shall upon such demerger, become the property of the Resulting Company so as to vest in the Resulting Company all the rights, title and interest in such immovable properties, on and from the Demerger Appointed Date and after giving effect to Part II of this Scheme. Such immovable property transferred shall be free from all Encumbrances except Permitted Encumbrances. With effect from the Demerger Appointed Date and after giving effect to Part II of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be

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AUTHORISED SIGNATORIES



liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties.

- 18.1.2 All the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by endorsement and delivery, shall stand transferred to, and be vested in, the Resulting Company, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any deed or instrument of conveyance and shall upon such transfer become the property of the Resulting Company so as to vest in the Resulting Company all the rights, title and interest in such assets, on and from the Demerger Appointed Date and after giving effect to Part II of the Scheme. The transfer or vesting pursuant to this sub-Clause shall be deemed to have occurred by physical delivery or endorsement and delivery, as appropriate to the property being transferred/ vested and the title to such property shall be deemed to have been transferred and vested accordingly. Such property transferred shall be free from all Encumbrances except Permitted Encumbrances.
- 18.1.3 All the intellectual property relating exclusively to the Demerged Undertaking, shall stand transferred to, and be vested in, the Resulting Company, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requiring any act or deed to be done by the Demerged Company and / or the Resulting Company, on and from the Demerger Appointed Date and after giving effect to Part II of the Scheme.
- 18.1.4 All the assets (other than those specified in sub-Clause 18.1.2 and 18.1.3 above) of the Demerged Undertaking, including sundry debtors, receivables, bills, outstanding loans and advances, bank balances, deposits, etc., the same shall stand transferred to and vested in the Resulting Company, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requirement of any notice or other intimation to any person, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company, on and from the Demerger Appointed Date and after giving effect to Part II of the Scheme. The Resulting Company shall at its sole and absolute discretion, and without being obliged and if it so deems appropriate, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme sanctioned by the High Courts, the said debt, receivable, bill, loan, advance or deposit stands transferred and vested in the Resulting Company and the same be paid to or made good to or held on account of the Resulting Company.
- 18.1.5 All licences, permissions, approvals, consents, certificates, registrations, no-objections, clearances, concessions, exemptions or rights granted to, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, stand vested in or transferred to or deemed amended in favour of the Resulting Company as if the same were originally granted to, issued to or executed in favour of the Resulting Company, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Resulting Company upon vesting of the Demerged Undertaking on and

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from the Demerger Appointed Date and after giving effect to Part II of the Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to the Demerged Company pursuant to the Scheme, on and from the Demerger Appointed Date.

- 18.1.6 All the existing Encumbrances other than the Permitted Encumbrances, on the assets of the Demerged Undertaking shall be released. Such Encumbrances shall not relate to or attach to any assets of the Demerged Undertaking or any other assets of the Resulting Company.
- 18.1.7 The Encumbrances, other than the Permitted Encumbrances, shall after the Effective Date relate and attach to the assets or any part thereof of the Remaining Undertaking of the Demerged Company.
- 18.1.8 The Resulting Company shall be entitled to benefit of all insurance policies which have been issued in relation to the Demerged Undertaking and the name of the Resulting Company shall be substituted as the "insured party" in the policies as if the Resulting Company was initially a party.

19. LIABILITIES

- 19.1 Without limiting the generality of Clause 17.1, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II of this Scheme, all secured and unsecured debts, sundry creditors, liabilities, contingent liabilities, guarantees, duties and obligations of every kind, nature and description (whether in Indian Rupees or foreign currency) whatsoever and howsoever arising, raised or incurred or utilised by the Demerged Company in relation to each of the Demerged Undertaking, shall become and be the debts, liabilities, guarantees, duties and obligations of the Resulting Company along with any charge, lien, encumbrance or security thereon, pursuant to the provisions of Sections 391 to 394 of Companies Act, 1956 and all other applicable provisions, if any, of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, without requirement of any further act, instrument, matter, thing or deed. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. Further, all debts and loans raised and duties, liabilities and obligations incurred or which arise or accrue to the Demerged Company in relation to the Demerged Undertaking on or after the Demerger Appointed Date till the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Resulting Company by virtue of this Scheme. Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Demerger Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Demerger Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

20. EMPLOYEES, STAFF & WORKMEN

- 20.1 Without limiting the generality of Clause 17.1, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme, all employees,

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AUTHORISED SIGNATORIES



staff and workmen of the Demerged Company engaged in the Demerged Undertaking and who are in such employment as on the Effective Date, shall become employees, staff and workmen of the Resulting Company from the Demerger Appointed Date or their respective joining date, whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall be no less favourable than those on which were immediately prior to the Effective Date in the Demerged Company.

- 20.2 The Resulting Company agrees that the services of all the employees of the Demerged Undertaking prior to the transfer, as aforesaid, shall be taken into account for the purposes of all benefits to which such employees may be eligible and accordingly, the period of service of such employees shall be reckoned therefore from the date of their respective appointment in the Demerged Company.
- 20.3 In the event of retrenchment of the employees of the Demerged Undertaking on and after the Demerger Appointed Date, the Resulting Company will be liable to pay retrenchment compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such demerger.
- 20.4 Till the Effective Date of this Scheme, the Demerged Company shall make contributions to the government maintained provident fund and / or other funds in relation to the staff, workmen and employees of the Demerged Undertaking. On and from the Effective Date, the Resulting Company shall make appropriate contributions to such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme. The contributions, and all accretions thereto, in the provident fund account, superannuation fund, gratuity fund and other benefit funds if any, of which the employees of the Demerged Undertaking are members or beneficiaries till the Effective Date, shall, with the approval of the concerned authorities and after giving effect to Part II and Part III of the Scheme, be transferred (in such proportion as is allocable to the employees of the Demerged Undertaking being transferred to the Resulting Company) to the relevant funds of the Resulting Company or government for the benefit of the employees of the Demerged Undertaking on terms no less favourable than immediately existing prior to the Effective Date. In the event that the Resulting Company has its own funds in respect of any of the funds referred to above, such investments shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own fund in respect of any of the aforesaid matters, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Demerged Undertaking to the relevant funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created by the Resulting Company. In case, necessary approvals are not received by the Effective Date and there is delay, all such amounts shall continue to be administered by the Demerged Company in trust for the Resulting Company from the Effective Date till the date of actual transfer and, on receiving the approvals all the accumulated amounts till such date, shall be transferred to the respective funds of the Resulting Company suo moto.
- 20.5 Any disciplinary action initiated by the Demerged Company against any employee of the Demerged Undertaking shall have full force, effect and continuity as if it was initiated by the Resulting Company instead of the Demerged Company.
- 20.6 Any question that may arise as to whether any employee belongs or does not belong to the Demerged Undertaking shall be mutually decided by Board Demerged Company and the Resulting Company.

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21. CONTRACTS, DEEDS, ETC.

- 21.1 Without limiting the generality of Clause 17.1, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme, subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all leases, licenses and other assurances in favour of the Demerged Company or powers or authorities granted by or to it) of whatsoever nature to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, all in relation to the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee or obligor thereto or thereunder. It is hereby clarified that upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II and Part III of the Scheme, the Demerged Company shall have no rights and liabilities in respect of any of the aforesaid contracts / arrangements transferred to the Resulting Company for the period after the Demerger Appointed Date.
- 21.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised without requirement of any consent, approval or authority of the Demerged Company, whether in writing or verbal, to execute any such writings in place and substitution of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above.
- 21.3 Upon the coming into effect of the Scheme, all powers of attorney given, issued or executed by the Demerged Company, in relation to the Demerged Undertaking, in favour of any person shall cease to have effect without any further act, deed or instrument.
- 21.4 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Demerger Appointed Date, all consents, permissions, certificates, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company, as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.
- 21.5 On and from the Effective Date, the Resulting Company shall, in its own right, be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company but for the benefits and entitlement of

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AUTHORISED SIGNATORIES



the Resulting Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the parties concerned.

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

22. LEGAL PROCEEDINGS

- 22.1 Without limiting the generality of Clause 17.1, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date, all suits, claims, actions, appeals and legal proceedings of whatever nature pending and / or arising after the Demerger Appointed Date in relation to the Permitted Encumbrances and all suits, claims, actions, appeals and legal proceedings of whatever nature in relation to the Demerged Undertaking arising after the Demerger Appointed Date and pertaining to the period commencing on or after the Demerger Appointed Date, in any court or before any authority, judicial, quasi-judicial or administrative or any adjudicating authority or any arbitral tribunal, by or against the Demerged Company in relation to the Demerged Undertaking shall be continued and/ or enforced until the Effective Date as desired by the Resulting Company and on and from the Effective Date and after giving effect to Part II of the Scheme, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suits, appeals or other legal proceeding shall be continued and/or enforced by or against the Resulting Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or had arisen and/or were pending by or against the Resulting Company.
- 22.2 On and from the Effective Date, and with effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as it would or might have been initiated by the Demerged Company, as the case may be, had the Scheme not been made.
- 22.3 On and from the Demerger Appointed Date and after giving effect to Part II of the Scheme, if any proceedings are taken by or against the Demerged Company in relation to the Demerged Undertaking pertaining to the period commencing on or after the Demerger Appointed Date, the Demerged Company shall till the Effective Date continue and/or defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 22.4 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in relation to the Permitted Encumbrances and in relation to the Demerged Undertaking pertaining to the period commencing on or after the Demerger Appointed Date referred to in Clause 22.1 above transferred to its name on and after the Effective Date, and after giving effect to Part II of the Scheme, and to have the same continued, prosecuted and enforced by or against the

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Resulting Company as the case may be, to the exclusion of the Demerged Company.

- 22.5 Notwithstanding the above, in case the proceedings referred to in Clause 22.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Demerged Company shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

23. TAXES

- 23.1 Without limiting the generality of Clause 17.1, upon the Scheme becoming effective, and with effect from the Demerger Appointed Date and after giving effect to Part II of the Scheme, all taxes, duties, cess of any nature (including income-tax, sales tax, excise duty, customs duty, service tax, VAT etc.) paid or payable, including any tax deduction or collection at source, service tax input credit receivables, by the Demerged Company in relation to the Demerged Undertaking and relating to the period after the Demerger Appointed Date until the Effective Date, shall be deemed to have been on account of or on behalf of or paid or payable by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 23.2 On the Scheme becoming effective and after giving effect to Part II of the Scheme, the Demerged Company and the Resulting Company may revise their respective returns pertaining to income tax, service tax, sales tax, VAT and other tax returns, and claim refunds and/or credits including credits relating to tax deducted at source, as applicable pursuant to the provisions of this Scheme.

24. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 24.1 With effect from the Demerger Appointed Date and till the Effective Date:
- 24.1.1 The Demerged Company shall carry on and shall be deemed to have carried on, all the business, activities and operations relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the assets, properties and liabilities of the Demerged Undertaking on account of, and/or on behalf of and/or for the benefit of, and/or in trust for, the Resulting Company.
- 24.1.2 All the profits or incomes accruing or arising to the Demerged Company and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Demerged Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Resulting Company.
- 24.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to the Demerged Company, shall be deemed to have been exercised by the Demerged Company for and on behalf of and as an agent for the Resulting Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for the Resulting Company.

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AUTHORISED SIGNATORIES



25. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking of the Demerged Company under this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Company on or after the Demerger Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things made, done and executed by the Demerged Company in relation to the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

26. ISSUE OF SHARES BY RESULTING COMPANY

26.1 Issue of Shares:

26.1.1 In consideration of the transfer and vesting of the Demerged Undertaking to and in the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act, instrument or deed and without any payment but subject to applicable law, after the Effective Date after giving effect to Part III of this Scheme, issue and allot to the members of the Demerged Company whose names appear on the Register of Members of the Demerged Company on the Record Date or to his / her / their respective heirs, executors, administrators or, as the case may be, successors, equity shares of the Resulting Company as under:

1,78,47,420 (One Crore seventy eight lakhs forty seven thousand four hundred and twenty) equity shares of the face value of INR 2/- (Rupees Two), each fully paid-up, of the Resulting Company to be issued on a proportionate basis to members or his / her / their respective heirs, executors, administrators or, as the case may be, successors holding fully paid-up equity shares in the Demerged Company on the Record Date. The new equity shares to be issued by the Resulting Company under this Clause are in this Scheme referred to as the "New Equity Shares".

26.1.2 The New Equity Shares to be issued and allotted by the Resulting Company to equity shareholders of the Demerged Company under Clause 26.1.1 above shall be subject to adjustments to take into account any corporate actions including but not limited to issuances of bonus shares, stock splits, and stock consolidation but excluding any dividend announced or to be announced on the shares of the Resulting Company prior to the Effective Date.

26.1.3 No fractional shares shall be issued by the Resulting Company. Fractional entitlements, if any, arising shall be rounded off to the nearest integer. A fraction of less than half shall be rounded down to the nearest lower integer and a fraction of half or more shall be rounded up to the nearest higher integer.

26.1.4 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Resulting Company shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with Clause 26.1.1. The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company, under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act, and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, shall also be deemed to be the approval by the shareholders under the provisions of Section 62 of the Companies Act, 2013 and all other applicable provisions of the Act and applicable law for the purpose of subscription and issuance and allotment of the New Equity Shares in accordance with the Scheme. It

For HERITAGE FOODS LIMITED

AUTHORISED SIGNATORIES



is clarified that no additional special resolution under Section 62(1)(c) of the Companies Act, 2013 or any other provision of the Act or applicable law shall be required to be passed for issuance and allotment of the New Equity Shares under this Scheme.

26.2 Issue in Dematerialized Form:

26.2.1 All New Equity Shares to be issued and allotted under Clause 26.1.1 by the Resulting Company shall be issued in dematerialized form.

26.2.2 If the requisite details of the account of any shareholder with a depository participant are not recorded with the Demerged Company, such shareholder concerned will be required to provide the said details to enable the Resulting Company to allot the New Equity Shares in dematerialized form to the concerned shareholder.

26.3 New Equity Shares to rank pari passu:

26.3.1 The New Equity Shares issued and allotted in terms of this Scheme shall rank pari passu in all respects with the existing equity shares of the Resulting Company including in respect of dividends, if any, that may be declared by the Resulting Company on or after the Effective Date.

26.3.2 It is clarified that the aforesaid Clause 26.3.1 in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of the Resulting Company and the Demerged Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Resulting Company and the Demerged Company and subject to the approval of the shareholders of the Resulting Company and the Demerged Company.

26.4 Listing:

26.4.1 The New Equity Shares issued by the Resulting Company will be listed and/or admitted to trading on the Stock Exchanges where the shares of the Resulting Company are listed and/or admitted to trading and all necessary applications will be made in this aspect by the Resulting Company.

26.4.2 The New Equity Shares allotted by the Resulting Company pursuant to the Scheme, shall remain frozen in dematerialized form for listing and trading on respective Stock Exchanges pending permissions for the same from the respective Stock Exchange.

26.5 Resulting Company to obtain necessary approvals:

The Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals of the concerned Governmental Authority for the issue and allotment of the New Equity Shares.

27. REMAINING UNDERTAKING OF THE DEMERGED COMPANY

27.1 The Remaining Undertaking of the Demerged Company including all the properties and assets, investments in all subsidiaries, debts, liabilities and obligations of the Demerged Company, relating to the Remaining Undertaking of the Demerged Company and which do not form part of the

For HERITAGE FOODS LIMITED

AUTHORISED SIGNATORIES



- 27.1 Demerged Undertaking shall continue to belong to and remain vested in the Demerged Company.
- 27.2 The Demerged Company shall be entitled to carry on its business and activities pertaining to the Remaining Undertaking of the Demerged Company in such manner as it may deem fit and proper and nothing herein contained shall affect the business and activities of the Demerged Company in relation to the Remaining Undertaking of the Demerged Company. Further, the Demerged Company shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking of the Demerged Company for and on its own behalf.
- 27.3 All assets and properties acquired by the Demerged Company at any time including on and after the start of business on the Demerger Appointed Date, shall, to the extent that the same do not relate to the Demerged Undertaking, form part of the Remaining Undertaking of the Demerged Company.
- 27.4 All liabilities, debts and obligations incurred by or arising against the Demerged Company at any time including on and after the start of business on the Demerger Appointed Date, shall, to the extent that the same do not relate to the Demerged Undertaking, form part of the Remaining Undertaking of the Demerged Company.
- 27.5 The Demerged Company shall be entitled to enter into such contracts as the Demerged Company may deem fit and proper in respect of the Remaining Undertaking of the Demerged Company.
- 27.6 All the profits or incomes accruing or arising and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Demerged Company in relation to the Remaining Undertaking of the Demerged Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes, or as the case may be, expenditure or losses (including taxes) of, the Demerged Company.
- 27.7 All the legal and other proceedings by or against the Demerged Company under any statute, whether pending on the Demerger Appointed Date or which may be instituted after the Demerger Appointed Date, whether or not relating to the Demerged Undertaking of the Demerged Company, shall be continued and enforced by or against the Demerged Company.

28. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 28.1 The Resulting Company shall account for the demerger in its books of account as per the applicable accounting principles prescribed under Indian accounting standards (IND AS) prescribed under the Act.

29. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

- 29.1 Pursuant to the Demerger, the Demerged Company shall transfer and reduce its assets and liabilities by the values of assets and liabilities (including any directly attributable transaction costs) relating to the Demerged Undertaking appearing in the books of accounts of the Demerged Company, immediately before the Demerger, with the resulting adjustment to be recorded in the capital reserve account.

30. ACCOUNTING TREATMENT IN THE BOOKS OF THE SHAREHOLDERS OF DEMERGED COMPANY

For HERITAGE FOODS LIMITED

AUTHORISED SIGNATORIES



- 30.1 The adjustment required in the book value of investment in the Demerged Company for reduction by the value of the net assets transferred by Demerged Company to Resulting Company, shall be recorded as cost of the New Equity Shares issued by the Resulting Company.

PART IV

REDUCTION OF CAPITAL THROUGH CANCELLATION OF SHARES OF DEMERGED COMPANY HELD BY ITS EXISTING SHAREHOLDERS AND UTILISATION OF SECURITIES PREMIUM ACCOUNT

31. REDUCTION OF SHARE CAPITAL OF DEMERGED COMPANY

- 31.1 On and from the Effective Date, and with effect from the Demerger Appointed Date and after giving effect to Part II and Part III of the Scheme, the issued, subscribed and paid-up equity share capital of the Demerged Company shall, without any further application, act, instrument or deed and without any payment, be reduced.
- 31.2 On and from the Effective Date and with effect from the Demerger Appointed Date, the balance in the Securities Premium Account of the Demerged Company shall be adjusted against the debit balance of Capital Reserve Account of the Demerged Company. The debit balance, if any, in the Capital Reserve Account of the Demerged Company, post the adjustment of Securities Premium Account, shall be adjusted against the equity share Capital, as per Clause 31.1. The above reduction of equity share capital shall be carried out by reducing the number of shares held by existing shareholders of the demerged company on a proportionate basis.
- 31.3 Such reduction of Equity Share Capital and Securities Premium Account of the Demerged Company as provided in Clause 31.1 above, shall be effected as an integral part of the Scheme on the Effective Date and the order of the High Courts sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act, 1956, and/or Section 66 of the Companies Act, 2013, as may be applicable, confirming the reduction in share capital of the Demerged Company, and no separate sanction under Sections 100 to 103 of the Companies Act, 1956 and/or Section 66 of the Companies Act, 2013, as may be applicable, and Section 52 of the Companies Act, 2013 will be necessary.
- 31.4 The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Companies Act, 1956 and/or Section 66 of the Companies Act, 2013, will not be applicable.
- 31.5 Notwithstanding the reduction of the issued, subscribed and paid-up equity share capital of the Demerged Company, it shall not be required to add the words "And Reduced" as suffix to its name.

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AUTHORISED SIGNATORIES



PART V**GENERAL TERMS AND CONDITIONS****32 APPROVALS**

- 32.1 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and operate the Retail Undertaking and the VetCa Undertaking to be transferred to them under this Scheme.
- 32.2 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority and all agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and operate the Demerged Undertaking to be transferred to it under this Scheme.

33 ADMINISTRATIVE CONVENIENCE

- 33.1 Notwithstanding anything contained in other clauses of this Scheme, the Transferor Company, the Demerged Company and the Resulting Company, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transitions of the business from the Transferor Company to the Transferee Company, and from the Demerged Company to the Resulting Company.
- 33.2 Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other applicable laws, the Transferor Company, the Demerged Company and the Resulting Company, may enter into such documents, agreements, arrangements and make applications to various authorities, regulatory bodies to facilitate the sharing of, inter alia any common services, employees, intellectual properties and other assets (whether moveable or immoveable).

34 MODIFICATION OF SCHEME

- 34.1 Each of the Transferor Company, the Demerged Company and the Resulting Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf (hereinafter referred to as the "Delegate") may together assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the High Courts or any Government Authority may deem fit to approve of or impose and which the Companies may in their discretion accept, or such modifications or amendments or additions as the Companies or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by the High Courts, and the Companies by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions may be imposed by the High Courts or any authorities, which the Companies find unacceptable for any reason, then the Companies shall be at liberty to withdraw the Scheme. The aforesaid powers of the Companies may be exercised by the Delegate of the respective Companies. It is clarified that any modification or amendment to the Scheme by the Companies, after the sanction by the High Courts, shall only be made with the prior consent of the

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AUTHORISED SIGNATORIES



High Courts.

- 34.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

35 FILING OF APPLICATIONS

- 35.1 Each of the Companies shall with all reasonable dispatch, make and file all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, before the respective High Court for sanction of this Scheme and each of the Companies shall obtain all requisite approvals as may be required under law to give effect to the Scheme.

36 CONDITIONALITY OF SCHEME

- 36.1 This Scheme is conditional upon and subject to:

36.1.1 The Scheme being approved by the requisite majority of the members and/or creditors of the Companies and/or by such other persons as may be required under the Act and as directed by the High Courts;

36.1.2 The requisite sanctions and approvals of any Governmental Authority including Stock Exchanges, the Securities and Exchange Board of India, and the Competition Commission of India, as may be required by law, in respect of the Scheme being obtained;

36.1.3 The sanction of this Scheme by the High Courts;

36.1.4 Copies of the orders of the High Courts sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Andhra Pradesh and Telungana;

36.1.5 The Scheme being approved by the Stock Exchanges in terms of Regulations 37 and 94 of the SEBI LODR Regulations and the SEBI Circular.

37 EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 37.1 In the event of the Scheme not being sanctioned by the High Courts and/or the order or orders not being passed by December 31, 2017, or by such later date as may be agreed by the respective Boards of Directors of the Companies, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

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38 CHANGE IN OBJECTS CLAUSE OF FRL

- 38.1 With effect from the Demerger Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Resulting Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of Demerged Undertaking, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. The following clause shall be added to the Memorandum of Association of the Resulting Company in addition to its main object clause:

- "i. *To manufacture, process, prepare, preserve, refine, bottle, buy, sell and deal whether as wholesaler or retailers or as exporters or importers or as Principals or agents or as keepers or dealers in all kinds of milk products, including Cheese, Butter, Ghee, Ice creams, Baby foods, Instant foods and any by-products or co-products thereof and to carry on the business and setting up of dairy farms, milk processing plants, food processing plants, cold storage plants, research laboratories, packing units, bottling plants and to manufacture and deal in all kinds and varieties of foods for human or animal consumption.*
- ii. *To carry on the business of manufacturers, millers, grinders, rollers, processors, tankers, packers and preserves, and dealers of all foods from agriculture products, dairy products, horticulture and poultry products, fruits, vegetables, flowers, meats, processed meat scanned and tinned and processed foods, fast foods, processed fish and sea foods, frozen foods, potential foods, health and instant foods of all kinds, including baby and dietic foods, cereals, beverages, restoratives and aerated mineral waters and food stuffs and consumable provisions and to extract by-products, derivatives food preparations of every kind and description."*

- 38.2 For the purposes of amendment in the Memorandum of Association of the Resulting Company as provided in this clause, the consent / approval given by the shareholders of the Resulting Company to this Scheme pursuant to Section 391 of the Companies Act, 1956 and any other applicable provisions of the Act and/or Sections 230 to 232 of the Companies Act, 2013 and other provisions under the Companies Act, 2013, as may be applicable, shall be deemed to be sufficient and no further resolution of members of FRL as required under the provisions of Sections 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association of the Resulting Company.

39 SEVERABILITY

- 39.1 Each Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each part in each Section is independent of each Section and is severable. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

40 COSTS, CHARGES AND EXPENSES

- 40.1 All costs, charges, and all expenses of the Transferor Company, the Demerged Company and the Resulting Company arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by the Transferor Company and the Resulting Company as mutually agreed between them.

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SCHEDULE I

LIST OF PERMITTED ENCUMBRANCES

Serial No.	Case Reference	Name of counterparty	Immovable property involved	Land in acres / Amount in Rupees involved
1.	O.S. 11 of 2016	K. Pochaya	S.No. 127 Advi Majeed Village, Mulugu Mandal, Medak District	1.17 acres
2.	O.S. No. 225/2009	B. Chandra	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No.28 Gundisetipalli Village	0.1 acres
3.	I.A. No. 1130 / 2009	B. Chandra	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28 Gundisetipalli Village	0.1 acres
4.	I.A. No. 1161 / 2009	B. Chandra	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28 Gundisetipalli Village	0.1 acres
5.	I.A. No. 1081 / 2009	B. Chandra	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28 Gundisetipalli Village	0.1 acres
6.	Caveat	B. Chandra	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28 Gundisetipalli Village	0.1 acres
7.	Order in ROC.A/26/2010 Dt. /09/2010 issued by Tahasildar, Shanthipuram Mandal	Revenue Divisional Office, Madanapalli	S.No. 139/2 Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28.Gundisetipalli Village	INR 3,11,092
8.	.	Revenue Divisional Office, Madanapalli	S.Nos: 134/3, 138/3, 136/3, 138/1B. Chittoor District, Kuppan Sub Reg. District Santhipuram Revenue Mandal Mattam Grampanchayat, No. 28 Gundisetipalli Village	6.86 acres

9. Financial Lease:

HPL has acquired Servers and related accessories from CISCO SYSTEMS (INDIA) PVT LTD on a financial lease starting June 10, 2015 for a period of 60 months ending March 10, 2020. Installments are paid on a quarterly basis for which post-dated cheques have been issued to CISCO SYSTEMS (India) PVT LTD. The Principal outstanding as on October 31, 2016 is INR 1,31,48,034 (One crore Thirty one lakhs Forty eight thousand and Thirty four Rupees).

For HERITAGE FOODS LIMITED


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**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

V. Anna Poorna
V. ANNA POORNA
Asst. DIRECTOR
NCLT, HYDERABAD - 68