

**MEMORANDUM
OF ASSOCIATION
OF
ZUARI AGRO CHEMICALS LIMITED**



सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Goa
Company Law Bhawan, EDC Complex Plot No. 21, Goa, India, 403001

Corporate Identity Number: L65910GA2009PLC006177

SECTION 13(1) OF THE COMPANIES ACT, 2013

**Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)**

The shareholders of M/s ZUARI AGRO CHEMICALS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 14-09-2020 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Goa this Fourth day of December Two thousand twenty.



ANU SINGH

Registrar of Companies
RoC - Goa

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

ZUARI AGRO CHEMICALS LIMITED

JAI KISAAN BHAWAN, ZUARINAGAR, Goa, India, 403726



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, गोआ, दमन एवं दयू

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65910GA2009PLC006177

मैसर्स ZUARI HOLDINGS LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
ZUARI HOLDINGS LIMITED

जो मूल रूप में दिनांक दस सितम्बर दो हजार नौ को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
ZUARI HOLDINGS 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.आर.एन B57345357 दिनांक 28/09/2012 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
ZUARI AGRO CHEMICALS LIMITED

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

यह प्रमाण-पत्र गोआ में आज दिनांक अठाईस सितम्बर दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Goa, Daman and Diu

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U65910GA2009PLC006177

In the matter of M/s ZUARI HOLDINGS LIMITED

I hereby certify that ZUARI HOLDINGS LIMITED which was originally incorporated on Tenth day of September Two Thousand Nine under the Companies Act, 1956 (No. 1 of 1956) as ZUARI HOLDINGS 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 B57345357 dated 28/09/2012 the name of the said company is this day changed to ZUARI AGRO CHEMICALS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Goa this Twenty Eighth day of September Two Thousand Twelve.

Signature valid
Digitally signed by
Registrar of Companies,
Goa, Daman and Diu
Date: 2012.09.28 13:25:45
GMT+05:30

Registrar of Companies, Goa, Daman and Diu

कम्पनी रजिस्ट्रार, गोआ, दमन एवं दयू

*Note: The corresponding form has been approved by SRIDHAR PAMARTHI, 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:

ZUARI AGRO CHEMICALS LIMITED
JAI KISAAN BHAWAN, ZUARINAGAR - 403726,
Goa, INDIA





प्रारूप 1

पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U65910GA2009PLC006177

2009 - 2010

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

ZUARI HOLDINGS LIMITED

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

यह निगमन-पत्र आज दिनांक दस सितम्बर दो हजार नौ को मेरे हस्ताक्षर से गोआ में जारी किया जाता है।

Form 1

Certificate of Incorporation

Corporate Identity Number : U65910GA2009PLC006177

2009 - 2010

I hereby certify that ZUARI HOLDINGS LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Goa this Tenth day of September Two Thousand Nine.



Sanjay Kumar Gupta

(SANJAY KUMAR GUPTA)

कम्पनी रजिस्ट्रार / Registrar of Companies

गोआ, दमन एवं द्यू
Goa, Daman and Diu

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

ZUARI HOLDINGS LIMITED

JAI KISAAN BHAWAN, ZUARINAGAR - 403726,

Goa, INDIA



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

कॉर्पोरेट पहचान संख्या : U65910GA2009PLC006177

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
ZUARI HOLDINGS LIMITED

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

यह प्रमाण-पत्र आज दिनांक इकतीस दिसम्बर दो हजार नौ को मेरे हस्ताक्षर से गोआ में जारी किया जाता है।

Certificate for Commencement of Business

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

Corporate Identity Number : U65910GA2009PLC006177

I hereby certify that the ZUARI HOLDINGS LIMITED which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Tenth day of September Two Thousand Nine , and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Goa this Thirty First day of December Two Thousand Nine.



संजय कुमार गुप्ता
(SANJAY KUMAR GUPTA)

कम्पनी रजिस्ट्रार / Registrar of Companies
गोआ, दमन एवं दयू
Goa, Daman and Diu

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

ZUARI HOLDINGS LIMITED
JAI KISAAN BHAWAN, ZUARINAGAR - 403726,
Goa, INDIA

174650281

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION**
OF
ZUARI AGRO CHEMICALS LIMITED*

- I. The name of the Company is ZUARI AGRO CHEMICALS LIMITED.*
- II. The Registered Office of the Company will be situated in the State of Goa.***
- III. The objects for which the Company is established are :-**

(A) MAIN OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED

1. To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of fertilisers, organic fertilisers, inorganic fertilisers, agricultural chemicals, manures, their mixtures and formulations and any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof, and any and all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used, including but not limited to water soluble fertilisers and agricultural and industrial chemicals of all kinds, and industrial and other preparations or products arising from or required in the manufacture, refining etc. of any kind of water soluble fertilisers, fertiliser, manure, their mixtures and formulations.
2. To purchase, acquire, own, take lease and operate any land including agricultural land, farms, fields or to vest any real or personal property, rights or interests acquired by or belonging to the company in any person or company on behalf or for the benefit of the Company, for setting up of and engage in research and development centers, research stations, laboratories, green houses, processing centres for the purpose of development and improvement of the products including any poultry, animal products, sea foods, vegetables, fruits and fruit products and to use the acquired or leased land, for agricultural purposes including making land fit for cultivation, cultivation of land, improvement of land, development of sources of irrigation, raising and harvesting of crops, horticulture, forestry, planting and farming, cattle breeding, animal husbandry, dairy farming, seed farming, pisciculture, apiculture, sericulture, piggery, poultry farming and such other activities as are generally carried in relation to agriculture, dairy farming, cattle breeding, poultry farming and other categories in similar activities including marketing of agricultural products, their storage and transport and the acquisition of implements and machinery in connection with any such activity, which is necessary for carrying the business of the company.

** Amended vide Special Resolution passed at the Extraordinary General Meeting held on 10th September, 2012.*

*** Adopted in line with the provisions of Companies Act, 2013 vide Special Resolution passed at the 11th Annual General Meeting held on 14th September, 2020.*

**** Members at the 14th Annual General Meeting held on 27th September, 2023 have approved the shifting of the registered office from the "State of Goa" to "State of Haryana" and consequent alteration of Clause II of Memorandum of Association of the Company, subject to the approval of the Central Government (Regional Director) and any other Authorities.*

3. To carry on the business of manufacturers, producers, refiners, processors, miners, exporters, importers, buyers and sellers of, and dealers in and with all and any fats, dips, sprays, vermifuges, fungicides, insecticides, germicides, disinfecting preparations, fumigators, medicines and remedies of all kinds for agricultural, trees and fruit growing, gardening and other purposes and whether produced from vegetable, mineral, gaseous, animal or any other matters or substances by any process whether chemical, mechanical, electrical or otherwise.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS.

1. To acquire, buy, hold, sell, transfer, hypothecate, deal in and dispose of properties of all kind and descriptions movable and immovable including shares, stocks, debentures stocks, bonds, obligations or securities by original subscription, tender, purchase, exchange, or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
2. To establish, subsidise, promote and assist Companies, syndicates, and firms carrying on business similar to those of this Company and to acquire and dispose of shares and interest in such Companies.
3. To act as agent for the investment, loan, payment, transmission and collection of money and for the purchase, sale and improvement, development and management of property and generally to transact financial matters.
4. To carry on the business of investment, holding and Investment Trust Company and for that purpose to invest in, acquire, underwrite, subscribe for, hold shares, bonds, stocks, securities, debentures, debenture stocks issued or guaranteed by any Company constituted and carrying on business in India or elsewhere; any Government, state, union territory, sovereign, Central or Provincial Commissioners, public body or authority, supreme, municipal, local or otherwise whether in India or elsewhere.
5. To carry on any other business (whether investment, holdings or otherwise), which may seem to the Company capable of being conveniently carried on in connection with the Company's objects or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account, any property, real or personal, belonging to the Company, or in which the Company may be interested.
6. To apply for and get admission to the membership of one or more recognized stock exchanges in India including the National Stock Exchange and Over the Counter Exchange of India.
7. To apply for membership or become a member of any company, association, society or body corporate having any objects similar to or identical with those of the company, or likely directly or indirectly to promote the interests of the Company.

- 8.** A To invest money (not amounting to banking business) on personal security or on the security of leasehold and freehold land, shares, securities, stock, merchandise and other properties and assets and generally to lend and advance money to such persons, firms, or Companies and upon such terms and subjects to such conditions as may seem expedient and to invest in and otherwise deal in gold, silver, and other precious metals and all articles and merchandise of all kinds either ready or for forward delivery and to carry on and transact every kind of guarantee and indemnity business and to undertake obligations of every kind and description and also to undertake trust of all kind.

B To enter in to market and perform contracts of every kind and description, agreement and arrangement with any Person, Firm, Association, Corporation, Municipality, Country, State, Body Politic or Government or colony or dependency thereof.
- 9.** To carry on business as importers, exporters, buyers and sellers of and merchants and dealers in and manufacture of merchandise, goods, materials and machinery of all kinds, spare parts, accessories and equipments.
- 10.** To carry on the activities of bill discounting, factories, dealing in commercial paper, treasury bills, certificate of deposits and other financial services.
- 11.** To employ experts to investigate and examine into the terms and conditions, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, investments proposals, projects, property or rights.
- 12.** To purchase, take on lease or licence or in exchange hire or otherwise any real and/ or personal property and any rights or privileges, which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company.
- 13.** To promote, form or acquire company(ies), industry(ies) and to take purchase or acquire shares or interest in any company and to transfer any such company any property of this company and to take or otherwise acquire, hold and dispose of or otherwise deal in and invest in any shares, debentures and other securities in or of any company or companies either out of its own funds or out of funds it might borrow by issue of debentures or from bankers or otherwise howsoever or in any other manner whatsoever and to subsidise or otherwise assist any such company.
- 14.** To let on lease or on hire-purchase system or to lend or otherwise dispose of any property belonging to the Company, and to finance the purchase of any article or articles, whether made by the Company or not, by way of loans or by the purchase of any such article or articles, and the letting thereof on the hire-purchase system or otherwise howsoever.
- 15.** To sell, lease, mortgage, grant licences, easements and other rights over and in any other manner whatsoever, to transfer deal with or dispose of, the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration as the Company, may think fit and, in particular, for shares, stocks, debentures, or other securities of any other company, whether or not having objects altogether or in part similar to those of the Company.
- 16.** To amalgamate, enter into partnership or into any arrangement for sharing profits or losses, union of interests, co-operation, joint venture or reciprocal concession, or for limiting competition with any person, firm or company carrying on or engaged in or about

to carry on or engage in or being authorised to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

- 17.** To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any person, firm or Company, carrying on or proposing to carry on any business which this Company is authorised to carry on, or possessed of property or rights suitable for any of the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to purchase, acquire, sell and deal in property, shares, stocks, debenture-stock of any such person, firm or company, and to conduct, make or carry into effect any arrangements in regard to the winding up of the business of any such person, firm or company.
- 18.** To establish or promote or concur or be interested in establishing or promoting any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company of or for any other purpose whatsoever and to transfer to any such Company any property of this Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other Company and to subsidise or otherwise assist any such other Company.
- 19.** To pay for any rights or property acquired by the Company and to remunerate any person or company whether by cash payment or by allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
- 20.** To acquire, hold, use, sell, assign, lease, grant licences in respect of mortgage, pledge or otherwise dispose of in any part of the world any patents of India, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks, trade names, concessions and formulas, of any mixture whatsoever, and apply for, purchase, or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, brevets d'invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, right or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights and without prejudice to the generality of the above any contracts, monopolies or concessions for or in relation to the supply and sale of any minerals, metals, products or other substances, materials, articles or things or equipment for or in relation to the construction, execution, carrying out, improvement, management, administration or control of any works and conveniences required for the purpose of carrying out, any of the businesses which the Company is entitled to carry on and to undertake, execute, carry out, dispose of, or otherwise turn to account, such contracts, monopolies or concessions.
- 21.** To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence, or authorisation of any Government, State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company, or for any other purpose which may seem expedient,

and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the interests of the Company.

- 22.** To acquire from any person, firm or body corporate whether in India or elsewhere, financial information, technical information, know-how processes, engineering, manufacturing and operating data, plans, layouts and blue prints useful for any of the business of the Company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.
- 23.** Subject to Section 181 of the Companies Act 2013, to make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Company, and also to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or political or other institutions objects or for any exhibition or for any public, general or other objects.
- 24.** To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident, pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pension, allowances or emoluments to any persons, who are or were at any time in the employment or service of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time the Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and to any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- 25.** To give to any officers, servants or employees of the Company any share or interest in the profits of the Company's business or any branch thereof, and whether carried on by means or through the agency of any subsidiary company or not, and for that purpose to enter into any arrangements the Company may think fit.
- 26.** To train or provide the training in India or abroad of any of the Company's employees or any candidate in the interest of or for furtherance of the Company's objects.
- 27.** To provide residence and/or residential facilities for employees and others, and in connection therewith to afford to such persons facilities and conveniences for washing, bathing, cooking, reading, writing and finding employment, and for the purchase, sale and consumption of provisions, both liquid and solid, and for the safe custody of goods.
- 28.** To refer or agree to refer any claim, demand, dispute or any other question, by or against the Company, or in which the Company is interested or concerned, and whether between the Company and the member or members or his or their representatives, or between the Company and third parties, to arbitration in India or at any place outside India, and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.

- 29.** To pay all expenses of and all costs, charges and expenses with respect to the promotion, formation and registration of the Company and/ or the issue of its capital or which the Company shall consider to be preliminary, including therein the cost of advertising, printing and stationery and commission for obtaining application for taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company and expenses attendant upon the formation of agencies, branches and local boards.
- 30.** Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures or other securities of the Company or by the granting of options to take the same, or in any other manner allowed by law.
- 31.** Subject to Section 73/76 of the Companies Act, 2013 and Rules made thereunder and directives from RBI from time to time, to borrow or raise money, or to receive money on deposit or loan at interest or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and convertible into shares of this or any other company or not and to secure the repayment of any such money borrowed, raised, or received, or owing by mortgage, pledge, charge or lien upon all or any of the property, assets or revenue of the Company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase, redeem or payoff any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or other person, firm or company of any obligation undertaken by the Company or any other person, firm or company as the case may be.
- 32.** To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the repayment of money of or by any such persons or companies and generally to give guarantees and indemnities.
- 33.** To invest any moneys of the Company not for the time being required for any of the purposes of the Company in such investments (other than shares or stocks in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments.
- 34.** To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the Company and to obtain and justify public confidence and to avert or minimise financial disturbances which might affect the Company.
- 35.** To confer upon any encumbrances or trustee for any encumbrances of uncalled capital, such powers of making and enforcing calls and of voting the transfer of shares not fully paid up as may be thought fit.
- 36.** To issue or guarantee the issue of or the payment of interest on the shares, debentures, debenture stock or other security or obligations of any -company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue.

37. To draw, make, accept, endorse, discount, execute and issue and negotiate bills of exchange, hundies, bills of lading, promissory notes, warrants, debentures and other negotiable or transferable instruments or securities.
38. To receive money on deposit with or without allowance of interest thereupon and to guarantee the debts and the contracts of customers and others.
39. To subsidise, assist, and guarantee the payment of money by or the performance of any contract, engagement or obligation by any person or companies and in particular, customers of the Company or any person or companies with whom the Company may have or intend to have business relations.
40. To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the company and with or without any declared trust in favour of the Company.
41. To act as agents or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world and as principals, agents, contractors or trustees or otherwise and by or through agents, sub-contractors or trustees or otherwise and either alone or jointly with others.
42. 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.
43. To carry on any business or branch of a business which this Company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangements, which may seem desirable with reference to any business or branch so carried on, including power at any time either temporarily or permanently to close any such business or branch and to appoint Directors or Managers of any such subsidiary company.
44. To do all or any of the above things either as principals, agents, trustees, contractors or otherwise and either by or through agents, sub-contractors, trustees or otherwise, and either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the above objects.
45. To do all and everything necessary suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporate bodies, firms or individuals, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws of the Union of India.
46. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the upliftment of the public in any rural area and to incur an expenditure on any programme of rural development and to assist in the execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the

generality of the foregoing, "programme of rural development" shall also include any programme for promoting the social and economic welfare or the upliftment of the public in any rural area which the directors consider it likely to promote and assist rural development and that the word "Rural area" shall include such areas as may be regarded as rural areas under section 35CC of the Income Tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion, in order to implement, any of the abovementioned objects or purposes, transfer with out consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the company to /or in favour of any public or local body or authority or Central or State government or any public institutions or trusts or funds as approved by the Central or State Government(s) or any authority specified in that behalf from time to time.

- 47.** To carry on other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently carried on in connection with the Companies other or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account, any property, real or personal, belonging to the Company, or in which the Company may be interested.
- 48.** To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, receptacles, substances, materials, articles and things necessary or convenient for carrying on any of the business or processes of the Company usually dealt in by persons engaged in the like business or processes.
- 49.** To buy, sell, manufacture, refine, manipulate, import, export, and deal in substances, apparatus and things capable of being used in any business of the Company or required by any customers or persons having dealings with the Company.
- 50.** To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale any goods from time to time belonging to the company.
- 51.** To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, property or right.
- 52.** To purchase, take on lease or license or in exchange hire or otherwise any real and/or personal property and any right to privileges, which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any property of the Company and, in particular, any land (freehold, leasehold or other tenure), buildings, easements, machinery, plant and stock-in-trade and on any such lands to erect buildings, factories, shed, godowns, or other structures for the works and purposes of the Company, and also for the residence and amenity of its employees, staff and other workmen and erect and install machinery, plant and other equipment deemed necessary or convenient or profitable for the purpose of the company and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
- 53.** To build, construct, maintain, enlarge, pull down, remove or repair, improve or develop and to work manage and control any buildings, offices, factories, mills, foundries, refineries, furnaces, godowns, warehouse, shops, machinery, engines, roads, ways, railway, tramways, roadways, or other means of transport, sidings, bridges, reservoirs, dams, water-courses, water system, wharves, electrical works, gas work, or work

operated by any other kind of power and also some other machinery, equipment, conveyances, works and conveniences which may seem calculated directly or indirectly to advance the interests of the Company and to subsidies contribute or otherwise assist or take part in doing of this things and/or to join with any other person or company or with any Government or Government authority in doing any other things.

- 54.** To carry on the business of a waterworks Company in all its branches and to sink wells and shafts, and to make, built and construct, lay down and maintain, reservoirs, waterworks, cisterns, culverts, filter beds, main and other pipes and appliances and to execute and do all works and things necessary or convenient for obtaining, storing, selling, delivering, measuring, and distributing water for purposes of the Company.
- 55.** To enter in to arrangement with Government or Authority, Central, State, Local or Foreign or Public body, or person or authority, or from any private individual that may seem conducive to the Companies object or any of them and to obtain from any such Government Authority, person or Company concession, grants, decrees, rights, charters, contracts, licenses, powers, and privileges whatsoever which may seem to the Company capable of being turned to account or with the Company may think directly or indirectly conducive to any of its object or capable of being carried on in connection with its business, and to work, develop, carry out, exercise and turn to account the same.
- 56.** To establish, maintain and conducts training schools, courses and programs in connection with the sale, installation, use, maintenance, improvement or repair of machines, apparatus, appliances or product and of articles, required in the use thereof or used in connection therewith by the Company, and establish, provide, maintain and conduct, or otherwise subsidies research laboratory and experiments, and to undertake and carry on with all scientific and technical research, experiments, and test of all kind and to promote studies and research, both scientific and technical, investigation and invention by providing, subsidizing endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of exhibitions, scholarship, prize and grants to students or otherwise and generally to encourages, promote and review studies, researches, investigation, experiments, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
- 57.** To train or pay the training in India or abroad of any of the Company's employees or any candidate in the interest of or for furtherance of the Company's objects.
- 58.** Subject to the provisions of the Section 123 of the Companies Act, 2013, or any other law time being in force, to distribute in specie or otherwise as may be resolved any property or asset of the Company or any process of sale or disposal of any property or asset of the Company including the shares, debentures, or other securities of any other Company formed to take over the whole or any part of the assets or liability of the Company but so that no distribution amounting to a reduction of the capital be made except with the sanction (if any) for the time being required by law.
- 59.** To purchase, manufacture, produce, refine, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer or otherwise dispose of, trade, deal in and deal with any and all kinds of chemicals and source materials, ingredients, mixtures, derivatives, and compounds thereof, and any and all kinds of products of which any of the foregoing constitutes and ingredient or in the production of which any of the foregoing is used, including but not limited to fertilizers and industrial chemicals of all kinds.

60. To undertake the custody and warehousing of merchandise, goods and materials and to provide cold storage and other special storage facilities.

IV. The liability of the members is limited.

V.* The Authorised Share Capital of the Company is Rs.157,00,00,000 (Rupees One hundred and fifty seven crores) divided into Equity Share Capital of Rs.122,50,00,000 (Rupees One hundred and twenty two crores fifty lakhs) consisting of 12,25,00,000 (Twelve crores twenty five lacs) Equity Shares of the face value of Rs.10 (Rupees Ten) each and Preference Share Capital of Rs.34,50,00,000 (Rupees Thirty four crores fifty lakhs) consisting of 3,45,00,000 (Three crores forty five lakhs) Preference Shares of the face value of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privilege or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.

**Pursuant to sanction of scheme of amalgamation by Hon'ble National Company Law Tribunal bench at Mumbai vide order dated 14/9/2017 between Zuari Fertilisers and Chemicals Limited (ZFCL), Zuari Speciality Fertilisers Limited(ZSFL) and Zuari Agri Sciences Limited(ZASL) with the Company. The scheme has become effective on 13th November, 2017*

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

Sr. No.	Name, Father's name, Address, Description, Occupation and signature of each Subscriber	Number of equity shares taken by each Subscriber	Name, Father's name, Address, Description, Occupation and signature of Witness
1.	RAMKRISHNA YESHWANTRAO PATIL S/O Yeshwantrao L. Patil B-4, Zuari Residential Colony Zuarinagar -403 726 Service	10 TEN	<p>Witness to Sr. No. 1 to 8</p> <p>Sd/-</p> <p>SADASHIV V SHET Son of Vasudev Govind Shet S-15 Jairam Complex Nevginagar, Panjim, Goa Company Secretary</p>
2.	HARSHAD CHANDRAKANT SHAH S/O Chandrakant P. Shah 7/Ug-10, Kamat Clasic IV Caranzelam Panjim, Goa – 403 002 Service	10 TEN	
3.	BALASAHEB KALLAPPA KINEKAR S/O Kallappa Y. Kinekar 306, Devarshi Housing Society Mangor Hill Vasco-Da-Gama, Goa 403 802 Service	10 TEN	
4.	NAVEEN K. KAPOOR S/O Durga Prasad Kapoor B-6, Zuari Ind Colony Zuarinagar, Goa-403726 Service	10 TEN	
5.	RAJU VASANT PATIL S/O Vasant Patil D-1 Salkar Essen Apts., Adarshanagar, Chicalam, Goa -403811 Service	10 TEN	
6.	BINAYAK DATTA S/O Shri Bhavani Krishna Datta B-2, Zuari Colony Zuarinagar, Goa-403726 Service	10 TEN	
7.	NITIN MANGESH KANTAK S/O Mangesh Kantak B-5, Zuari Colony	10	

	Zuarinagar, Goa-403726 Service	TEN	
8.	ZUARI INVESTMENTS LIMITED R. Y. PATIL Authorised Signatory Jaikisaan Bhavan, Zuarinagar, Goa-403726. Company	19,99,930 Nineteen Lakhs Ninety Nine Thousand Nine Hundred Thirty	
	TOTAL	20,00,000 Twenty Lakhs	

PLACE: ZUARINAGAR
DATE: 28/08/2009

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under The Companies Act, 1956)

ARTICLES OF ASSOCIATION
OF
ZUARI AGRO CHEMICALS LIMITED

INDEX

PARTICULARS	ARTICLE	PAGE NO.
Table 'F' excluded		
Table F not to apply but Company to be governed by these Articles	1	1
INTERPRETATION		
Interpretation clause	2	1
"The Company"	2(a)	1
"The Act"	2(b)	1
"Board of Directors" or "Board",	2 (c)	1
"Director"	2(d)	1
"Articles"	2(e)	1
"In Writing" and "Written"	2(f)	1
"Rules"	2(g)	1
"Seal"	2(h)	1
"Number " and " Gender"	2(i)	2
"Persons"	2(j)	2
"Alter" and "Alteration"	2 (k)	2
" These presents"	2 (l)	2
Expressions in the Articles to bear the same meaning as in the Act.	2 (m)	2
SHARE CAPITAL		
Authorised Capital	3	2
Restriction on Allotment	4	2
Kinds of share Capital.	5 (a)	2
Shares under Control of Board.	5 (b)	3
Directors may allot shares otherwise than for cash.	5 (C)	3
New capital same as existing capital	6	3
ALTERATION OF CAPITAL		
Power to alter share capital	7	3
Shares may be converted into stock	8 (a)	4
Right of stockholders	8(b)	4
Articles apply to stock	8 (C)	4
Reduction of capital	9	4
SHARES AND CERTIFICATES		
Issue of certificate	10 (1)	4
Certificate to bear seal	10 (2)	5
One certificate for shares held jointly	10 (3)	5
Option to receive share certificate or hold shares with depository	11	5

PARTICULARS	ARTICLE	PAGE NO.
Issue of new certificate in place of one defaced, lost or destroyed	12	5
Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to any other securities etc.	13	5
Power to pay commission in connection with securities issued	14 (1)	5
Rate of commission in accordance with Rules	14 (2)	5
Mode of payment in commission	14 (3)	5
Issue of further shares not to affect rights of existing members	15	6
Power to issue redeemable preference shares	16	6
Further issue of share capital	17 (1)	6
Mode of further issue of shares.	17 (2)	6
CALLS		
Directors may make calls	18	6
Notice of calls	19	6
Call to date from resolution	20	6
Call may be revoked or postponed	21	6
Liability of joint-holders	22	6
Directors may extend time	23	7
Non – payment of Calls on time to carry interest	24	7
Sums deemed to be calls	25	7
Proof on trial of suit for money due on shares	26	7
Partial payment not to preclude forfeiture	27	7
Payment in anticipation of calls may carry interest	28	8
LIEN		
Company's lien on shares	29 (1)	8
Lien to extend to dividends, etc	29 (2)	8
Waiver of lien in case of registration	29 (3)	8
To enforce lien by sale	30	8
Validity of sale	31 (1)	9
Purchaser to be registered holder	31 (2)	9
Validity of Company's receipt	31 (3)	9
Purchaser not affected	31 (4)	9
Application of proceeds of sale	32 (1)	9
Payment of residual money	32 (2)	9
Provisions as to lien to apply <i>mutatis mutandis</i> to any other securities etc.	33	9
FORFEITURE OF SHARES		
If money payable on shares not paid, notice to be given to Member	34	9
Terms of Notice	35	9

PARTICULARS	ARTICLE	PAGE NO.
In default of payment, shares to be forfeited	36	10
Notice of forfeiture to a Member	37	10
Forfeited shares to be property of the Company and may be sold etc.	38	10
Member still liable to pay money owing at time of forfeiture and interest	39	10
Effect of forfeiture	40	10
Evidence of forfeiture	41	10
Validity of sale	42	10
Cancellation of share certificates in respect of forfeited shares	43	11
Power to annul forfeiture	44	11
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to any other securities, etc.	45	11
TRANSFER		
Register of Transfers	46	11
Instrument of transfer to be executed by transferor and transferee	47	11
Board may refuse to register transfer	48	11
Board may decline to recognize instrument of transfer	49	11
Transfer of shares when suspended	50	12
Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to any other Securities	51	12
Notice of application when to be given	52	12
Company not liable for disregard of a notice prohibiting registration of a transfer	53	12
Persons entitled may receive dividend without being registered as Member	54	12
Fee on transfer or transmission	55	12
Register of members	56 (a)	12
Closure of Register of Members	56 (b)	13
When instruments of transfer to be retained	56 (c)	13
Custody of transfer instrument	57	13
TRANSMISSION OF SHARES		
Title to shares on death of a member	58 (1)	13
Estate of deceased member liable	58 (2)	13
Transmission Clause	59 (1)	13
Board's right unaffected	59 (2)	14
Indemnity to the Company	59 (3)	14
Right to election of holder of share	60 (1)	14
Manner of testifying election	60 (2)	14
Limitations applicable to notice	60 (3)	14
Claimant to be entitled to same advantage	61	14

PARTICULARS	ARTICLE	PAGE NO.
Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to any other Securities	62	14
JOINT HOLDERS		
Joint holders	63	14
Liability of joint-holders	63 (a)	14
Death of one or more joint-holders of shares	63 (b)	14
Receipt of one sufficient	63 (c)	14
Delivery of certificate and giving of notice to first named holder	63 (d)	15
Vote of joint holders	63 (e) (i)	15
Executors or administrators as joint holders	63 (e) (ii)	15
Provisions as to joint holders as to shares to apply to any other securities	63 (f)	15
CAPITALISATION OF PROFITS		
Capitalisation	64 (1)	15
Sum how applied	64 (2)	15
Powers of the Board for capitalisation	65 (1)	16
Board's power to issue fractional certificate/coupon etc.	65 (2)	16
Agreement binding on members	65 (3)	16
SET OFF OF MONEY DUE TO SHAREHOLDERS		
Set-off of moneys due to shareholders	66	16
DEMATERIALISATION OF SECURITIES		
Definitions	67 (a)	16
Dematerialisation of securities	67 (b)	17
Options for investors	67 (c)	17
Fungible securities	67 (d)	17
Rights of depositories and beneficial owners	67 (e)	17
Service of documents	67(f)	18
Transfer of securities	67 (g)	18
Allotment of securities dealt with in a depository	67 (h)	18
Distinctive numbers of securities held in a depository	67 (i)	18
Register and Index of Beneficial owners	67 (j)	18
rights of registered holders	67 (k)	18
GENERAL MEETING		
Extraordinary general meeting	68	19
Powers of Board to call extraordinary general meeting	69	19
PROCEEDINGS AT GENERAL MEETING		
Presence of Quorum	70 (1)	19
Business confined to election of Chairperson whilst chair vacant	70 (2)	19

PARTICULARS	ARTICLE	PAGE NO.
Quorum for general meeting	70 (3)	19
Chairperson of the meetings	71	19
Directors to elect a Chairperson	72	19
Members to elect a Chairperson	73	19
Casting vote of Chairperson at general meeting	74	19
Minutes of proceedings of meetings and resolutions passed by postal ballot	75 (1)	20
Certain matters not to be included in Minutes	75 (2)	20
Discretion of chairperson in relation to Minutes	75 (3)	20
Minutes to be evidence	75 (4)	20
Inspection of minute books of general meeting	76 (1)	20
Members may obtain copy of minutes	76 (2)	20
Powers to arrange security at meetings	77	20
ADJOURNMENT OF MEETING		
Chairperson may adjourn the meeting	78 (1)	21
Business at adjourned meeting	78 (2)	21
Notice of adjourned meeting	78 (3)	21
Notice of adjourned meeting not required	78 (4)	21
VOTING RIGHTS		
Entitlement to vote on show of hands and on poll	79	21
Voting through electronic means	80	21
Vote of joint-holders	81 (1)	21
Seniority of names	81 (2)	21
How members <i>non compos mentis</i> and minor may vote	82	21
Votes in respect of shares of deceased or insolvent members, etc.	83	21
Business may proceed pending poll	84	22
Restriction on voting rights	85	22
Restriction on exercise of voting rights in other cases to be void	86	22
Equal rights of members	87	22
PROXY		
Member may vote in person or otherwise	88 (1)	22
Proxies when to be deposited	88 (2)	22
Form of proxy	89	22
Proxy to be valid notwithstanding death of the principal	90	22
BOARD OF DIRECTORS		
Number of Directors	91	22
Managing Director	92	22
Whole Time Director	93	23

PARTICULARS	ARTICLE	PAGE NO.
Execution of Negotiable instruments	94	24
Qualifications of Directors	95	24
Director's remuneration	96	24
Chairman of the Board	97	25
Casual vacancy	98	25
Alternate Directors	99 (a) & (b)	25
Independent Directors	99 (c)	25
Women Director	99 (d)	25
Chief Executive Officer, etc.,	99 (e)	26
Additional Directors	100 (a)	26
Proportion of Directors liable to retire by rotation	100 (b)	26
Debenture	101	26
Corporation/ Nominee Director	102	26
Right of Directors	103	28
Directors contracting to comply with the provisions of the Act	104	28
Directors power of contract with Company	105	28
ROTATION OF DIRECTORS		
Rotation and retirement of Directors	106	28
Retiring Directors eligible for re-election	107	28
Which Directors to retire	108	28
Retiring Directors to remain in office till successors are appointed	109	28
Power of General Meeting to increase or reduce number of Directors	110	28
Power to remove Directors by ordinary resolution	111	28
Rights of persons other than retiring Directors to stand for Directorships	112	29
Register of Directors and KMP and their shareholding	113	29
Business to be carried on	114	29
Meeting of the Board	115 (a)	29
Participation at Board Meeting	115 (b)	29
Quorum for Board Meeting	115 (c)	29
Director may summon meeting	116	29
Question how decided	117	29
Right of continuing Directors when there is no quorum	118	30
Who to preside at meetings of the Board	119 (1)	30
Directors to elect a Chairperson	119 (2)	30
Power to appoint committee	120 (a)	30
Delegation of powers	120 (b)	30
Variation of powers	120 (c)	30

PARTICULARS	ARTICLE	PAGE NO.
Proceedings of Committee	121 (a)	30
Participation at Committee meetings	121 (b)	30
Election of Chairman of the Committee	122 (a)	30
Who to preside at meetings of the Committee	122 (b)	31
Committee to meet	123 (a)	31
Questions how determined	123 (b)	31
Acts done by Board or Committee valid, not- withstanding defective appointment, etc.	124	31
Resolution by circulation	125	31
POWERS OF BOARD		
General powers of the Company vested in Board	126	31
Power to authorise sub delegation	127	31
Special power of Directors	128	32
Power to borrow	129	32
Payment or repayment of moneys	130	33
Assignment of debentures	131	33
Terms of debenture issue	132	33
Charge on uncalled capital	133	34
Subsequent assignees of uncalled capital	134	34
Charge in favour of Director of indemnity	135	34
Register of mortgage to be kept	136	34
Register of holders of debentures	137	35
Inspection of copies of and Register of Mortgages	138	35
Supplying copies of register of holder of debentures	139	35
Right of holders of debentures as to Financial Statements	140	35
Minutes	141	35
Managing Director's power to be exercised severally	142	35
REGISTERS		
Statutory registers	143	35
Foreign register	144	36
THE SEAL		
The seal, its custody and use	145 (1)	36
Affixation of seal	145 (2)	36
DIVIDENDS AND RESERVES		
Rights to Dividend	146	36
Declaration of Dividends	147	36
What to be deemed net profits	148	36

PARTICULARS	ARTICLE	PAGE NO.
Interim Dividend	149	36
Dividends to be paid out of profits only	150	36
Reserve Funds	151	36
Method of payment of dividend	152	37
Deduction of arrears	153	37
Adjustment of dividend against call	154	37
Payment by electronic means/ cheque or warrant	155	37
Retention in certain cases	156	37
Deduction of arrears	157	38
Notice of Dividends	158	38
Dividend not to bear interest	159	38
Unclaimed Dividend	160	38
Transfer of share not to pass prior Dividend	161	38
ACCOUNTS		
Inspection by Directors	162 (1)	38
Restriction on inspection by members	162 (2)	38
INDEMNITY AND INSURANCE		
Directors and officers right to indemnity	163 (a) & (b)	38
Insurance	163 (c) & (d)	39
SECRECY CLAUSE		
Secrecy clause	164	39
GENERAL POWER		
General power	165	40
WINDING UP		
Winding up	166	40

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

***ZUARI AGRO CHEMICALS LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting held on 21st September, 2015 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1. No regulations contained in Table F, in the Schedule I to the Companies Act, 2013, or in the Schedule to any previous Companies Act, shall apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles. Table F not to apply but Company to be governed by these Articles

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context:- Interpretation clause
- a. "The Company" or "this Company" means **ZUARI AGRO CHEMICALS LIMITED**. "The Company"
- b. "The Act" means "The Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable and shall also include Rules, where necessary. "The Act"
- c. "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company. " The Board of Directors" or " The Board "
- d. "Director" means a director appointed to the Board of the Company. "Director"
- e. "Articles" means these articles of association of the Company or as altered from time to time. "Articles"
- f. "In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form and any other form of electronic transmission. In Writing and Written
- g. "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. " Rules"
- h. "Seal" means the Common Seal of the Company for the time being. "Seal"

- i. Words importing the singular number include, where the context admits or requires, the plural number and vice versa and words importing the masculine gender also include the feminine gender. “Number” “and “ Gender”
- j. “Persons” means the word imparting persons shall, where the context requires, include bodies corporate, companies as well as individuals and trust. “ Persons”
- k. “Alter” and “Alteration” shall include making of additions, omissions and modifications. “Alter” and “Alteration”
- l. “These presents” means and includes the Memorandum and these Articles of Association. “ These presents”
- m. Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles. Expressions in the Articles to bear the same meaning as in the Act.

The marginal notes used in these Articles shall not affect the construction thereof.

SHARE CAPITAL

**

- 3. The Authorised Share Capital of the Company is Rs.157,00,00,000 (Rupees One hundred and fifty seven crores) divided into Equity Share Capital of Rs.122,50,00,000 (Rupees One hundred and twenty two crores fifty lakhs) consisting of 12,25,00,000 (Twelve crores twenty five lacs) Equity Shares of the face value of Rs.10 (Rupees Ten) each and Preference Share Capital of Rs. 34,50,00,000 (Rupees Thirty four crores fifty lakhs) consisting of 3,45,00,000 (Three crores forty five lakhs) Preference Shares of the face value of Rs.10/- (Rupees Ten) each with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privilege or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or provided by the Articles of the Company for the time being.” Authorised Share Capital
- 4. a. The Directors shall in making the allotments duly observe the provisions of the Act. Restriction on Allotment
- b. Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- 5. a. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: Kinds of share Capital
 - i) Equity share capital,
 - ii) Preference share capital

***Pursuant to sanction of scheme of amalgamation by Hon'ble National Company Law Tribunal bench at Mumbai vide order dated 14/9/2017 between Zuari Fertilisers and Chemicals Limited (ZFCL), Zuari Speciality Fertilisers Limited(ZSFL) and Zuari Agri Sciences Limited(ZASL) with the Company. The scheme has become effective on 13th November, 2017*

- b. 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 and at such terms as they may, from time to time, think fit. Shares under Control of Board

- c. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. Directors may allot shares otherwise than for cash

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

ALTERATION OF CAPITAL

- 7. Subject to the provisions of the Act, Rules and applicable laws the Company may— Power to alter share capital
 - a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

 - b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

 - c. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

 - d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

 - e. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

8. Where shares are converted into stock: Shares may be converted into stock
- a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the 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; Right of stockholders
 - c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively. Articles apply to stock
9. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital
- a. its share capital; and/or
 - b. any capital redemption reserve account; and/or
 - c. any securities premium account; and/or
 - d. any other reserve in the nature of share capital.

SHARES AND CERTIFICATES

10. 1. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide - Issue of certificate
- (a) one certificate for all his shares without payment of any charges; or

- (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board under the provisions of the Act, for each certificate after the first.
2. Every certificate shall be under the seal if any, and shall specify the shares to which it relates and the amount paid-up thereon. Certificate to bear seal
 3. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. One certificate for shares held jointly
11. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. Option to receive share certificate or hold shares with depository
 12. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board pursuant to the Act. Issue of new certificate in place of one defaced, lost or destroyed
 13. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities (except where the Act otherwise requires) of the Company. Provisions as to issue of certificates to apply *mutatis mutandis* to any other securities etc
 14.
 1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. Power to pay commission in connection with securities issued
 2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. Rate of commission in accordance with Rules
 3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. Mode of payment in commission

- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 15. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith. | Issue of further shares not to affect rights of existing members |
| 16. | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. | Power to issue redeemable preference shares |
| 17. | <p>1. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -</p> <p>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or</p> <p>(b) employees under any scheme of employees' stock option; or</p> <p>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> <p>2. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> | <p>Further issue of share capital</p> <p>Mode of further issue of shares.</p> |

CALLS

- | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| 18. | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Directors may make calls |
| 19. | At least Fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid. | Notice of calls |
| 20. | A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board. | Call to date from resolution |
| 21. | A call may be revoked or postponed at the discretion of the Board. | Call may be revoked or postponed |
| 22. | The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint-holders |

23. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour. Directors may extend time
24. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 10 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. Non – payment of Calls on time to carry interest
25. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified. Sums deemed to be calls
26. On the trial or hearing of any action or suit brought by the company against any Member or his representatives for the recovery, of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the Members or his representatives sued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt. Proof on trial of suit for money due on shares
27. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided. Partial payment not to preclude forfeiture

28. a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same all or any part of the amounts of his shares beyond the sums actually called up; and upon the money so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate (not exceeding without the sanction of the Company in General Meeting, 12 per cent per annum) as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing. Provided that monies paid in advance of calls shall not confer a right to dividend or to participate in profits. Payment in anticipation of calls may carry interest
- b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

LIEN

29. 1. The Company shall have a first and paramount lien - Company's lien on shares
- a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- b. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
2. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. Lien to extend to dividends, etc
3. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. Waiver of lien in case of registration
30. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: To enforce lien by sale
- Provided that no sale shall be made—
- a. unless a sum in respect of which the lien exists is presently payable; or

- b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
31. 1. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Validity of sale
2. The purchaser shall be registered as the holder of the shares comprised in any such transfer. Purchaser to be registered holder
3. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. Validity of Company's receipt
4. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. Purchaser not affected
32. 1. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. Application of proceeds of sale
2. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. Payment of residual money
33. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities of the Company, if any. Provisions as to lien to apply *mutatis mutandis* to any other securities etc

FORFEITURE OF SHARES

34. If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. If money payable on shares not paid, notice to be given to Member
35. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited. Terms of Notice

36. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited share and not actually paid before the forfeiture. In default of payment, shares to be forfeited
37. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Notice of forfeiture to a Member
38. Any share so forfeited shall be deemed to be the property of the Company. And may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit. Forfeited shares to be property of the Company and may be sold etc.
39. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture, until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit. Member still liable to pay money owing at time of forfeiture and interest
40. The forfeiture of a share shall involve extinction, at the time of the forfeiture of all interest in and all claims and demands, against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. Effect of forfeiture
41. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. Evidence of forfeiture
42. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Validity of sale

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 43. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto. | Cancellation of share certificates in respect of forfeited shares |
| 44. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. | Power to annul forfeiture |
| 45. The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities of the Company. | Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to any other securities, etc |

TRANSFER

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 46. The Company shall keep a 'Register of Transfers' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held in material form. | Register of Transfers |
| 47. (1) The instrument of transfer of any share held in physical form in the Company shall be duly executed by or on behalf of both the transferor and transferee. | Instrument of transfer to be executed by transferor and transferee |
| (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. | |
| 48. The Board may, subject to the right of appeal conferred by the Act decline to register - | Board may refuse to register transfer |
| (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or | |
| (b) any transfer of shares on which the Company has a lien. | |
| 49. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless – | Board may decline to recognize instrument of transfer |
| (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act; | |
| (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and | |
| (c) the instrument of transfer is in respect of only one class of shares. | |

50. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty- five days in the aggregate in any year.
51. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to any other Securities
52. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of the Act. Notice of application when to be given
53. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit. Company not liable for disregard of a notice prohibiting registration of a transfer
54. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividends or other monies payable in respect of the share. Persons entitled may receive dividend without being registered as Member
55. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require. Fee on transfer or transmission
56. a. The Company shall keep a 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. Register of members

- b. The Board may, after giving not less than seven days previous notice or such lesser period as may be specified by Securities and Exchange Board of India by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members 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. Closure of Register of Members
- 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. When instruments of transfer to be retained
57. 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. Custody of transfer instrument

TRANSMISSION OF SHARES

58. 1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member
2. Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable
59. 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 properly be required by the Board and subject as hereinafter provided, elect, either – Transmission Clause
- (a) to be registered himself as 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. Board's right unaffected
3. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. Indemnity to the Company
60. 1. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Right to election of holder of share

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 2. | If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. | Manner of testifying election |
| 3. | 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 or transfer were a transfer signed by that member. | Limitations applicable to notice |
| 61. | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with, within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with. | Claimant to be entitled to same advantage |
| 62. | The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities of the Company. | Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to any other Securities |

JOINT HOLDERS

- | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| 63. | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: | Joint Holders |
| a. | The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. | Liability of Joint holders |
| b. | On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. | Death of one or more joint-holders of shares |
| c. | Any one of such joint holders may give effectual receipts of any dividends, interests or other monies payable in respect of such share. | Receipt of one sufficient |

- d. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders. Delivery of certificate and giving of notice to first named holder
- e. (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof Vote of joint holders
- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. Executors or administrators as joint holders
- f. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities of the Company registered in joint names. Provisions as to joint holders as to shares to apply to any other securities

CAPITALISATION OF PROFITS

64. 1. The Company in general meeting may, upon the recommendation of the Board, resolve — Capitalisation
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : Sum how applied
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

3. A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 4. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
65. 1. Whenever such a resolution as aforesaid shall have been passed, the Board shall - Powers of the Board for capitalization
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally do all acts and things required to give effect thereto.
2. The Board shall have power— Board's power to issue fractional certificate/ coupon etc
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable infractions; and
 - (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 other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
3. Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

SET OFF OF MONEY DUE TO SHAREHOLDERS

66. 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 person, to the Company in respect of calls. Set-off of monies due to shareholders

DEMATERIALISATION OF SECURITIES

67. (a) Definitions 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 such security as may be specified by SEBI from time to time.

(b) Dematerialisation of securities

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

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

Fungible Securities

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 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:

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

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

Transfer of securities

Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities affected 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

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

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

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

rights of registered holders

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 MEETING

- | | | |
|-----|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 68. | All general meetings other than annual general meeting shall be called extraordinary general meeting. | Extraordinary general meeting |
| 69. | The Board may, whenever it thinks fit, call an extraordinary general meeting. | Powers of Board to call extraordinary general meeting |

PROCEEDINGS AT GENERAL MEETING

- | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| 70. | 1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. | Presence of Quorum |
| | 2. No business shall be discussed or transacted at any general meeting except election of Chairperson, whilst the chair is vacant. | Business confined to election of Chairperson whilst chair vacant |
| | 3. The quorum for a general meeting shall be as provided in the Act. | Quorum for general meeting |
| 71. | The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company. | Chairperson of the meetings |
| 72. | If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. | Directors to elect a Chairperson |
| 73. | If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting. | Members to elect a Chairperson |
| 74. | On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote. | Casting vote of Chairperson at general meeting |

75. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. Minutes of proceedings of meetings and resolutions passed by postal ballot
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting - Certain matters not to be included in Minutes
- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. Discretion of chairperson in relation to Minutes
- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. Minutes to be evidence
76. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: Inspection of minute books of general meeting
- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during the office hours on all working days other than Saturdays.
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board and in accordance with the provisions of the Act, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost. Members may obtain copy of minutes
77. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. Powers to arrange security at meetings

ADJOURNMENT OF MEETING

78. (1) The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place. Chairperson may adjourn the meeting
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Business at adjourned meeting
- (3) 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. Notice of adjourned meeting
- (4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. Notice of adjourned meeting not required

VOTING RIGHTS

79. Subject to any rights or restrictions for the time being attached to any class or classes of shares - Entitlement to vote on show of hands and on poll
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
80. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once. Voting through electronic means
81. (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Vote of joint-holders
- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members. Seniority of names
82. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians. How members *non compos mentis* and minor may vote
83. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of shares of deceased or insolvent members, etc.

- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 84. | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. | Business may proceed pending poll |
| 85. | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. | Restriction on voting rights |
| 86. | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. | Restriction on exercise of voting rights in other cases to be void |
| 87. | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. | Equal rights of members |

PROXY

- | | | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 88. | <ol style="list-style-type: none"> 1. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. 2. The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. | <p>Member may vote in person or otherwise</p> <p>Proxies when to be deposited</p> |
| 89. | An instrument appointing a proxy shall be in the form as prescribed in the Rules. | Form of proxy |
| 90. | <p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> | Proxy to be valid notwithstanding death of the principal |

BOARD OF DIRECTORS

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 91. | Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 (Three) and not more than 15 (Fifteen). | Number of Directors |
| 92. | Subject to the provisions of Act, | Managing Director |

- a. 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.
 - b. 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.
 - c. 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 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. The Managing Director shall not be liable to retire by rotation.
 - d. 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.
 - e. 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.
93. 1. Subject to the provisions of the Act, 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 Director/s 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. Whole Time Director

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 for any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.
94. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. Execution of Negotiable instruments
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. Qualifications of Directors
96. 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 there under. 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. Director's remuneration
- 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 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 Board of Directors shall have all the powers to decide and pay the remuneration so calculated among the members of the Board.

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 Board of 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 Board of 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.

97. The Directors may from time to time elect from among their number a Chairman of the Board and determine the periods for which he is to hold office. If at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their numbers to be Chairman of the meeting. Chairman of the Board
98. 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 up to the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid. Casual vacancy
99. (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. Alternate Directors
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.
- (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. Independent Directors
- (ii) Independent directors shall possess such qualification as required under Section 149 of the Companies Act, 2013 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 and Listing Agreement and shall not be liable to retire by rotation.
- (d) The Directors shall appoint one woman director as per the requirements of section 149 of the Act. Women Director

- (e) Subject to the provisions of the Act,— Chief Executive Officer, etc.,
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

- 100 a. 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 the Act. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company. Additional Directors
- b. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act. Proportion of Directors liable to retire by rotation
- 101 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. Debenture
- 102 a. Notwithstanding anything to the contrary contained in the Articles, so long as any monies remain owing by the Company 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 persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s). Corporation/ Nominee Director

- 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 monies 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 monies 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.

103. 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. Right of Directors
104. Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the applicable provisions of Act. Directors contracting to comply with the provisions of the Act
105. 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. Director's power to contract with Company
106. At every annual meeting, one-third of the Directors shall retire by rotation in accordance with the relevant provisions of the Act. Rotation and retirement of Directors
107. 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. Retiring Directors eligible for re-election
108. 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. Which Directors to retire
109. Subject to the applicable provisions 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. Retiring Directors to remain in office till successors are appointed
110. Subject to the applicable provisions of the Act, the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in the Act and may also determine in what rotation the increased or reduced number is to retire. Power of General Meeting to increase or reduce number of Directors
111. Subject to the applicable provisions of the Act, 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. Power to remove Directors by ordinary resolution

112. Subject to the applicable provisions 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”.
- Rights of persons other than retiring Directors to stand for Directorships
113. The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by applicable provisions of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
- Register of Directors and KMP and their shareholding
114. The business of the Company shall be carried on by the Board of Directors.
- Business to be carried on
115. a. The Board of Directors may meet for the conduct 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.
- Meeting of the Board
- b. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- Participation at Board Meeting
- c. The quorum for a Board Meeting shall be as provided under the Act
- Quorum for Board Meeting
116. 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 provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director shall be present at the meeting.
- Director may summon meeting
117. (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.
- Question how decided

- (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.
118. 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. Right of continuing Directors when there is no quorum
119. 1. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
2. If no such Chairperson is elected, or if at any meeting the Chairperson 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 Chairperson of the meeting. Directors to elect a Chairperson
120. 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. Power to appoint committees
- 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. Delegation of powers
- 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. Variation of powers
121. a. 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 preceded Article. Proceedings of Committee
- b. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Committee meetings
122. a. A Committee may elect a Chairperson of its meetings unless the Board while constituting a Committee has appointed a Chairperson of such Committee. Election of Chairman of the Committee

- b. If no such Chairperson is elected or if at any meeting the Chairperson is not present within 15 minutes after the time appointed for holding the meeting the members present may choose one of their members to be Chairperson of the meeting of the Committee. Who to preside at meetings of the Committee
123. a. A Committee may meet and adjourn as it thinks proper. Committee to meet
- 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 Chairman shall have a second or casting vote. Questions how determined
124. 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 as valid as if every such Director and such person had been duly appointed and was qualified to be a Director. Acts done by Board or Committee valid, notwithstanding defective appointment, etc.
125. 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 Committee or the Board 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. Resolution by circulation

POWERS OF BOARD

126. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. General powers of the Company vested in Board
127. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him. Power to authorise sub delegation

128. 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. Special power of Directors

129. The Board may, from time to time, raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies 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 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. Power to borrow

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 monies may be borrowed by the Board of Directors, provided that 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 they may seem expedient.

130. The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Payment or repayment of monies
131. 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. Assignment of debentures
132. (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. Terms of debenture issue
- (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 monies 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.

- (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 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
- (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.

- 133. Any uncalled capital of the Company may be included in or charged by mortgage or other security. Charge on uncalled capital
- 134. 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. Subsequent assignees of uncalled capital
- 135. 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. Charge in favour of Director of indemnity
- 136. 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 mortgage to be kept

- | | | |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 137. | 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. | Register of holders of debentures |
| 138. | The Company shall comply with the provisions of the Companies Act, 2013, 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. | Inspection of copies of and Register of Mortgages |
| 139. | 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. | Supplying copies of register of holder of debentures |
| 140. | 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. | Right of holders of debentures as to Financial Statements |
| 141. | (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.

(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. | Minutes |
| 142. | 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. | Managing Director's power to be exercised severally |

REGISTERS

- | | | |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 143. | The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. | Statutory registers |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

144. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

THE SEAL

145. (1) The Board shall provide for the safe custody of the seal. The seal, its custody and use
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. Affixation of seal

DIVIDENDS AND RESERVES

146. 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. Rights to Dividend
147. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. Declaration of Dividends
148. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive. What to be deemed net profits
149. 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. Interim Dividend
150. No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by the Act. Dividends to be paid out of profits only
151. 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. Reserve Funds

- b) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.
152. 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. Method of payment of dividend
- 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.
- 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.
153. 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. Deduction of arrears
154. 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. Adjustment of dividend against call
155. a. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic means, by cheque or warrant 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. Payment by electronic means/ cheque or warrant
- b. Every such payment whether by electronic means, cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.
156. 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. Retention in certain cases

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:

- a. transfer the dividend in relation to such shares to the Special Account referred to in applicable provisions of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
 - b. Keep in abeyance in relation to such shares any offer of rights shares under applicable provisions of the Act, and any issue of fully paid-up bonus shares in pursuance of the applicable provisions of the Act”.
157. 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 shares. Deduction of arrears
158. 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. Notice of Dividends
159. No dividend shall bear interest against the Company. Dividend not to bear interest
160. No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance with the applicable provisions of the Companies Act, 2013. Unclaimed Dividend
161. Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. Transfer of share not to pass prior Dividend

ACCOUNTS

162. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. Inspection by Directors
- (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. Restriction on inspection by members

INDEMNITY AND INSURANCE

163. a. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, managing director, whole time director, chief financial officer, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Directors and officers right to indemnity

- b. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, managing director, whole time director, chief financial officer, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- c. Subject as aforesaid, every director, managing director, whole time director, chief financial officer, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. Insurance
- d. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

SECRECY CLAUSE

164. 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 inexpedient in the interests of the Company to communicate to the public. Secrecy clause

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.

GENERAL POWER

165. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. General power

WINDING UP

166. Subject to the applicable provisions of the Act and the Rules made there under - Winding up
- a. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

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

Sr. No.	Name, Father's Name, Address, Description, Occupation and Signature of each Subscriber	Name, Father's Name, Address, Description, Occupation and Signature of Witness
1.	RAMKRISHNA YESHWANTRAO PATIL S/o. Yeshwantrao L. Patil B-4, Zuari Residential Colony Zuarinagar -403 726. Service	<p style="text-align: center;">Witness To Sr. No. 1 To 8</p> <p style="text-align: center;">Sd/- SADASHIV V SHET Son of Vasudev Govind Shet S-15 Jairam Complex Nevginagar Panaji Goa Company Secretary</p>
2.	HARSHAD CHANDRAKANT SHAH S/o. Chandrakant P. Shah 7/Ug-10, Kamat Clasic IV Caranzelam Panjim, Goa – 403 002. Service	
3.	BALASAHEB KALLAPPA KINEKAR S/o. Kallappa Y. Kinekar 306, Devarshi Housing Society, Mangor Hill, Vasco-Da-Gama, Goa 403 802. Service	
4.	NAVEEN K. KAPOOR S/o. Durga Prasad Kapoor B-6, Zuari Ind Colony Zuarinagar, Goa-403 726. Service	
5.	RAJU VASANT PATIL S/o. Vasant Patil D1, Salkar Essen Apts, Adarsha Nagar, Chicalam, Goa 403 811. Service	
6.	BINAYAK DATTA S/o. Shri Bhavani Krishna Datta B-2, Zuari Colony Zuarinagar, Goa-403 726. Service	
7.	NITIN MANGESH KANTAK S/o. Mangesh Kantak B-5, Zuari Colony Zuarinagar, Goa-403 726. Service	
8.	ZUARI INVESTMENTS LTD R. Y. PATIL Authorised Signatory Jaikisan Bhavan, Zuarinagar, Goa-403 726. Company	

PLACE : ZUARINAGAR

DATE: 28/08/2009

**IN THE HIGH COURT OF BOMBAY AT GOA
COMPANY PETITION NO. 6 OF 2011
CONNECTED WITH
COMPANY APPLICATION NO. 18 OF 2011**

**Zuari Holdings Limited,
a company incorporated
under the Companies Act, 1956,
having its registered office at
Jai Kisaan Bhawan, Zuarinagar,
Goa-403726**

..... **Petitioner/Transferee Company.**

**Mr. S.D. Padiyar, Advocate for the Petitioner.
Mr. Sanjay Kumar Gupta, Official Liquidator.
Mr. C. A. Ferreira, Assistant Solicitor General for
Regional Director.**

**COMPANY PETITION NO. 7 OF 2011 CONNECTED WITH
COMPANY APPLICATION NO. 19 OF 2011**

**Zuari Industries Limited, A company }
incorporated under the Companies Act, }
1956, having its registered office at Jai }
Kisaan Bhavan Zuarinagar, Goa-403726 }**

..... **Petitioner/Transferor Company.**

**Mr. A. Rajadhyaksha, Senior Advocate with
Mr. M. S. Sonak, Advocate for the Petitioner.
Mr. Shivan Desai, Advocate for Mr. R. G. Furtado/Objector
Mr. Sanjay Kumar Gupta, Official Liquidator.
Mr. C. A.Ferreira, Assistant Solicitor General for Regional Director.**

**CORAM : S. C. DHARMAHIKARI, J
DATED: 2nd MARCH, 2012.**

JUDGMENT:

These company petitions invoke the jurisdiction of this Court under Sections 391, 394 and 395 of the Companies Act, 1956.

2. The petitioner seeks sanction to the scheme of Arrangement and Demerger hereinafter referred to as the "Scheme" between Zuari Industries Limited (Transferor) and Zuari Holdings Limited (Transferee) and their respective shareholders and creditors. The sanction is sought from the appointed date that is 1st July 2011.
3. The Petitioner Zuari Industries Ltd. was incorporated as Zuari Agro Chemicals Limited on 12/5/1967. The change of name was effected on 12/2/1998. The petitioner's name Zuari Industries Ltd. has originated since then.
4. After setting out the objects and Annexing a certified true copy of the Memorandum and Articles of Association of the Petitioner in paragraph 4 of the petition the details of the authorized, issued, subscribed and paid-up share capital of the petitioner as on 24/5/2011 are set out. Annexure "B" to the petition is a certified true copy of the audited accounts of the petitioner as on 31/3/2011.
5. In paragraph 5 it is stated that the equity shares of the petitioner are listed on the Bombay Stock Exchange and the National Stock Exchange of India. Both Stock Exchanges have given their No Objection to the scheme and the no-Objections are at Annexures "C-1" and "C- 2".
6. As far as the Transferee Company Zuari Holdings Limited is concerned, it is incorporated on 10/9/2009. It has its registered office within the State of Goa.
7. The objects of the Transferee company are also set out and Annexure "D" to the petition is a certified true copy of the Memorandum and Articles of Association of the Transferee.
8. After setting out its capital structure at Annexure "E" what has been stated is that the Board of Directors at its Board meeting held on 24/5/2011 approved the scheme. The board of Directors of the Transferee Company have also held, a meeting and accordingly approved the scheme. A certified true copy of these resolutions of the Board of Directors are at Annexures "F-1" and "F-2".
9. Thereafter, the scheme is pointed out with its details and according to the petitioner, it contemplates transfer and vesting of the Fertilizer Undertaking of the company in the Transferee company. The salient features of the scheme are set out with the details in paragraph 10 and what is then stated is that Annexure "G" is a copy of the proposed Scheme of Arrangement and Demerger. The petitioner is primarily engaged in the business of fertilizers, but also has distinct and diverse business activities, which are set out in paragraph 11. It is stated that the petitioner has grown to a very sizeable organization and has evolved into a well diversified and progressive industrial group. Each of the businesses of the petitioner are distinct and diverse in their characteristics, growth trajectories, risk profile, maturity stage, requirement of funds and require entirely different approaches. For the purposes of effectively and efficiently catering to independent growth plans, for each of the respective businesses, and with the intent of adopting a linear structure in the businesses of the petitioner, the Board of Directors of the Petitioner have decided to demerge the Fertilizer Undertaking of the petitioner into Transferee company. The benefits of this scheme are set out in paragraph 11.
10. Thereafter, what has been stated is that four secured creditors of the petitioner to whom Rs. 787.41 crores was due and payable so also the ninety four unsecured creditors to whom petitioner owed an amount of Rs. 10,00,000/- and above were approached and the secured creditors and most of the unsecured creditors have conveyed their No-objection. The orders

dated 7/7/2011 are referred to which dispense with the meetings of the secured creditors also the unsecured creditors and it has been stated that the meeting of the equity shareholders was convened on 17/8/2011.

11. In paragraphs 13 and 14 of the petition, this is what is stated:

“13. The petitioner Company had filed Company Application in this Hon’ble Court, being Company Application No. 19 of 2011, seeking requisite directions for convening the meeting of the Equity shareholders of the Petitioner Company to consider the Scheme. The Petitioner Company had also sought requisite directions for dispensing with the requirement of convening the meetings of its Secured Creditors and Unsecured Creditors, to consider the Scheme.

14. This Hon’ble Court by order dated 7th July 2011 was pleased to direct that a meeting of the Equity Shareholders of the Petitioner Company shall be convened on 17th August 2011 at the Registered Office of the Petitioner Company, to consider and if though fit, approve with or without modification(s), the Scheme. This Hon’ble Court further, by order dated 14th July 2011 was pleased to-

- (i) dispense with the requirement of convening the meetings of the Secured Creditors in view of the No Objection Certificates received from 100% of the Secured creditors and
- (ii) dispense with the requirement of convening the meetings of the Unsecured Creditors of the Petitioner Company in view of the No-objection certificates received from 75% of the unsecured creditors to whom the petitioner company owes an amount of Rs. 10 lakhs and above each and further undertaking given by the Petitioner Company that individual notice of date of hearing of the petitioner would be given to the balance Unsecured Creditors to whom the Petitioner company owes an amount of Rs. 10 lakhs and above as on 31st May 2011, in the event that an NOC is not received from them.

14 A. The notice of the meeting of the Equity Shareholders of the petitioner company, together with a copy of the Scheme, Explanatory Statement under Section 393 of the Act, Form of Proxy and Attendance Slip were dispatched by post to the Equity Shareholders of the petitioner company on 21st July 2011. The notice of the aforesaid meeting of the Equity Shareholders was also published in the newspapers namely, Navhind Times (English edition) on 23rd July 2011 and Tarun Bharat (Marathi edition) on 24th July 2011.

14 B. The meeting of the Equity Shareholders of the Petitioner Company was accordingly held on 17th August 2011, at 11.00 a.m. At the Registered office of the the Company at Jai Kisaan Bhawan, Zuarinagar, Goa - 403726. The said meeting was attended in person and by proxy by 89 Equity Shareholders of the petitioner company entitled together to 1,79,34,436/- equity shares of total value of Rs. 17,93,44,360/-. At the said meeting, the following resolution was put to vote by ballot : Mr. Girish Naik Desai proposed the following resolution of Scheme of Arrangement/Demerger:

RESOLVED THAT pursuant to Sections 391 to 395 of the Companies Act, 1956 (“the Act”), Rules 67 to 87 of the Companies (Court) Rules, 1959 (“the Rules”) and other applicable provisions, if any, of the Act and the Rules, and subject to sanction by the Hon’ble High Court of Judicature of Bombay at Goa and other requisite consents and approvals, if any, being obtained, and subject to such terms and conditions and modifications as may be imposed, prescribed or suggested by the said Hon’ble High Court or other appropriate authorities, Scheme of Arrangement and Demerger between Zuari Industries Limited and Zuari Holdings

Limited and their respective Shareholders in terms of the draft of the Scheme placed before the meeting and initiated by the chairman for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Transferor Company be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and do and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution.

RESOLVED FURTHER THAT the arrangement embodied in the Scheme of Arrangement and Demerger between Zuari Industries Limited and Zuari Holdings Limited placed on the table and initiated by the Chairman for the purpose of identification, upon the scheme becoming effective the fertilizer undertaking shall stand demerged and transferred by the transferor company to the transferee company and be vested in and managed by transferee company without any further deed or act together with all properties, assets, rights, benefits and interest therein subject to existing charges, liens or lispendens, if any, upon and subject to the terms and conditions contained in the said Scheme of Arrangement and Demerger, be and is hereby approved and that the Board of Directors of the Company, be and are hereby authorised to take all such steps as may be necessary or desirable and do all such acts, deeds and things as are considered requisite or necessary to effectively implement the said Scheme of Arrangement and Demerger and this resolution and to accept such alterations, modifications and/or conditions if any, which may be proposed, required or imposed by the Court while sanctioning the Scheme.”

12. It is stated that the net result of voting by poll at the meeting of the Equity Shareholders was that 86 Equity Shareholders representing 17401756 Equity Shares of the petitioner company and which are 96.63% in number and 97.03% in value, present and voted in favour of the resolution. The 3 Equity Shareholders representing 5,32,680 Equity Shares, which constitute 3.37% in number and 2.97% in value, present and voting, voted against the resolution.
13. The Chairman's report together with the result of the poll is then referred and copies thereof are annexed as Annexure "I". There are additional No objections received from unsecured creditors to whom the company owes Rs. 10 lakhs.
14. It is in these circumstances that it is stated that the scheme is just, fair and reasonable to the Equity Shareholders and Creditors of the petitioner company and therefore it be sanctioned.
15. The necessary declarations and statements are made in the petition including that Shri R Y. Patil, Chief, General Manager and Company Secretary who is conversant with the facts of the case has signed, verified and declared this petition. The petitioner has stated that there are no criminal proceedings, no investigation proceedings under Sections 235 and 250 A of the Companies Act 1956 have been instituted or pending against the petitioner and there are no winding up proceedings.
16. A copy of the petition and its annexures came to be served on the Regional Director, Ministry of Corporate Affairs, Government of India, Mumbai. Upon receipt of the same, the Regional Director has forwarded the petition to the concerned Registrar of Companies. The Registrar of Companies has forwarded his report. This report has been examined by the Regional Director and he has made his comments. All that the Regional Director states is that he has filed an affidavit dated 31/10/2011 and submits that save and except as stated in paras 6(a), (b), (c), (d) and (e), it appears that the Scheme is not prejudicial to the interest of shareholders and public. As far as paragraph 6 (a) is concerned what has been stated is that Clause 3.8 of the Scheme interalia provides for change

of name of Demerged Company as well as Resulting Company. By this clause it is proposed to changed the name of the Resulting Company by adopting the name of the Demerged company and vice versa. There is no provision in the Companies Act for exchange of name. Further both the companies will continue to be in existence and therefore it is not possible to adopt the name of the other company. Besides the proposed swapping of names would invariably confuse and mislead the mind of the stakeholders of both the companies and therefore it is not just and proper to allow this scheme. In view of the above it is suggested that the said clause may be deleted from the scheme. As far as Clause 4.1 of the scheme, it is stated that the scheme provides for increase in the Authorized Share capital of the Transferee Company to Rs. 42,06,00,000. and therefore the Transferee company may be directed to comply with provisions of section 94/97 read with Schedule IX of the Companies Act 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty. Thereafter, reference is made to Clause 4.8 of the Scheme and it is stated that this clause be deleted because like other shareholders of the Transferee company the promoters of Transferor company become promoters of the transferee company pursuant to issuance of new shares as provided in Clause No 4.2.2 of the scheme. In this regard it is submitted that like the other shareholders of the Transferor company, promoters of the Transferor Company will also be allotted the new shares at par by the Transferee company and they would become shareholders of the Transferee company and hence treating promoters of the Transferor company, as promoters of the Transferee company is not justified. As far as Clause 5.2.3 is concerned it is stated that the said Reserves be treated as Free Reserve and may be restricted and not utilized for declaration of dividend by the transferee company.

17. The attention of this Court has been invited by the Regional Director to the complaint of one R. G. Furtado, one of the shareholders of the demerged company against the present scheme and what has been stated is that his complaint was forwarded to demerged company by the complainant R. G. Furtado. He attended the Court convened meeting of the demerged company on 17/8/2011.
18. In answer to this affidavit of the Regional Director a Rejoinder has been filed by the Transferor petitioner and my attention is invited to the same. It is stated in this rejoinder affidavit at page 478 of the petition paper book that clause 3.8 of the scheme can be retained in as much as interchanging of name has been sanctioned by this Court and also other courts in respect of various other schemes involving other companies and illustration can be given of the judgment and order dated 18/12/2007 of this Court in the case of Bajaj Auto Limited. It is submitted that the Regional Director has not pointed out as to how such change of names is prohibited or impermissible or as to what prejudice would be caused to the shareholders or the public at large. It is denied that interchanging of names would confuse or mislead the stakeholders of the companies. It is submitted that Zuari Industries Limited is associated in the minds of the stakeholders with fertilizer business of the petitioner. Therefore, upon demerger and this business coming in the hands of the transferor company that the interchange is proposed that has been approved in the meetings as well. Thus, the decision taken in commercial wisdom need not be interfered with.
19. Alternatively, it is proposed in any event and without prejudice to the above, if this Court is of the opinion that it would not be permissible to allow change of names in the manner contemplated under Clause 3.8 of the said scheme, then the petitioners are agreeable to dropping clause 3.8 of the said scheme.
20. As far as the other objections or comments of the Regional Director are concerned, he has stated that the petitioner will file necessary forms with the Registrar of Companies and pay filing fee and stamp duty.
21. It is stated that the promoters of the Transferor Company would necessarily, as per the provisions of law including various regulations framed by the Securities and Exchange Board of India, be the

promoters of the transferee company. The suggestion of the Regional Director regarding deletion of clause 4.8 of the scheme is not only misconceived but is contrary to the provisions of law.

22. As far as the other objections are concerned it is stated that the Transferor and Transferee companies are agreeable that the business reconstruction reserve would not be utilized for declaration of dividend of the transferee company.
23. As far as the objections of Mr. R. G. Furtado are concerned he has filed an affidavit. His affidavit states that he is a shareholder and has a right therefore to object to the scheme. He states that there is a circular of Ministry of Corporate Affairs dated 26/7/2011 issuing guidelines and the Registrar of the Companies is required to adhere to these guidelines and the circular. He states that it is illegal for a company Zuari Holding Limited to assume the name, corporate identity number and old dates of registration of Zuari Industries Limited.
24. What he pertinently says is that he attended the meeting convened pursuant to the orders of this Court. Further, pertinently he refers to the Accountant's report and the valuation report and submits that the valuation should have been done after the appointed date. The appointed date is relevant for the purpose of determining the share valuation and share exchange rate, which the resultant company would offer to its shareholders after the demerger.
25. The principal objection appears to be that the valuation report is silent on the capital structure of the company. Further, what would result from the scheme is that the holding/controlling stake of the promoter group increased from 32.13% pre-demerger to 52.49% post-demerger. To this extent, the stake of the non-promoter shareholders stands diluted. The promoter group has, at the stroke of the pen, through the scheme, increased their stake in Zuari Holding Ltd. at no extra cost. He has prepared a chart and has submitted that the control of the promoter group over the fertilizer undertaking is absolute i.e. 52.49%. By transferring only 70% of the value of net assets (including the fertilizer undertaking) to the transferee company the promoter increased their control/stake from 32.13% to 52.49% and the non-promoter shareholders would always be losers. He has invited the attention of the Court to the valuation report of M/s. Bansi S. Mehta and Company and submits that it does not contain any valuation. The valuer recommended the swap ratio, but without the valuation. He then submits that it makes no sense to segregate the companies by having one company to operate plants and the other to make strategic investments and hold securities of other entities. Therefore, there is no point in demerging the fertilizer undertaking and along with it transferring/selling investments and also holdings and securities of other entities.
26. These objections have been replied to by the petitioner and my attention is invited to the rejoinder at page 461 of the paper book in which it is submitted that the objector holds a minuscule quantity of 50 shares in the petitioner company forming 0.00017% of the paid-up capital of the petitioner company. The scheme was approved by an overwhelming majority of the equity shareholders. The meeting was attended by 89 equity shareholders of the petitioner company, 86 out of of 89 equity shareholders who attended the meeting voted in favour of the scheme. Their value is enormous and only three shareholders including the Objector objected the scheme. Though the Objector remained present at the meeting he did not chose to address the other shareholders or to raise any pertinent objections to the scheme. Admittedly, all that the Objector chose to do was to ask the Company Secretary of the petitioner company as to when the petitioner would respond to his letter dated 11/8/2011. It is in such circumstances that the petitioner firstly states that the shareholders who remained present for the meeting and voted in favour of the scheme included several foreign institutional investors/foreign sovereign funds amongst others. The overwhelming majority having voted in favour of the scheme, it is not permissible for this Court to sit over in judgment over the decision of the equity shareholders who are supposed to be men of the world and reasonable, they know the benefits and interest underlying the present scheme It is in these circumstances, that it is submitted that the objections of Furtado, ex employee, be rejected.

27. However, while dealing with these objections on merit what has been pointed out in relation to clause 3.8 of the scheme and the stake of the promoters reads thus:
- “16. With reference to paragraph no. 3 of the said objections which relates to clause 3.8 of the scheme, it is submitted that such interchange of name is in the interest of the company and its shareholders. It is to be noted that both companies, namely the transferor and transferee will be listed companies. Insofar as the transferor company is concerned, the same is already a listed company and will continue to remain listed. Insofar as the transferee company is concerned, the same would be listed by following the relevant procedure, once the scheme is sanctioned. It is significant that the stock exchange on which the shares of the transferor company are listed have given their NOCs to the said scheme. The same have been annexed to the Company application filed along with the Company petition. It is thus apparent that the stock exchanges have no objections to the said scheme including the interchange of names. It is to be noted that major undertaking of the transferor company is its fertilizer undertaking. The fertilizer undertaking is to be transferred to the transferee company, The name “Zuari Industries Limited” is associated in the minds of the stakeholders and the investing public with the fertilizer operations/fertilizer undertaking. It is for this reason that the change of name was contemplated in the said scheme and the same has been approved by the shareholders in their commercial wisdom. Similar schemes involving such interchange of names have been approved and accepted by this Hon’ble Court and various other High Courts in various matters. I crave leave to refer to and rely upon copies of the said schemes and the relevant orders when produced. It is submitted that Sections 391 to 395 of the Companies Act, 1956 are in themselves a complete code and separate approval or procedures including those for change of name are not required to be obtained or followed. It is denied that it is illegal for the transferee company to assume the name of Zuari Industries Limited subsequent on this scheme being sanctioned by this Hon’ble Court. It is denied that any procedure for change of name as contemplated under the companies Act, 1956 will be required to be independently followed. It is denied that the question of availability of names will arise. It is denied that this Hon’ble Court has no jurisdiction to permit change of names or interchange of names. It is denied that there will be any listing through any backdoor method. It is submitted that apart from raising vague and baseless objections, the Objector has failed to make out any case as to how the interests of the shareholders or the general public would be adversely affected by the change of name as contemplated under the said scheme.
17. With reference to paragraph No. 4(i) of the said objections, I repeat and reiterate what is stated by me with respect to the accountants’ report and deny all that is inconsistent therewith and/or contrary thereto. It is submitted that as stated by the expert accountants in the report dated 21st May 2011, since the ultimate ownership of the transferor and transferee company lies with the same set of shareholders in the same ownership interest, question or aspect of adjusting the equities between two or more disparate groups of shareholders does not arise in this case. It is inter alia in view of the above that the said expert accountants have recommended allotment of 1 equity share in the transferee company for every 1 equity share in the transferor company. Since the report is dated 21st May 2011 and was required to be presented to the Board of Directors of the Petitioner Company, the question of basing the same on the values of 30th June 2011 does not arise. The same could not have been prepared after the appointed date as the same was to be considered and approved by the Board of Directors of the Petitioner Company in its meeting held on 24th May 2011. In any event, as stated above, since the present case of demerger, the question of determining the share exchange ratio or carrying out a complex process of valuation as on the appointed date does not arise.

18. With reference to paragraph No. 4(ii) of the said objections, it is denied that the said report is silent on the capital structure of the company. In fact, the capital structure has been specifically referred to in paragraphs 1.3, 2.1.3 and 2.1.11 of the report. The subscribed capital of the transferee company would only increase to Rs. 42.05 Crores on the scheme being sanctioned. Since the transferee company is currently direct/indirect wholly owned subsidiary of the transferor company, the shareholding in the transferee company held by the transferor company and Zuari Management Services Limited (an wholly owned subsidiary of the transferor company) is required to be showed as a part of the promoter group holdings in view of the relevant definitions under the relevant regulations. It is denied that the promoter group has at the stroke of a pen through their scheme increased their stake in the transferee company. On the contrary, the personal holdings of the promoters of the transferor company in the transferee company would reduce post demerger. I crave leave to refer to and rely upon the relevant charts showing the holdings pre and post demerger of the public and the promoters in the transferor and transferee companies when produced. It is significant that the public shareholders in the transferor company are to the extent of approximately 65.63% and they would continue to have their hold in the affairs of the transferor company. The nominees of the transferor company representing the transferor in the transferee (resulting company) would be obliged to conduct themselves in the manner desired by the general body of the transferor company. The shareholding pattern post demerger will not affect the interest of the public shareholders in any manner. On the other hand, it will create an opportunity for the public shareholders to continue to hold shares in the transferee company or to exit therefrom by selling the shares allotted to them. It is to be noted that the public shareholders will continue to directly hold 45.94% of shares in the transferee company and will get representation to the extent of 19.69%. on account of the 30% of shares held by the transferor company and its subsidiary in the transferee company. It is significant that shareholders of the transferor company have by overwhelming majority in their commercial wisdom approved the scheme. It is thus submitted that it is not open for the Objector to raise any of the purported objections particularly in regard to the shareholding patterns. It is denied that the promoters have increased their control as alleged or at all. It is denied that the share held in wholly owned subsidiaries are under the control of the promoter group. It is denied that the petitioner has created a maze of subsidiaries as alleged or at all. It is submitted that upon demerger, the transferee company ceased to be a wholly owned subsidiary of that transferor company. The observations of the Objector are thus misplaced and irrelevant.”
28. It is submitted that the personal holding of ZHL would reduce post merger and a part is handed to it.
29. It is on the above material that I have heard the learned counsel for the parties. My attention is invited to a Sur-Rejoinder and an Affidavit-in-Rejoinder of Mr. R. G. Furtado seeking to deal with the affidavit of the petitioner.
30. Mr. Rajadhyaksha, learned Senior Counsel appearing on behalf of the petitioner submitted that the scheme has been approved by a overwhelming majority of the shareholders and creditors. Further, the petitioner has given an undertaking that it would duly comply with the objections which have been raised by the Regional Director. Shri Rajadhyaksha submits that the statements made in the affidavit by Mr. R. Y. Patil, in response to the affidavit of the Regional Director may be accepted as an undertaking to this Court. Even in relation to Clause 3.8 of the scheme Shri Rajadhyaksha submits that it is not as if swapping of names upon the order of this is automatic, but subject to compliance with law. The requirement of the provisions of law and particularity those pointed out by Mr. Furtado has to be complied with. However, in any case it cannot be said that the scheme

is against the interest of the shareholders, creditors or general public. In such circumstances, he submits that the scheme is fair, reasonable and just and be sanctioned and approved by this Court

31. As far as the other objections of the Objector is concerned, Mr. Rajadhyaksha submits that there is no merit therein. Firstly, he has attended the meeting but has not addressed the same by referring to any objections or by pointing out anything from the scheme. He only states that he voted against the scheme and his vote is noted. He is just one of the three shareholders who voted against the scheme. His objections should be seen as a result of some personal grudge and out of sheer malice. He has been unable to point out as to whether the scheme would be prejudicial to the Equity shareholders, creditors and general public. On the other hand barring him none of the shareholders including foreign institutional investors and buyers have objected either to the valuation or to the manner in which the shares would be allotted post demerger. Each of the aspects thereof were put for investigation and scrutiny of the shareholders. It is not the case where the promoters have not disclosed the true state of affairs of the company and have framed the scheme to benefit itself at the cost of the other shareholders. This is not a case of minority being forced to accept something against its wishes and because of lack of bonafides on part of the majority. This is a case where one may have a different view of the matter. However, once in commercial wisdom, the decisions have been taken by the majority and all particulars as to how the shareholders would stand post demerger are on record, then, this Court should not up-hold the objection but reject the same. The petition therefore be made absolute.
32. Shri Rajadhyaksha has relied on the following decisions:
 - (i) You Telecom India (P) Ltd. Vs. YOU Boradbrand Networks India (P) Ltd, (2008) 1 Camp L.J. 276 (Bom).
 - (ii) Intertek Testing Services India (P) Ltd. V. CALEB BRETT India (P) Ltd., (2009) 4 Camp L. J. 637(Bom).
33. On the other hand, learned Assistant Solicitor General Mr. C. A. Ferreira appearing on behalf of the Regional Director invited my attention to the affidavit of the Regional Director and has stated that if the statutory compliance has been made and if this Court is of the opinion that the interchange of names would cause no confusion or misleading then the swapping may be approved subject to the undertaking of the petitioner.
34. Mr. Shivan Dessai, learned counsel appearing for the Objector submits the objector has pointed out something which affects the shareholders post demerger and approval of the scheme. He submits that a one sided scheme which is absolutely beneficial to the promoters is being foisted on the shareholders. It is irrelevant whether the same has been voted by majority and accepted in the present form. That does not mean that this Court cannot scrutinize and verify the same, particularly when serious objections are brought on record. Besides my attention is invited to the affidavit which has been filed by Mr. Furtado and Mr. Dessai submits that the company has not disclosed the true state of affairs by refusing to comply with the queries in terms of circular dated 26/7/2011, and this Court should not approve the scheme. Mr. Shivan Dessai submits that as far as the general idea of a demerger is that the value of the divided companies is more than the combined entities. This will not help in the present case due to increase in the capital structure. He submits that the earnings per share of the existing shareholders would be reduced after demerger. Zuari Holding Ltd. would cease to be a subsidiary of the Zuari Industries Ltd. The Promoter Group will tighten its grip on the demerged company and after demerger their stake would go up in great number. The stake of promoters group in Zurai Industries Ltd. is 34.37% and key decisions in Zuari Industries are influenced by the promoters. Out of 10 directors,5 are from the promoter group/ employees. Out of 5, independent directors, 2 are partners of the firm who are legal advisers of the company. Therefore, the promoter group and their associates have overwhelming influence

over the decision of ZIL. Even, post demerger, the stake of the promoter and public shareholders would reduce by 10.31% and 19.69 % respectively and these shares will be held by ZIL, (30%). Since promoters will hold stake of 34.37% in ZHL, they can influence key decisions relating to ZHL, by virtue of direct holding which is 24.06%, as well as their stake in ZIL. On the other hand, the non-promoters shareholders will face a decline in their combined holding in ZHL and their percentage will come down from 65.63% to 45.94%. Thus, stake of the promoter group will increase by 54.06% and it may go up to more than 75%, if the holding of the promoter Transferor company is taken into account. All this shows that the scheme is not fair and the approval thereto is by all interested parties such as promoters and employees. The public shareholders did not attend the meeting and major financial Institutions /Investors such as M/s. Franklin Templeton Mutual Fund has disapproved the Scheme. Therefore, this is nothing but a rear-door route by the promoters to raise their shareholding and tighten their grip in the transferee Undertaking, which is now given to ZHL The 95.46% shareholders who voted in favour of the scheme belonged to the promoters group and therefore they knew that they are the beneficiaries of the demerger. In these circumstances, that the majority have approved the scheme is no answer to the objections to the scheme. The Court must independently find out by applying the principles laid down in the case of Miheer H. Mafatlal Vs. Mafatlal Industries Ltd., AIR 1997 S.C. 506.

35. For all these reasons, Mr. Desai submits that the objections may not be overruled but given due weight-age and serious consideration. He has also given a chart and relied upon the valuation report.
36. With the assistance of the learned counsel appearing for the parties, I have perused the petition, the annexures thereof and relevant statutory provisions brought to my notice. The ambit and scope and power of this Court while approving and sanctioning the scheme of this nature are now well settled and which are noted in the decision in the case of Miheer H. Mafatlal Vs. Mafatlal Industries Ltd., AIR, 1997 S.C. 506.
37. The principles that are summarized by the Hon'ble Supreme Court in paragraph 28-A of this decision read thus:

“28-A The following broad contours of such jurisdiction have emerged:

1. The sanctioning court has to see to it that all the requisite statutory procedure for supporting such a scheme has been complied with and that the requisite meeting as contemplated by Section 391(1) (a) have been held.
2. That the scheme put up for sanction of the Court is backed up by the requisite majority vote as required by Section 391 sub-section (2).
3. That the concerned meetings of the creditors or members or any class of them had the relevant material to enable the voters to arrive at an informed decision for approving the scheme in question. That the majority decision of the concerned class of voters is just fair to the class as whole so as to legitimately blind even the dissenting members of that class.
4. That all the necessary material indicated by Section 393(1)(a) is placed before the voters at the concerned meetings as contemplated by Section 391 sub-Section (1).
5. That all the requisite material contemplated by the provision of sub-Section (2) of Section 391 of the Act is placed before the Court by the concerned applicant seeking sanction for such a scheme and the Court gets satisfied about the same.
6. That the proposed scheme of compromise and arrangement is not found to be violative of any provision of law and is not contrary to public policy. For ascertaining the real purpose

underlying the Scheme with a view of to satisfied on this aspect, the Court, if necessary, can pierce the veil of apparent corporate purpose underlying the scheme and can judiciously X-ray the same.

7. That the Company Court has also to satisfy itself that members or class of members or creditors or class of creditors as the case may be, were acting bona fide and in good faith and were not coercing the minority in order to promote any interest adverse to that of the latter comprising of the same class whom they purported to represent.
8. That the scheme as a whole is also found to be just, fair and reasonable from the point of view of prudent men of business taking a commercial decision beneficial to the class represented by them for whom the scheme is meant.
9. Once the aforesaid broad parameters about the requirements of a scheme for getting sanction of the Court are found to have been met, the Court will have no further jurisdiction to sit in appeal over the commercial wisdom of the majority of the class of persons who with their open eyes have given their approval to the scheme even if in the view of the Court there would be a better scheme for the company and its members or creditors for whom the scheme is framed. The Court cannot refuse to sanction such a scheme on that ground as it would otherwise amount to the Court exercising appellate jurisdiction over the scheme rather than its supervisory jurisdiction.

The aforesaid parameters of the scope and ambit of the jurisdiction of the Company Court which is called upon to sanction a Scheme of Compromise and Arrangement are not exhaustive but only broadly illustrative of the contours of the Court's jurisdiction."

38. If this principles are applied to the facts of the instant case what I find is that Regional Director upon examination and scrutiny of the report of the Registrar of Companies has come to the conclusion that the scheme is not prejudicial to the shareholders, creditors and general public. While explaining this point he has invited attention of this Court to Certain aspects of the scheme. As far as his reliance on clause 3.8 is concerned, I am of the opinion that both the Regional Director as also the sole objector Furtado have failed to point out anything in the Indian Companies Act 1956 which prohibits the swapping or interchange of name or that the provisions would enable the authority to consider the application for change of name only in the light of Sections 22(2) of the Companies Act, 1956. It is not as if the Regional Director's Affidavit proceeds on the basis that swapping of names or interchange names of the company is against the statute. That is something which the Registrar will decide when the company approaches him with the request for interchanging of the names. In fact, the sole Objector, Furtado in his first Affidavit has rightly relied upon the fact that this Clause 3.8 will have to be subject to the procedure for change of name prescribed under the Companies Act, 1956. He has stated that the Registrar of Companies cannot name Zuari Holding Limited as Zuari Industries Ltd., as Zuari Industries Ltd. is an existing company with separate registration number. Secondly, the company will have to hold a Board meeting and pass the resolution authorizing the person to sign Form "A" along with fees. The company will have to hold general body meeting for passing said resolution for change of name. The reasons have to be provided accordingly for change in name. He has stated that this Court has no jurisdiction over Registrar of Companies in the matter of change of names. Precisely, this is what I have concluded. Clause 3.8 will come into force only upon compliance with the provisions of the Companies Act,1956 and particularly the procedure laid down in the Affidavit of Furtado. Equally this Court putting its seal of approval and sanction to the scheme does not mean that the Registrar of Companies would not exercise independent power under the Companies Act, 1956 in relation to change or swapping of names. Therefore, by clarifying that clause 3.8 would be subject to the provisions of the Companies Act, 1956, the scheme can be sanctioned.

39. Mr. Rajadhyaksha, learned Senior counsel reliance upon the decision of this Court in the case of Intertek Testing Services India (P) Ltd. And Caleb Brett India (P) Ltd. Reported in (2009) 4 Comp L.J. 637 is well placed. The learned Single Judge while relying upon the judgment of this Court dated 11/4/2007 in Company petition no.64/2007 YOU Telecom India (P) Ltd. And YOU Broad and Networks India (P) Ltd., (2008) 1 Comp L.J. 276, has found that the provisions of Section 21 of the Companies Act by itself do not prohibit this Court from making an order of swapping of names. It is not as if for the first time any company has approached this Court for swapping of names. In case of Bajaj Auto Limited, the companies in the same group with the same name had approached this Court earlier for such relief. Reliance upon the scheme of identical nature between Bajaj Auto Limited Vs. Bajaj Holding and Investment Ltd. Company Petition No. 716 of 2007 along with connected matter decided on 18/12/2007 is also appropriate.
40. In such circumstances, as far as this objection of the Regional Director and of sole Objector is concerned, by virtue of the above clarification, the apprehension may not survive.
41. The Regional Director has then stated that the scheme envisages increase in the authorized share capital of the transferee company. The company has clarified it will adhere to the provisions of the Companies Act 1956 and particularly Sections 94 to 97 thereof. Mr. R. Y. Patil has reiterated the statement. Therefore, the statement made by Mr. Rajadhyaksha, on instructions from the petitioner company is accepted as undertaking to this Court. As far as Clause 4.1 of the scheme is concerned, beyond stating that allotment to promoters of the transferor company, the shares of the transferee company would make them shareholders of the transferee company and that is not justified, the Regional Director has not shown anything in law which prevents such a course. In the light of the clarifications given by the company and particularly the requirements of the section, I do not see how clause 4.8 of the scheme can be deleted as desired by the Regional Director. The objection of the Regional Director in that behalf is therefore rejected.
42. As far as Clause 5.2.3 of the scheme is concerned, Mr. Rajadhyaksha on instructions states that reserve will not be utilized for declaration of the dividend by the transferee company. Thus creation of business reconstruction reserve and treating it as Reserve in the books of transferee company but it would not be utilized for declaration of dividend by transferee company. The statement made by Mr. Rajadhyaksha on instructions is accepted as an undertaking to this Court and clause 5.3 of the scheme is approved in terms subject to this statement and undertaking.
43. As far as the main objection and that is raised by Mr. Furtado is concerned, equally that is without any substance and merit. It is pertinent to note that Shri Furtado has not denied the fact that he attended the meeting. He has also not denied the fact that during the course of the meeting he has not raised any of the objections now noted but chose to seek clarification from the Company Secretary as to what is the response by the company to his letter dated 11/8/2011. The said Furtado was present at the meeting and particularly till the end. He has also voted against the scheme along with 2 others equity shareholders. However, other shareholders have approved the scheme by voting at the said meeting. The statement made in report of the Chairman are not denied. In fact Shri Furtado's affidavit would reiterate the position and the factual basis in the report. As far as his contention that the circular of the Ministry of Corporate Affairs dated 26/7/2011 is not adhered to by the Regional Director is concerned, I am of the opinion that the report of the Regional Director forwarded to this Court upon the scrutiny and verification of the Report of the Registrar of Companies shows that the scheme has been verified in terms of the circular. Therefore, it is not as if this circular has been ignored or given go by, as apprehended.
44. The principal contention and objection is that the stake of the promoters has been increased by demerger. The adoption of demerger group is nothing but tightening of the grip by the promoters and they would together dictate the non-promoters-shareholders to their prejudice, according to Furtado. In this behalf it may be noted that as far as the petitioner is concerned i.e. Zuari Industries

Ltd. is an existing company incorporated in year 1967. It has its fertilizer undertaking from this time in the State of Goa. It is a listed company. It is listed at the Bombay Stock Exchange as well as in the National Stock Exchange. Promoters and the Group Managing these companies are well known in the market in India. It is common for families to establish companies either by family names or other style because of peculiar business activities or their location. Further, Zuari Holding Ltd. was incorporated in 2009 that both the petitions disclose as to what is the object of the company, their composition and the nature of the activities undertaken by them which is not disputed by Furtado. That is the position revealed from the statutory declarations including the annual accounts, balance sheet and the relevant documents. The stake of the promoters group and composition of Board of Directors is not a secret. Despite all this, the majority of equity shareholders, public and Institutional buyers have their faith and trust in the company and have approved the scheme. The apprehension that the Directors on the board of Directors of the company are incapable of independent approach and outlook is nothing but casting aspersions on them without any material. It is not as if the promoter group is associated involved in the management for the first time. Several members of the family and the promoter group are on board for all these years. In such circumstances, the apprehension that this is nothing but an attempt to increase the stranglehold of the promoter group is not well founded.

45. The scheme with all its salient features has been referred to in the petition and copy thereof has been duly annexed. The scheme has been scrutinized by independent body such as Registrar of Companies and Regional Director. Independent thereof, the scheme appears to be to increase the effectiveness of the business operations and better co-ordination and efficiency. The scheme has been envisaged so that fertilizer undertaking gets demerged in holding company and thereafter in the transferor company. The petitioners before this court can concentrate in a better manner on other activities and other business in which they are specialized. It is in such circumstances and for better coordination and efficiency the said scheme is envisaged, the decisions which are essentially commercial cannot be set aside merely because on some of the objections raised by the objector another view is possible. The test that has been laid down by the Hon'ble Supreme Court and followed from time to time would not enable me to exercise an appellate power. In these circumstances, I do not see how the objections of the sole objector can be taken note of.
46. Besides the said objection it has been also pointed out by the sole objector that the scheme of Bajaj Auto Ltd. was being scrutinized by this Court. The learned Single Judge has found that the objection of the identical nature cannot be accepted and no prejudice has been established. In this behalf the learned Single Judge has held in paras 22,23,24 and 25 thus:

“22. As aforesaid, the main grievance of the objector was that the process adopted by the company would result in sucking the real value of the equity shares held by the shareholders and increasing percentage of holding of the promoters. Insofar as increasing percentage of the holding is concerned, that apprehension is totally misplaced. Inasmuch as, the pattern of holding of public shareholders and promoter shareholders remains unaffected in BAL. Insofar as the resulting companies are concerned, the pattern would be that around 30% share capital to be held by BAL and the remaining 70% between the shareholders of BAL in the same proportion of their holding in the BAL. As already discussed earlier, it may appear that the promoters will end up in getting 51% representation in the resulting companies. That may happen on account of 21 % holding being direct shareholders in the resulting companies and 30% of the shares held in the name of BAL. However, it cannot be overlooked that 30% holding of BAL in the resulting companies cannot be ascribed to be the holding of the promoter shareholders as such. The promoter shareholders who may be nominees of BAL. May have to conduct themselves in line with the decision of the General Body shareholders of BAL.

23. Suffice it to observe that the pattern of share holding is not to increase percentage of the holding of the promoter shareholders as such either in the BAL or for that matter in the two resulting companies. Inasmuch as, out of 70% of shares of the resulting companies are to be allotted to the 100% shareholders of the BAL in the proportion of public shareholders of 70% and all promoter shareholders of 30% in BAL. The same holding would emerge in respect of those 70% shares to be allotted in the resulting companies. The direct shares held by the BAL cannot be said to be the holding of promoter shareholders as such, whereas, it will also represent the aspirations of public shareholders in BAL.
24. Insofar as the grievance about sucking of the valuation of shares held by the shareholders, once again is without any basis. As a result of the arrangement, the shareholders (a) will continue to hold his shares in BAL and addition would get same number of shares in respective two resulting companies. In addition, they would indirectly hold shares through BAL who will have direct holding of equity shares in the respective two resulting companies to the extent of 30%. Considering all this holding cumulatively, the pattern of share holding remains the same and there would be no sucking of valuation of shares as is contended.
25. On the above finding, I find no merits in the grievance of the objector that any prejudice will be caused to any shareholder or there would be a situation of reduction of valuation of all shares as is contended.”

The chart that has been handed over by Shri Rajadyaksha is nothing but reiteration of shareholding pattern emerging from the books to demonstrate that the promoter grouping being made shareholders of the transferee company does not show that non-promoters shareholders, who are sizable in number and more than 65% would be adversely affected. The entire attempt appears to cast a shadow of doubt and question the bonafides of the promoters group. However, making such allegations by themselves would not be of any assistance to the sole objector. His objections have been referred to by me in great details. He has reiterated them in paras 10 to 15 of his rejoinder. However, the affidavit that is filed of Shri R. Y. Patil and the statements which I have reproduced above would go to show that the promoter group has not increased their stake in the transferee company, but the statement which is relied upon and referred to in para 18 of the affidavit in rejoinder would show that the position is otherwise.

47. It is in these circumstances that I am of the view that objection based on increase in the stake of the promoter shareholders is liable to be rejected.
48. Accordingly, all the objections are rejected and in view of the clarifications that have been issued above so also undertakings of the petitioner company, I am of the opinion that the scheme is not demonstrated and proved to be prejudicial to the interest of the shareholders/creditors and general public. Accordingly it deserves to be approved.
49. The company petitions are made absolute in terms of prayer clauses “a”, “b” and “c”, The costs of the Regional Director are quantified at Rs. 25,000/- (Rupees twenty five thousand only) in each of these petitions.
50. At this stage Mr. Dessai prays that the operation of this order be stayed so as to enable the sole objector Furtado to challenge this order in higher court. This is objected by Mr. Sonak and Mr. Padiyar appearing in other petition no. 6 of 2011.
51. Once I have come to the conclusion that the objector has failed to prove that the scheme is prejudicial to the interest of the shareholders who have overwhelmingly approved the same, the request to stay the operation of this order cannot be granted. It is accordingly refused.

S. C. DHARMADHIKARI, J

Ap/-

IN THE HIGH COURT OF JUDICATURE OF BOMBAY AT GOA
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 7 OF 2011
CONNECTED WITH
COMPANY APPLICATION NO. 19 OF 2011

In the matter of the Companies Act, 1956:

-And-

In the matter of Petition under Sections 391 to 395
of the Companies Act, 1956;

-And-

In the matter of Scheme of Arrangement and
Demerger between Zuari Industries Limited and
Zuari Holdings Limited;

-And-

In the matter of Zuari Industries Limited, a company
incorporated under the Companies Act, 1956,
having its registered office at Jai Kisaan Bhawan,
Zuarinagar, Goa- 403726;

-And-

In the matter of Zuari Holdings Limited, a company
incorporated under the Companies Act, 1956,
having its registered office at Jai Kisaan Bhawan,
Zuarinagar, Goa-403726.

Zuari Industries Limited, a company incorporated }
under the Companies Act, 1956, having its }
registered office at Jai Kisaan Bhawan, }
Zuarinagar, Goa- 403726. } Petitioner / Transferor Company

29 The Petitioner Company has paid the requisite court fee of Rs 50 on the Petition.

30 The Petition is filed within time .

31 The Petitioner Company will rely upon the documents, a list whereof is annexed hereto

The Petitioner Company therefore prays :-

- a. that the Scheme of Arrangement and Demerger being **Exhibit "G"** be sanctioned by this Hon'ble Court so as to be binding, with effect from 01July 2011, the Appointed Date, on the Petitioner Company and all its shareholders and concerned persons;
- b. for an order under section 394 of the Companies Act, that with effect from the Appointed Date, the Fertilizer Undertaking of the Petitioner Company shall be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as set out in the Scheme being **Exhibit "G"**;
- c. for an order under Section 394 of the Companies Act, 1956 that the Petitioner Company shall file within 30 days after the date of receipt of the order to be made herein or within such other time as may be permitted by this Hon'ble Court, cause a certified copy thereof to be delivered and filed with the Registrar of Companies, Goa for registration;
- d. for such further or other orders be made and/or directions be given as this Hon'ble Court may deem fit and proper.

Section Officer
High Court of Bombay at Goa
Panaji - Goa

**IN THE HIGH COURT OF JUDICATURE OF BOMBAY AT GOA
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 19 OF 2011**

**IN THE MATTER OF:
THE COMPANIES ACT, 1956;**

and

In the matter of: Application under sections 391 to 395 of the Companies Act, 1956;

and

In the matter of: Scheme of Arrangement and Demerger
between

Zuari Industries Limited and Zuari Holdings Limited
and their respective shareholders and creditors.

and

In the matter of:

Zuari Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726	APPLICANT/TRANSFEROR COMPANY
------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
ZUARI INDUSTRIES LIMITED**

To
The Equity Shareholders
Zuari Industries Limited, (the Company).

Take notice that by an order made on the 7th July, 2011, the Hon'ble High Court of Bombay at Goa, has directed that a meeting of the Equity Shareholders of the Company, be held at Jai Kisaan Bhawan, Zuarinagar, Goa-403726 on Wednesday, the 17th day of August, 2011 at 11.00 am, for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement and Demerger between Zuari Industries Limited and Zuari Holdings Limited and their respective shareholders and creditors ("the Scheme").

In pursuance of the said Order and the directions contained therein further notice is hereby given that a meeting of Equity Shareholders of the Company will be held at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 on Wednesday the 17th of August, 2011 at 11.00 am, which you are requested to attend.

Persons entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form is deposited at the Registered Office of the Company at Jai Kisaan Bhawan, Zuarinagar, Goa-403726, not later than 48 hours before the time fixed for the meeting.

The Hon'ble High Court of Bombay at Goa has appointed Mr. J. N. Godbole, as the Chairman and failing him, Mr. Marco Wadia to be the Alternate Chairman of the said meeting.

A copy of the Scheme, the statement under Section 393 of the Companies Act, 1956 and a form of Proxy are enclosed.

Dated this 14th day of July, 2011

Shri. J. N. Godbole
(Chairman appointed for the meeting)

Registered Office :
Jai Kisaan Bhawan,
Zuarinagar, Goa - 403 726

**IN THE HIGH COURT OF JUDICATURE OF BOMBAY AT GOA
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 19 OF 2011**

In the matter of the Companies Act, 1956;

And

In the matter of : Application under sections 391-395 of the Companies Act, 1956;

And

In the matter of : The Scheme of Arrangement and Demerger between Zuari Industries Limited
and Zuari Holdings Limited and their respective shareholders and creditors

And

In the matter of:

Zuari Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726	APPLICANT/ TRANSFEROR COMPANY
------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956
ON BEHALF OF ZUARI INDUSTRIES LIMITED, (THE COMPANY)**

The accompanying Notice has been sent convening a meeting of the equity shareholders of the Company for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement and Demerger between the Company and Zuari Holdings Limited ("Transferee Company"), a company incorporated under the provisions of the Companies Act, 1956 (the "Act") and having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa-403726, their respective shareholders and creditors (the "Scheme").

1. (i) Pursuant to the Order dated 7th July, 2011 passed by the Hon'ble High Court of Judicature of Bombay at Goa in the Company Application referred to above, meeting of the equity shareholders of the Company is being convened and held on Wednesday, 17th August, 2011 at Jai Kisaan Bhawan, Zuarinagar, Goa- 403 726 at 11.00 am, for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme, as approved by the Board of Directors of the Company and the Transferee Company at their respective meetings held on 24th May 2011. A copy of the Scheme is attached to the notice of the meeting.
- (ii) The Hon'ble High Court of Judicature of Bombay at Goa, vide its order dated 14th July 2011, dispensed with the requirement of convening the meetings of the secured and unsecured creditors of the Company, to consider the Scheme.
2. The Hon'ble High Court of Judicature of Bombay at Goa, vide its order dated 7th July, 2011, dispensed with the requirement of convening the meetings of the equity shareholders, secured and unsecured creditors of the Transferee Company, to consider the Scheme.
3. Zuari Industries Limited, the Company was incorporated under the provisions of the Act and has its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa-403726.
4. The objects for which the Company has been established are set out in its Memorandum of Association. The main objects of the Company are as follows:
 - "1. To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of agricultural chemicals, fertilisers, manures, their mixtures and formulations and any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof, and any and all kinds of products of which any of the foregoing constitutes an ingredient or in the production of which any of the foregoing is used including but not limited to fertilisers and agricultural and industrial chemicals of all kinds, and industrial and other preparations or products arising from or required in the manufacture, refining etc. of any kind of fertilizer, manure, their mixtures and formulations.
 2. To carry on the business of manufacturers, producers, refiners, processors, miners, exporters, importers, buyers and sellers of, and dealers in and with all and any fats, dips, sprays, vermifuges, fungicides, insecticides, germicides, disinfecting preparations, fumigators, medicines and remedies of all kinds for agricultural, trees and fruit growing, gardening and other purposes or as remedies for humans and animals and whether produced from vegetable, mineral, gaseous, animal or any other matters or substances by any process whether chemical, mechanical, electrical or otherwise.

3. To purchase, manufacture, produce or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, sell, assign, transfer or otherwise dispose of trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.”
5. The share capital structure of the Company as on 24th May, 2011 was as under:

A.	Authorized Share Capital	Amount in Rs.
	35,750,000 Equity Shares of Rs. 10/- each	357,500,000
	10,000,000 Cumulative Redeemable Preference Shares of Rs. 100/- each.	1,000,000,000
	Total	1,357,500,000

B.	Issued Share Capital	
	29,451,168 Equity Shares of Rs. 10/- each	294,512,000
	Total	294,512,000

C.	Subscribed and Paid up Share Capital	
	29,440,604 Equity Shares of Rs. 10/- each	294,406,040
	Equity Shares (forfeited shares)	5,000
	Total	294,411,040

Out of the above 4,813,332 Equity Shares have been issued as fully paid-up for consideration other than cash.

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

6. Zuari Holdings Limited, the Transferee Company was incorporated on 10th September, 2009 under the Act. The Transferee Company has its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726.
7. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:-
- “1. To carry on the business of investment, holding and Investment Trust Company and for that purpose to invest in, acquire, underwrite, subscribe for, hold shares, bonds, stocks, securities, debentures, debenture stocks issued or guaranteed by any Company constituted and carrying on business in India or elsewhere; any Government, state, union territory, sovereign, Central or Provincial Commissioners, public body or authority, supreme, municipal, local or otherwise whether in India or elsewhere.
 2. To invest money (not amounting to banking business) on personal security or on the security of leasehold and freehold land, shares, securities, stock, merchandise and other properties and assets and generally to lend and advance money to such persons, firms, or Companies and upon such terms and subjects to such conditions as may seem expedient and to invest in and otherwise deal in gold, silver, and other precious metals and all articles and merchandise of all kinds either ready or for forward delivery and to carry on and transact every kind of guarantee and indemnity business and to undertake obligations of every kind and description and also to undertake trust of all kind.”
8. The share capital structure of the Transferee Company as on 24th May, 2011 was as under:-

A.	Authorized Share Capital	Amount in Rs.
	12,618,000 Equity Shares of Rs. 10/- each	126,180,000
	Total	126,180,000

B.	Issued, Subscribed and paid up Share Capital	
	12,617,402 Equity Shares of Rs. 10/- each	126,174,020
	Total	126,174,020

The equity shares of the Transferee Company are, at present, not listed on any stock exchange.

BACKGROUND AND RATIONALE TO THE SCHEME

9. The Company is engaged in primarily the following distinct and diverse business activities, namely:
- Fertilizer business which comprises of manufacturing and sale of fertilizers;
 - Pesticide business which comprises of procuring and marketing of pesticides; and
 - Other businesses which comprise businesses undertaken through subsidiaries and joint-ventures namely manufacturing and trading in furniture, real estate development, providing engineering consultancy services, manufacture of cement, transportation and storage of petroleum products, etc.

The Company has grown to a very sizeable organisation and has evolved into a well diversified and progressive industrial group.

Each of the respective businesses of the Company are distinct and diverse in their characteristics, growth trajectories, risk profile, maturity stage, requirement of funds and require entirely different approaches.

In order to effectively and efficiently cater to the independent growth plans (both through organic and inorganic means), of each of the respective businesses, and in order to diversify, continuous funding support through equity and debt is imperative.

The Transferee Company is a direct and indirect wholly owned subsidiary of the Company, and is presently engaged in the business of inter alia making strategic investments into and holding securities of other entities and operating fertilizer plants.

With the intent of adopting a linear structure in the businesses of the Company, the Board of Directors of the Company have decided to demerge the Fertilizer Undertaking of the Company into the Transferee Company, in compliance with provisions of Sections 391-395 and other relevant provisions of the Act.

The benefits likely to arise from the proposed arrangement and demerger are as follows:

- The arrangement and demerger will be in the larger interest of the shareholders, creditors and employees of the Company as it will enable them to fulfill their objectives more efficiently by separately holding investments which best suit their investment strategies and risk profiles.
 - The Scheme gives flexibility to shareholders of the Company to continue or divest in the Company and/or in the Transferee Company.
 - The demerger of the Fertilizer Undertaking into the Transferee Company will provide as a measure of corporate restructuring and will help to develop potential for further growth and diversification to have better synergy and optimization of resources as well as to facilitate fund raising and development of the Fertilizer Undertaking.
 - The demerger will enable the better and more efficient management, control and running of the Fertilizer Undertaking by the Transferee Company.
 - The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders or creditors or general public at large.
10. The arrangement contemplated in the Scheme will help avoid duplication of resources, systems, skills and process, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Company and the Transferee Company.
11. The Scheme was placed before the Board of Directors of the Company on 24th May, 2011 at which time the reports on the recommendation of the share entitlement ratio for the demerger of the Fertilizer Undertaking of the Company to the Transferee Company prepared by Bansi S. Mehta & Co., Chartered Accountants dated 21st May, 2011 ("Report on fair Ratio of Allotment") was tabled before the Board of Directors of the Company. ICICI Securities Limited, a merchant banker registered with the Securities and Exchange Board of India, was engaged by the Company to provide a fairness opinion in relation to the Report on fair Ratio of Allotment. Pursuant to such engagement, ICICI Securities Limited has issued an opinion dated 21st May, 2011 ("Fairness Opinion") which states that, and based upon the Report on fair Ratio of Allotment and subject to various assumptions, limitations and considerations set forth in such written opinion, the share entitlement ratio for the demerger of the Fertilizer Undertaking of the Company to the Transferee Company is fair and reasonable. The Report on fair Ratio of Allotment and the Fairness Opinion are available for inspection and shareholders should read the aforesaid report and Fairness Opinion in their entirety for information regarding the assumptions made and factors considered in rendering the same.

12. The Board of Directors of the Company has, based on and relying upon the Report on fair ratio of Allotment and the Fairness Opinion, and on the basis of its independent evaluation and judgment, come to the conclusion that the proposed fair ratio of allotment for the demerger of the Fertilizer Undertaking of the Company to the Transferee Company is fair and reasonable and has decided to incorporate the same in the Scheme, and approved the Scheme at its meeting held on 24th May, 2011.

SALIENT FEATURES OF THE SCHEME

13. The salient features of the Scheme in relation to the Company are set out below.
- A. The Scheme envisages:
- (i) the transfer by way of a demerger of the Fertilizer Undertaking of the Company to the Transferee Company, and the consequent issue of equity shares (as defined under the Scheme) by the Transferee Company to the shareholders of the Company;
 - (ii) various other matters consequential or otherwise integrally connected therewith;
Pursuant to section 391 to 395 and other relevant provisions of the Act (as defined hereunder) in the manner provided for in the Scheme and in compliance with the provisions of the Income Tax Act, 1961, including section 2(19AA) thereof.
- B. The "Appointed Date" under the Scheme is 1st July, 2011. The "Effective Date" under the Scheme has been defined to mean date on which the certified copy of the order sanctioning the Scheme is filed by the Company and the Transferee Company with the Registrar of Companies, Goa. The Scheme provides that though it shall become effective from the Effective Date, the provisions of the Scheme shall be applicable and come into operation from the Appointed Date.
- C. "Fertilizer Undertaking" has been defined to mean business of manufacture and sale of fertilizers undertaken by the Company on a going concern basis.
- D. Part III of the Scheme provides that upon the Scheme coming into effect and with effect from the Appointed Date, the Fertilizer Undertaking shall be demerged and be transferred and vested in the Transferee Company. Part III of the Scheme further provides, upon effectiveness of the Scheme:-
- (i) for the transfer of any and all assets including the movable and incorporeal assets of the Company relating to the Fertilizer Undertaking to the Transferee Company
 - (ii) for the transfer of all contracts, deeds, agreements etc. of the Company in relation to the Fertilizer Undertaking in the Transferee Company and for the transfer of all liabilities, debts, obligations etc. of the Company in relation to the Fertilizer Undertaking to the Transferee Company;
 - (iii) for the transfer of all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Fertilizer Undertaking from the Company to the Transferee Company;
 - (iv) that all legal and other proceedings by or against the Company in relation to the Fertilizer Undertaking shall be continued and enforced by or against the Transferee Company;
 - (v) the manner in which the Company shall be deemed to have been carrying on all business and activities relating to the Fertilizer Undertaking for and on account of, and in trust for, the Transferee Company;
 - (vi) that all staff, workmen and other employees of the Company engaged in the Fertilizer Undertaking shall become the permanent employees of the Transferee Company on terms and conditions not less favourable than those on which they are engaged by the Company;
 - (vii) provisions for the Residual Undertaking to continue in the Company;
 - (viii) that in consideration for the demerger of the Fertilizer Undertaking to the Transferee Company, the Transferee Company shall issue and allot to each member of the Company as on the Record Date (as defined under Clause 4.2 of the Scheme) 1 equity share of the Transferee Company of face value of Rs. 10/- (Rupees Ten Only) each for every one equity share of face value of Rs. 10/- (Rupees Ten Only) each held by a shareholder in the Company;
 - (ix) provisions for the increase and alteration to the authorized share capital of the Transferee Company; and
 - (x) the accounting treatment for the demerger in the books of the Company.

- E. Part V of the Scheme also provides for the accounting treatment in the books of accounts of the Company pursuant to the arrangement as provided for in the Scheme.

The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

14. The rights and interests of the members and the creditors of the Company and the Transferee Company will not be prejudicially affected by the Scheme.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have accorded their 'No Objection' to the Scheme vide letters dated 21st June 2011 and 10th June 2011 respectively.

15. No investigation proceedings have been instituted or are pending in relation to the Company under Sections 235 and 250A of the Act.
16. The directors of the Company and the Transferee Company (together, the "Companies") may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Companies, or to the extent the said directors are common directors in the Companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies.
17. The details of the shareholding of the present directors of the Company, in the Company and their share holding in the Transferee Company as on 31st May 2011 is as set out below:

Sr. No.	Names	Designation	No. of shares held in the Company	No. of Shares held in the Transferee Company
1	Mr. Saroj Kumar Poddar	Chairman	79406	NIL
2	Mr. H. S. Bawa	Executive Vice Chairman	NIL	NIL
3	Mr. Suresh Krishnan	Managing Director	NIL	NIL
4	Mr. Arun Duggal	Director	NIL	NIL
5	Mr. D. B. Engineer	Director	NIL	NIL
6	Mr. J. N. Godbole	Director	NIL	NIL
7	Mr. Shyam Bhartia	Director	NIL	NIL
8	Mr. Marco Wadia	Director	2795	NIL
9	Mrs. Jyotsna Poddar	Director	71621	NIL
10	Mr. S. P. Tyagi	Director	NIL	NIL
11	Mr. Akshay Poddar	Alternate Director to Mr. Shyam Bhartia	NIL	NIL

18. The details of the shareholdings of the present directors of the Transferee Company, in the Transferee Company and their share holding in the Company as on 31st May 2011 is as set out below:

Sr. No.	Name	Designation	No. of Shares held in the Transferee Company	No. of shares held in the Company
1	Mr. Saroj Kumar Poddar	Director	NIL	79406
2	Mr. H. S. Bawa	Director	NIL	NIL
3	Mr. Suresh Krishnan	Director	NIL	NIL
4	Mr. Marco Wadia	Director	NIL	2795
5	Mr. J. N. Godbole	Director	NIL	NIL

19. The shareholding pattern of the Company as on 31st May 2011, as well as the shareholding pattern of the Transferee Company expected after the implementation of the Scheme are as set out below:

The pre Scheme shareholding pattern of Zuari Industries Limited (Transferor company) is as follows:

Category of Shareholder		Pre scheme	
		No. of Equity Shares	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
	Individuals/ Hindu Undivided Family	181027	0.61
	Bodies Corporate	9458596	32.13
	Foreign Bodies Corporate	479750	1.63
	Total shareholding of Promoter and Promoter Group (A)	10119373	34.37
(B)	Public shareholding		
	1 Institutions		
	Mutual Funds/ UTI	3943685	13.4
	Financial Institutions/ Banks	4790	0.01
	Insurance Companies	2436503	8.28
	Foreign Institutional Investors	2355695	8
	Foreign Bank	217	0
	Sub- Total	8740890	29.69
	2 Non-Institutions		
	Bodies Corporate	906349	3.08
	Individual shareholders holding nominal share capital upto Rs.1 Lakh	2590471	8.8
	Any Other (specify)		
	Clearing Members	14787	0.05
	Non Resident Indians	54807	0.19
	Overseas Corporate Bodies	7012450	23.82
	Trusts	1477	0.01
	Sub-Total	10580341	35.94
	Total Public Shareholding (B)	19321231	65.63
	TOTAL (A) + (B)	29440604	100
(C)	Shares held by custodians and against which Depository Receipts have been issued		
	TOTAL (A) + (B) + (C)	29440604	100

The post Scheme (expected) shareholding pattern of the Transferee company upon sanction of the Scheme by the Hon'ble High Court of Bombay at Goa and on filing of the certified copy of such order with the Registrar of Companies.

Category of Shareholder		Post scheme	
		No. of Equity Shares	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
	Individuals/ Hindu Undivided Family	181027	0.43
	Bodies Corporate (including ZIL and its subsidiary)	22075998	52.49
	Foreign Bodies Corporate	479750	1.14
	Total shareholding of Promoter and Promoter Group (A)	22736775	54.06
(B)	Public shareholding		
	1 Institutions		
	Mutual Funds/ UTI	3943685	9.38
	Financial Institutions/ Banks	4790	0.01
	Insurance Companies	2436503	5.79
	Foreign Institutional Investors	2355695	5.6

Category of Shareholder		Post scheme	
		No. of Equity Shares	As a % of (A+B+C)
	Foreign Bank	217	0
	Sub- Total	8740890	20.78
2	Non-Institutions		
	Bodies Corporate	906349	2.16
	Individual shareholders holding nominal share capital upto Rs.1 Lakh	2590471	6.16
	Any Other (specify)		
	Clearing Members	14787	0.04
	Non Resident Indians	54807	0.13
	Overseas Corporate Bodies	7012450	16.67
	Trusts	1477	0
	Sub-Total	10580341	25.16
	Total Public Shareholding (B)	19321231	45.94
	TOTAL (A) + (B)	42058006	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued		
	TOTAL (A) + (B) + (C)	42058006	100.00

20. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. The instrument appointing the proxy should however be deposited at the registered office of the Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
21. Corporate equity shareholders intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of their board of directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting, authorising such person to attend and vote on its behalf at the meeting.
22. The following documents will be open for inspection by the shareholders of the Company upto one day prior to the date of the Meeting at its registered office between 10:00 a.m. and 1:00 p.m. on all working days (Monday to Friday).
- Certified copy of the Order of the Hon'ble High Court of Judicature of Bombay at Goa dated 7th July, 2011 in the above Company Application directing the convening of the meeting of the equity shareholders of the Company;
 - Copy of the Company Application No. 19 of 2011;
 - Copies of the Memorandum and Articles of Association of the Companies;
 - Audited Balance sheet / Annual Report of the Companies for the financial year ended 31st March, 2011;
 - Copies of the no objection letters dated 21st June 2011 and 10th June 2011 from the BSE and the NSE, respectively;
 - A copy of the Report on fair ratio of allotment issued by Bansil S. Mehta & Co., Chartered Accountants dated 21st May 2011;
 - A copy of the Fairness Opinion dated 21st May 2011 issued by ICICI Securities Limited; and
 - The Scheme of Arrangement and demerger.
23. This statement may be treated as the statement under Section 393 of the Act. A copy of the Scheme and this statement may also be obtained by the equity shareholders of the Company up to one day prior to the date of the meeting at the registered office of the Company and/ or at the Office of the Advocate for the Applicant Company, Mr. Devidas Pangam at Navelkar Arcade, Dr. Atmaram Borkar Road, Panaji, Goa- 403 001.

Dated this 14th day of July, 2011.

Shri. J. N. Godbole
(Chairman Appointed for the Meeting)

Registered office :
Jai Kisaan Bhawan, Zuarinagar, Goa- 403726

**SCHEME OF ARRANGEMENT AND DEMERGER
BETWEEN
ZUARI INDUSTRIES LIMITED AND ITS SHAREHOLDERS AND CREDITORS
AND
ZUARI HOLDINGS LIMITED AND ITS SHAREHOLDERS AND CREDITORS
PART - I**

1. INTRODUCTION AND DEFINITIONS

1.1 Introduction

1.1.1 ZUARI INDUSTRIES LIMITED (the “Transferor Company”) is an existing company within the meaning of the Act (as defined below), having its registered office at Jai Kisaan Bhawan, Zuarinagar , Goa 403 726. The Transferor Company was incorporated on 12th May 1967 under the name of Zuari Agro Chemicals Limited and subsequently the name was changed to Zuari Industries Limited vide a fresh Certificate of Incorporation Consequent on Change of Name issued by the Registrar of Companies, Goa, Daman and Diu with effect from 12th February 1998.

1.1.2 The Transferor Company is listed on the National Stock Exchange of India Limited (“NSE”) and the Bombay Stock Exchange Limited (“BSE”).

1.1.3 Currently, the Transferor Company is engaged in primarily the following distinct and diverse business activities, namely:

- (a) Fertilizer business which comprises of manufacturing and sale of fertilizers;
- (b) Pesticide business which comprises of procuring and marketing of pesticides; and
- (c) Other businesses which comprise businesses undertaken through subsidiaries and joint-ventures namely manufacturing and trading in furniture, real estate development, providing engineering consultancy services, manufacture of cement, transportation and storage of petroleum products, etc.

1.1.4 The shareholding pattern of the Transferor Company, as on 24th May, 2011, is provided under Schedule I hereto.

1.1.5 Zuari Holdings Limited (the “Transferee Company”) is a company incorporated under the Act, having its registered office at Jai Kisaan Bhawan, Zuarinagar , Goa 403 726 . The Transferee Company is engaged in the business of inter alia making strategic investments into and holding securities of other entities and operating fertilizer plants. The Transferee Company is directly and indirectly wholly owned and controlled by the Transferor Company. The shareholding pattern of the Transferee Company, as on 24 May 2011, is provided under Schedule II hereto.

1.1.6 Rationale of the Scheme

- (a) The Transferor Company today is engaged in various businesses such as fertilizers, pesticides, furniture, real estate, engineering etc carried out through business divisions and direct and indirect subsidiaries/ joint-ventures. Each of the respective businesses of the Transferor Company is distinct and diverse in their characteristics, growth trajectories, risk profile, maturity stage, requirement of funds and require entirely different approaches. In order to effectively and efficiently cater to the independent growth plans (both through organic and inorganic means), for each of the respective businesses, and to diversify, continuous funding support through equity and debt is imperative.
- (b) With the intent of adopting a linear structure in the businesses of the Transferor Company, it has been decided to demerge the Fertilizer Undertaking (as defined below) of the Transferor Company into the Transferee Company in compliance with provisions of Sections 391-394 and other relevant provisions of the Act.
- (c) The transfer and vesting of the Fertilizer Undertaking in the Transferee Company shall be in the larger interest of the shareholders, creditors and employees of the Transferor Company.

- (d) The demerger of the Fertilizer Undertaking into the Transferee Company will provide as a measure of corporate restructuring and to develop potential for further growth and diversification to have better synergy and optimization of resources as well as to facilitate fund raising and development of Fertilizer Undertaking.
- (e) The demerger will enable the better and more efficient management, control and running of the Fertilizer Undertaking by the Transferee Company.
- (f) The demerger is in the interest of shareholders of the Transferor Company and will enable them to fulfill their objectives more efficiently by separately holding investments which best suit their investment strategies and risk profiles. The Scheme gives flexibility to shareholders of the Transferor Company to continue or divest in the Transferor Company and/or the Transferee Company.
- (g) The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders or creditors or general public at large.

1.1.7 The shareholding pattern of the Transferee Company pursuant to the proposed demerger of the Fertilizer Undertaking shall comprise of the existing shareholders of the Transferor Company and the existing shareholders of the Transferee Company. The Transferee Company shall issue new shares to the existing shareholders of the Transferor Company, in proportion to their shareholding in the Transferor Company, while the existing shareholding of the existing shareholders of the Transferee Company shall stand diluted to such extent in the overall percentage shareholding of the Transferee Company.

1.1.8 Pursuant to the proposed demerger, the names of the Transferor Company and the Transferee Company shall stand inter-changed to Zuari Holdings Limited and Zuari Industries Limited respectively such that "Zuari Industries Limited" shall be substituted for "Zuari Holdings Limited" and "Zuari Holdings Limited" shall be substituted for "Zuari Industries Limited" wherever they appear in their respective Memorandum and Articles of Association.

1.1.9 The demerger of the Fertilizer Undertaking in accordance with this Scheme shall take effect from the Appointed Date.

1.2 Definitions & Interpretations

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning as mentioned hereinbelow:

"Act" means the Companies Act, 1956 (Act No. 1 of 1956), the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof.

"Appointed Date" means 01 July 2011.

"BSE" has the meaning assigned to it in Clause 1.1.2 hereof.

"Board of Directors" in relation to the Transferor Company and/or the Transferee Company, as the case may be, means its respective board of directors and shall, unless repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

"Effective Date" means the date on which the event specified in Clause 6.12 of Part V of the Scheme has occurred and the Scheme made effective with effect from the Appointed Date. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.

"Fertilizer Undertaking" means the business of manufacture and sale of fertilizers undertaken by the Transferor Company, on a going concern basis, as on the Appointed Date. Without prejudice and limitation to the generality of the above, the Fertilizer Undertaking shall mean and include:

- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether leased or otherwise, including inventory and work in progress appertaining or relating to the Fertilizer Undertaking;
- (b) Fertiliser Companies' Government of India Special Bonds, loans and advances, including accrued interest thereon, of the Transferor Company appertaining to the Fertilizer Undertaking, including deposits/ advances paid towards acquisition of the immovable property of the Fertilizer Undertaking;

- (c) any and all permits, rights, entitlements, allotments, approvals, consents, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, trade names, trademarks, service marks, copyrights, domain names, easements, goodwill, brand, licenses, tenancies, offices, sales tax credits, subsidies, privileges and benefits of all contracts, agreements, and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever pertaining to the Fertilizer Undertaking;
- (d) any and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the said Fertilizer Undertaking;
- (e) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Fertilizer Undertaking;
- (f) all staff, workmen and other employees of the Transferor Company on the Appointed Date as are engaged in or in relation to the Fertilizer Undertaking; and
- (g) any and all debts, borrowings, guarantees, assurances, commitments, obligations and liabilities, whether fixed, contingent or absolute, asserted or unasserted, present or future, whether secured or unsecured, pertaining to the Fertilizer Undertaking including the following:
 - a. specific loans and borrowings (if any), term loans from banks and financial institutions (if any), bank overdrafts (if any), working capital loans & liabilities, whether secured or unsecured, amount due to small scale industrial undertakings raised incurred and utilized solely for the activities or operation of the business of manufacture and supply of fertilizer; and
 - b. Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Transferor Company if any, allocated to the business of manufacture and supply of fertilizer in the same proportion in which the value of the assets (ignoring the re-valued amount) transferred under this Scheme to Transferee Company bear to the total value of the assets of the Transferor Company immediately before giving effect to this Scheme.

Provided that any issue as to whether any asset or liability pertains to the Fertilizer Undertaking or not, shall be determined by the mutual agreement of the Transferor Company and the Transferee Company.

For the purpose of identification, the immovable properties of the Fertilizer Undertaking are more fully set out in Schedule III hereof.

“High Court” means the Hon’ble High Court of Bombay at Goa.

“NSE” has the meaning assigned to it in Clause 1.1.2 hereof.

“Record Date” has the meaning as assigned to it in Clause 4.2 hereof.

“SEBI” means the Securities and Exchange Board of India.

“Scheme” means this Scheme of Arrangement and Demerger in its present form, with or without modifications, as may be approved for sanction by the Hon’ble High Court.

“Transferor Company” has the meaning assigned to it in Clause 1.1.1 hereof.

“Transferee Company” has the meaning assigned to it in Clause 1.1.5 hereof.

“ZIL (Residual) Entity” means all businesses, assets and liabilities of the Transferor Company that shall result after the transfer and vesting of the Fertilizer Undertaking in the Transferee Company.

“ZMS” means Zuari Management Services Limited, which is a wholly owned subsidiary of the Transferor Company.

- 1.3 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

PART - II

2. CAPITAL STRUCTURE

2.1 The capital structure of the Transferor Company, as on 24th May, 2011 is as under:

A.	Authorized Share Capital	Amount in Rs.
	35,750,000 Equity Shares of Rs. 10/- each	357,500,000
	10,000,000 Cumulative Redeemable Preference Shares of Rs. 100/- each.	1,000,000,000
	Total	1,357,500,000

B.	Issued Share Capital	
	29,451,168 Equity Shares of Rs. 10/- each	294,512,000
	Total	294,512,000

C.	Subscribed and Paid up Share Capital	
	29,440,604 Equity Shares of Rs. 10/- each	294,406,040
	Equity Shares (forfeited shares)	5,000
	Total	294,411,040

Out of the above, 4,813,332 Equity Shares have been issued as fully paid up for consideration other than cash.

2.2 The capital structure of the Transferee Company, as on 24th May, 2011 is as under:

A.	Authorized Share Capital	Amount in Rs.
	12,618,000 Equity Shares of Rs. 10/- each	126,180,000
	Total	126,180,000

B.	Issued, Subscribed and paid up Share Capital	
	12,617,402 Equity Shares of Rs. 10/- each	126,174,020
	Total	126,174,020

PART - III

3. DEMERGER, TRANSFER AND VESTING OF THE FERTILIZER UNDERTAKING IN THE TRANSFEREE COMPANY

- 3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Fertilizer Undertaking shall stand demerged and transferred by the Transferor Company to the Transferee Company (as a going concern) and be vested in and be managed by the Transferee Company, without any further deed or act, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges, lien or lis pendens, if any thereon, in the manner described hereunder.
- 3.2 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective, with effect from the Appointed Date:
- (i) any and all assets relating to the Fertilizer Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or transfer by vesting and recordal pursuant to this Scheme shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) forming part of the Fertilizer Undertaking and being vested in the Transferee Company;
 - (ii) any and all movable properties of the Transferor Company relating to the Fertilizer Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons shall without any further act, instrument or deed become the property of the Transferee Company;
 - (iii) any and all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company relating to the Fertilizer Undertaking, whether secured or unsecured, whether provided for or not or disclosed in the books of accounts of the Transferor Company, shall stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company. The Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

Where any of the loans, liabilities and obligations attributed to the Fertilizer Undertaking on or after the Appointed Date have been discharged by the Transferor Company on behalf of the Fertilizer Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been discharged by the Transferor Company for and on behalf of the Transferee Company;

- (iv) any and all contracts, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, undertakings, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever description and nature in relation to the Fertilizer Undertaking to which the Transferor Company is a party or to the benefit of which, the Fertilizer Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be in full force and effect on or against or in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto;
- (v) any and all registrations, goodwill, licenses, trademarks, trade names, service marks, patents, copy rights, domain names, brand and all such rights of whatsoever description and nature in relation to the Fertilizer Undertaking to which the Transferor Company is a party or to the benefit of which the Fertilizer Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be and remain in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto;

- (vi) any and all statutory or regulatory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, subsidies, exemptions, registrations, certificates, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto in relation to the Fertilizer Undertaking which are subsisting or having effect immediately before the Effective Date, shall stand vested in and be transferred to the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company and be in full force and effect in favour of the Transferee Company. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this Clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of the Scheme by the Hon'ble High Court, and upon the Scheme becoming effective in accordance with the terms hereof.

With effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, as are jointly held for the Fertilizer Undertaking and ZIL Residual Entity shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate/ substitute or record the separation, upon filing of this Scheme (as sanctioned by the High Court) with such authorities and licensors after this Scheme becomes effective, so as to facilitate the continuation of operations in the Transferee Company;

- (vii) all staff, workmen and other employees of the Transferor Company, engaged in or in relation to the Fertilizer Undertaking shall be engaged by the Transferee Company, without any interruption of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by the Transferor Company.

With regard to provident fund, employee state insurance contribution, gratuity fund, leave encashment, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company, the Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund, employee state insurance contribution, gratuity fund, leave encashment, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company for such employees of the Fertilizer Undertaking shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to such employees engaged in or in relation to the Fertilizer Undertaking, the past services of such employees with the Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into with any labour unions/employees by the Transferor Company in relation to the Fertilizer Undertaking;

- (viii) the Transferee Company shall bear the burden and the benefits of any legal or other proceedings relating to or in connection with the Fertilizer Undertaking, initiated by or against the Transferor Company. If any suit, appeal or other proceedings relating to the Fertilizer Undertaking, of whatsoever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or in anyway be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company also undertakes to deal with all legal or other proceedings, which may be initiated by or against the Transferor Company or the Transferee Company after the Appointed Date but relating to the Fertilizer Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Transferor Company. The Transferee Company further undertakes to pay all amounts including interest, penalties, damages, etc., which may be called upon to be paid or secured in respect of any liability or obligation relating to the Fertilizer Undertaking for

the period up to the Effective Date. Any reasonable costs incurred by the Transferor Company, in respect of the proceedings started by or against it relating to the Fertilizer Undertaking and for the period up to the Effective Date shall be reimbursed by the Transferee Company, upon submission of necessary evidence of having incurred such costs by the Transferor Company to the Transferee Company; and

- (ix) all taxes, duties, cess payable by the Transferor Company relating to the Fertilizer Undertaking including all or any advance tax payments, tax deducted at source, tax liabilities, refunds, credit, claims relating thereto shall for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds/credit/claims, as the case may be, of the Transferee Company.
- 3.3 Upon the Scheme becoming effective, the secured creditors of the Transferor Company that relates to the ZIL Residual Entity shall not be entitled to security over properties, assets, rights, benefits and interest of the Transferee Company. Further, in so far as the assets comprising the ZIL Residual Entity are concerned, the encumbrance created over such assets relating to the Fertilizer Undertaking shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Fertilizer Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred to the Transferee Company pursuant to the Scheme (and which shall continue with the Transferor Company), shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities.
- 3.4 The Transferor Company and/or the Transferee Company, as the case may be, shall at any time after the coming into effect of this Scheme and in accordance with the provisions hereof, if so required under any law or otherwise, shall execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Fertilizer Undertaking to which the Transferor Company has been a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 3.5 In so far as the existing benefits or funds created by the Transferor Company for the employees of ZIL Residual Entity are concerned, the same shall continue and the Transferor Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the ZIL Residual Entity.
- 3.6 ZIL Residual Entity and all the immovable properties, assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by Transferor Company. All legal, taxation or other proceedings whether civil or criminal (including before any court or statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the ZIL Residual Entity shall be continued and enforced by or against the Transferor Company after the Effective Date.
- 3.7 Conduct of Business
- 3.7.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Fertilizer Undertaking, for and on account of and in trust for the Transferee Company; and
 - (b) the Transferor Company shall carry on the business of the Fertilizer Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment, either for itself or its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except:
 - (i) when the same is expressly provided in this Scheme; or

- (ii) when the same is in the ordinary course of business, as carried on by it as on the date of filing of this Scheme in the Hon'ble High Court; or
 - (iii) when a written consent of the Transferee Company has been obtained in this regard.
- (c) except by mutual consent of the Boards of Directors of the Transferor Company and the Transferee Company and subject to changes pursuant to commitments, obligations or arrangements made prior to the Appointed Date, or as part of this Scheme, pending sanction of this Scheme, the Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner effect the reorganisation of capital of the Transferor Company and the Transferee Company.
- (d) the Transferor Company shall not alter or substantially expand the business of the Fertilizer Undertaking, except with the written concurrence of the Transferee Company.
- (e) all profits accruing to the Transferor Company and all taxes thereon or losses arising or incurred by it with respect to the Fertilizer Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.
- (f) Transferor Company shall not utilize the profits or income, if any, relating to the Fertilizer Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of Transferee Company.
- (g) All assets and properties acquired by the Transferor Company in relation to the ZIL Residual Entity on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

3.7.2 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses of the Fertilizer Undertaking.

3.7.3 For the purpose of giving effect to the demerger order passed under Sections 391 to 394 of the Act in respect of this Scheme by the Hon'ble High Court, the Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Fertilizer Undertaking in accordance with the provisions of Sections 391-394 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

3.7.4 The Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Fertilizer Undertaking of the Transferor Company with effect from the Appointed Date, in order to give effect to the foregoing provisions.

3.8 Change of Name

3.8.1 Upon the Scheme becoming effective, with effect from the Appointed date, the names of the Transferor Company and the Transferee Company shall stand inter-changed, such that the name of the Transferor Company shall be changed to "Zuari Holdings Limited" and the name of the Transferee Company shall be changed to "Zuari Industries Limited" and which shall be substituted in place of their existing names "Zuari Industries Limited" or "Zuari Holdings Limited" as the case may be, wherever they appear in each of their Memorandum and Articles of Association. No separate approval shall be required to be obtained for change of name either from the Board of Directors or the shareholders of either the Transferor Company or the Transferee Company, since approval of this Scheme by the Board of Directors and shareholders of both, the Transferor Company and the Transferee Company shall be deemed to be the approval for change of name of both the Transferor Company and the Transferee Company. Since the proposed names of the Transferor Company and the Transferee Company are the existing names of the Transferor Company and the Transferee Company, and since the names of both the Transferor Company and the Transferee Company are being inter-changed it is not considered mandatory to seek prior approval from the Registrar of Companies, Goa for availability of the names of the Transferor Company and the Transferee Company.

3.8.2 Approval of the Scheme by the Board of Directors of both the Transferor Company and the Transferee Company shall be construed as no objection of both the Transferor Company and the Transferee Company

to interchange their names pursuant to sanction of the Scheme and shall be deemed to be the due compliance of the provision of Sections 21, 23 and other applicable provisions of the Act for registration of change of name and effect thereof provided in this Scheme.

- 3.9 This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

PART-IV

4. CONSIDERATION

4.1 Increase in Authorised share capital of the Transferee Company

4.1.1 Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company of Rs. 126,200,000 (Rupees Twelve Crores and Sixty-two lakhs) divided into 12,620,000 equity shares of Rs. 10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced to an amount of Rs. 420,600,000 (Rupees Forty two Crores Six Lakhs).

4.1.2 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall stand modified and be substituted to read as follows:

“The Authorized Share Capital of the Company is Rs. 420,600,000 (Rupees Forty two Crores Six Lakhs) divided into 42,060,000 equity shares of Rs. 10 (Rupees Ten) each and the Company shall have the power to issue shares at par or at a premium or at a discount and shall also have the power to increase or reduce its capital and to divide the capital for the time being into several classes and attach thereto respectively such preferential, qualified, deferred, non-voting or special rights, privileges, conditions or restrictions attached thereto and as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by law and as may be provided by the Articles of Association of the Company, for the time being in force.”

4.1.3 It is hereby clarified that for the purposes of this Clause 4.1, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 16, Section 81, Section 94 or any other applicable provisions of the Act, would required to be separately passed.

4.2 Consideration

4.2.1 Upon this Scheme becoming Effective, the Board of Directors of the Transferor Company shall determine the record date (“Record Date”), which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares by the Transferee Company to the members of the Transferor Company in accordance with this Clause and on determination of the Record Date, the Transferor Company shall provide to the Transferee Company, the list of shareholders of the Transferor Company as on the Record Date who are entitled to the issue and allotment of the fully paid-up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of this Scheme.

4.2.2 Upon determination of the Record Date, the Transferee Company shall, in consideration for the transfer of the Fertilizer Undertaking, without further application, issue and allot to the equity shareholders of the Transferor Company as on the Record Date, 1 equity share of face value of Rs. 10/- (Rupees Ten each) (credited as fully paid-up) for every 1 fully paid-up equity share of Rs. 10/- (Rupees Ten each) each held by them in the Transferor Company as on the Record Date.

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

4.2.4 In respect of entitlement of nominee shareholders of Transferor Company, the equity shares of the Transferee Company shall be issued to the beneficiary for whom such shares are held by as a nominee by the nominee shareholder.

4.3 Forfeited shares

Equity shares to be issued by the Transferee Company pursuant to Clause 4.2 above in respect of the shares of the Transferor Company, which are forfeited shall be kept in abeyance and dealt with by the Transferee Company based on information periodically provided by the Transferor Company to the Transferee Company.

4.4 All equity shares in the Transferee Company to be issued to the shareholders of the Transferor Company pursuant to this Scheme shall rank pari passu in all respects to the existing equity shares of the Transferee Company from the Appointed Date, including in respect of the payment of dividend.

4.5 Each equity shareholder of the Transferor Company shall have the option, to be exercised by way of giving a notice to the Transferee Company, on or before such date, as may be determined by the Board of Directors of the Transferee Company, to receive the equity shares of the Transferee Company, either in certificate form or in dematerialized form. In the event that such notice has not been received by the Transferee Company in respect of any shareholder of the Transferor Company by the specified date or in the event of such a notice being incomplete, the shareholders of the Transferor Company who hold their equity shares in dematerialized form shall be issued equity shares of the Transferee Company in dematerialized form as per the records maintained by the Depositories as on the Record Date and those who hold shares in physical form shall be issued physical certificates. Wherever applicable, the certificates shall be sent by the Transferee Company to the shareholders of the Transferor Company at their respective registered addresses, as appearing in the Register of Members maintained by the Transferor Company (or in the case of joint holders to the address that one of the joint holders whose name stands first in such register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transit. The shareholders of the Transferor Company eligible to be issued shares in the Transferee Company in a dematerialized form shall receive dematerialized receipts of credit of new equity shares in their share accounts maintained with the depository participants reflecting the equity shares of the Transferee Company issued in accordance with Clause 4.2 above. The Transferee Company shall, if so required, be eligible to issue letters of allotment of the equity shares pending issue of share certificates or receipts for credit to the account of the shareholders with the depository participants under the depository system.

4.6 Treatment of shares held by the Transferor Company and ZMS in the Transferee Company:

The Transferor Company and ZMS shall continue to hold the initial issued and paid up equity share capital of the Transferee Company, comprising of 8,411,601 equity shares of Rs. 10 each, aggregating to Rs. 84,116,010 and 4,205,801 equity shares of Rs. 10 each, aggregating to Rs. 42,058,010 respectively, simultaneous with the issuance and allotment of the equity shares by the Transferee Company in accordance with the Clause 4.2 and to such extent the percentage shareholding of the Transferor Company and ZMS shall stand diluted in the overall percentage shareholding of the Transferee Company.

4.7 Listing of securities

The equity shares of the Transferee Company (as issued to the shareholders of the Transferor Company in accordance with the Clause 4.2) shall, subject to SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009 (as amended), be listed and admitted to trading, with applicable lock-in conditions on the shareholding of the promoters, on the NSE and BSE, where the equity shares of the Transferor Company are listed and are admitted to trading. The shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the NSE and BSE.

4.8 Pursuant to issuance of shares as aforesaid in Clause 4.2 to the shareholders of the Transferor Company and listing of said shares with stock exchanges, the promoters of the Transferor Company shall become the promoters of the Transferee Company.

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

4.10 The issue and allotment of the equity shares by Transferee Company to the shareholders of Transferor Company as provided in Clause 4.2 of this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. Transferee Company shall obtain the necessary approval from its shareholders, as required and as may be directed by the Court, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the Act.

PART - V

5. ACCOUNTING TREATMENT

5.1 Accounting treatment in the books of Transferor Company

5.1.1 Upon the coming into effect of this Scheme, the book value of assets and liabilities transferred to the Transferee Company shall be reduced from the book value of assets and liabilities of Transferor Company.

5.1.2 The difference between the book value of assets (net of diminution/ depreciation, if any) and liabilities transferred pursuant to the Scheme shall be adjusted in the books of Transferor Company in the manner decided by Board of Directors of the Transferor Company considering the adjustment against the following, in the order specified, to the extent required:

- (a) Capital Redemption Reserve Account;
- (b) Capital Reserve Account;
- (c) General Reserve Account; and
- (d) Profit and Loss Account.

5.1.3 The reduction in reserves of Transferor Company as per Clause 5.1.2 above, if any, shall be effected as an integral part of the Scheme in accordance with the provisions of Section 85 and Section 100 to 103, and other applicable provisions of the Act. The reduction of share capital under Section 100 to 103, if any, however shall not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act shall not be applicable.

5.1.4 Notwithstanding the above, the Board of Directors of Transferor is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards notified by National Advisory Committee on Accounting Standards and applicable generally accepted accounting principles.

5.2 Accounting treatment in the books of Transferee Company

5.2.1 Upon the coming into effect of this scheme, with effect from the Appointed Date, all the assets and liabilities of the Fertilizer Undertaking vested in it shall be recorded by the Transferee Company, at their respective book values thereof, as appearing in the books of account of Transferor Company immediately before the Appointed Date.

5.2.2 The Transferee Company shall credit its share capital account with the aggregate face value of the equity shares issued to the shareholders of Transferor Company pursuant to Clause 4.2 of this Scheme.

5.2.3 Pursuant to demerger of Fertilizer Undertaking in accordance with this Scheme, the difference, if any, arising in the books of Transferee Company between:

The aggregate of face value of equity shares allotted by Transferee Company to the shareholders of Transferor Company pursuant to Clause 4.2 above; and the amount representing surplus of book value of assets over liabilities of the Fertilizer Undertaking recorded by Transferee Company in its books of account shall be recorded as business restructuring reserve, which may be treated as free reserves in the books of Transferee Company for all purposes in accordance with the Act.

5.2.4 In case of any differences in accounting policy between Transferor Company and Transferee Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of Transferee Company to ensure that the true financial statements of Transferee Company on the Appointed Date are on the basis of consistent accounting policy.

5.2.5 Notwithstanding the above, the Board of Directors of the Transferee Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards notified by National Advisory Committee on Accounting Standards and applicable Generally Accepted Accounting Principles.

PART-VI

6. GENERAL TERMS AND CONDITIONS

- 6.1 Upon this Scheme becoming effective, the accounts of the Transferor Company and the Transferee Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
- 6.2 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the Hon'ble High Court under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning of this Scheme, with such modifications, as may be approved by the Hon'ble High Court.
- 6.3 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and of the shareholders and creditors of the Transferee Company (as may be directed by the Hon'ble High Court), the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.
- 6.4 Upon this Scheme becoming effective, the shareholders of both the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 6.5 All costs, expenses, charges, fees, taxes, duties, levies and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by the Transferor Company.
- 6.6 Each of the Transferor Company and the Transferee Company (acting through their Boards of Directors) may in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, which the Hon'ble High Court and/or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Transferor Company and the Transferee Company (acting through their Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage prior to the Effective Date.
- 6.7 The stock exchanges at which the Transferor Company is listed, shall list the equity shares of the Transferee Company, subject to compliance with the SEBI circular dated September 3, 2009 without the Transferee Company making an initial public offer, since the requisite minimum of 25% of the Transferee Company's paid-up share capital shall comprise shares allotted to the public holders of shares in the Transferor Company. Accordingly, the Transferee Company shall take steps for listing simultaneously on all such stock exchanges within a period of 45 (forty five) days from the Effective Date or such extended period as may be approved by the SEBI.
- 6.8 The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the NSE and the BSE.
- 6.9 Upon the Scheme becoming effective, the Transferee Company shall be permitted to revise its income tax returns and related TDS certificates, services tax returns, sales tax/ value added tax returns, excise returns and other tax returns, and to claim refunds and /or credits, etc. pertaining to the Fertilizer Undertaking, pursuant to the provisions of the Scheme.
- 6.10 Upon the Scheme becoming effective, the Transferor Company shall be expressly permitted to revise its income tax returns and related TDS certificates, services tax returns/ value added tax, sales tax returns, excise returns and other tax returns, and to claim refunds and /or credits, etc. pertaining to the ZIL Residual Entity pursuant to the provisions of the Scheme.

- 6.11 This Scheme is conditional upon and subject to:
- (i) approval by the requisite majorities of the shareholders and creditors of the Transferor Company and the Transferee Company; and
 - (ii) it being sanctioned by the Hon'ble High Court and certified copy of the order of the Hon'ble High Court sanctioning this Scheme being filed with the Registrar of Companies, Goa, by the Transferor Company and the Transferee Company respectively.
- 6.12 This Scheme shall become effective on the date on which the Transferor Company and the Transferee Company file a certified copy of the order of the Hon'ble High Court sanctioning this Scheme with the Registrar of Companies, Goa ("Effective Date").
- 6.13 In the event that the Scheme is not sanctioned by the Courts or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, as aforesaid on or before the 31st of March 2012, the Scheme shall become null and void, and each of Transferor Company and Transferee Company shall bear its own cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.
- 6.14 The non – receipt of any sanctions or approvals for a particular asset or liability forming part of any of Fertilizer Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the boards of directors of Transferor Company and Transferee Company so decide. In the event of non – receipt of approval of any lender / creditor for the transfer of any liability, then at the option of the boards of directors of Transferee Company, it may issue a security / recognize a liability in favour of Transferor Company on the same terms. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized / security being issued and the provisions of the Scheme shall apply appropriately to the said transfer / issue / recognition.
- 6.15 The Transferor Company and the Transferee Company shall make necessary applications before the Hon'ble High Court for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Hon'ble High Court.
- 6.16 Upon the sanction of this Scheme and upon this Scheme becoming Effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order provided hereunder:
- (i) increase in the authorized share capital of the Transferee Company;
 - (ii) demerger of the Fertilizer Undertaking and transfer and vesting thereof in the Transferee Company, in accordance with Part III of this Scheme; and
 - (iii) issue of equity shares as consideration for demerger of Fertilizer Undertaking by Transferee Company to shareholders of Transferor Company.
- 6.17 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Company and its shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 6.18 If any part of this Scheme is held invalid, ruled illegal by any Court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.
- 6.19 The transfer of properties and liabilities to and the continuance of proceedings by or against the Transferee Company as envisaged in Part III above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

SCHEDULE I

SHAREHOLDING OF TRANSFEROR COMPANY (AS AT 24-05-2011)

The pre Scheme shareholding pattern of the Transferor company is as follows:

Category of Shareholder		Pre scheme	
		No. of Equity Shares	As a % of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group		
	Individuals/ Hindu Undivided Family	181027	0.61
	Bodies Corporate	9458596	32.13
	Foreign Bodies Corporate	479750	1.63
	Total shareholding of Promoter and Promoter Group (A)	10119373	34.37
(B)	Public shareholding		
	1 Institutions		
	Mutual Funds/ UTI	3943685	13.4
	Financial Institutions/ Banks	4790	0.01
	Insurance Companies	2436503	8.28
	Foreign Institutional Investors	2355695	8
	Foreign Bank	217	0
	Sub- Total	8740890	29.69
	2 Non-Institutions		
	Bodies Corporate	906349	3.08
	Individual shareholders holding nominal share capital upto Rs.1 Lakh	2590471	8.8
	Any Other (specify)		
	Clearing Members	14787	0.05
	Non Resident Indians	54807	0.19
	Overseas Corporate Bodies	7012450	23.82
	Trusts	1477	0.01
	Sub-Total	10580341	35.94
	Total Public Shareholding (B)	19321231	65.63
	TOTAL (A) + (B)	29440604	100
(C)	Shares held by custodians and against which Depository Receipts have been issued		
	TOTAL (A) + (B) + (C)	29440604	100

SCHEDULE II
SHAREHOLDING OF TRANSFEREE COMPANY (AS AT 24-05-2011)

Name of Shareholder	No of Shares held	Percentage of Shares held
Zuari Industries Limited and its nominees	8411601	66.67
Zuari Management Services Limited and its nominees	4205801	33.33
Total	12617402	100.00

SCHEDULE III
IMMOVABLE PROPERTIES OF THE FERTILIZER UNDERTAKING
(AS OF 31.03.2011)

All that immovable property, admeasuring approximately 471.03.99 Ha. Ars. Sqmt. alongwith existing Fertilizer Plants, machinery, housing colonies and other structures erected therein, including the greenbelt; which is situated within the jurisdiction of the Village Panchayat of Sancoale and partly under the jurisdiction of Village Panchayat of Velsao-Pale and Issorcim, of South Goa District, of Goa and which property details are as below:

Sr. No.	Particluars	Survey No	Sub-div No	Chalta No	Area : Ha.Ars.Sq mt.	Remarks
1	Factory and Administration building	163	1	146	29.35.75	(Factory -360000 m2)
		157	1-A		09.02.13	
2	Colony area including green belt					
	Sancoale village	111	2	43	00.29.00	
		111	1	42	129.32.75	
		112	1	44	03.92.00	
		117	1	56	05.55.50	
		119	1	59	05.14.25	
		120	1		00.80.75	
		121	2	63	04.20.50	
		128	1	74	00.40.50	
		128	4	77	00.39.50	
		128	7	80	00.05.00	
		129	1	81	02.46.25	
		130	1	82	08.61.75	
		131	1	83	01.90.50	
	Sancoale village	132	1	84	08.43.25	
		133	1	86	09.58.75	
		146	1	121	04.24.75	
		147	1	122	05.43.75	
		149	1	124	67.71.00	

Sr. No.	Particluars	Survey No	Sub-div No	Chalta No	Area : Ha.Ars.Sq mt.	Remarks
		149	2	125	02.87.25	
		153	1-A-1		01.05.77	
		153	1-B		01.50.31	
		155	1	135	01.66.50	
		162	1	145	09.35.25	
		164	1	147	02.53.50	
		165	1	148	10.74.00	
		166	1	150	00.24.50	
		166	3	151	00.86.00	
		167	1	152	08.86.00	
		168	1	153	25.21.07	
		171			07.27.00	
		172			05.60.50	
		173	1	3	16.29.75	
		188	1		19.95.75	
		189	1	2	19.23.25	
		190			32.13.00	
	Issorcim village	2	11	21	01.61.21	
		2	12	22	02.02.50	
		2	13	23	02.24.25	
		2	14	24	00.45.00	
		2	15	25	0.2575	
		2	16	26	00.30.00	
		2	17	27	01.88.25	
				To- tal	471.03.99	

**IN THE HIGH COURT OF JUDICATURE OF BOMBAY AT GOA
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 19 OF 2011**

IN THE MATTER OF : The Companies Act, 1956;

AND

IN THE MATTER OF: Application under Sections 391 to 395 of the Companies Act, 1956;

AND

IN THE MATTER OF : Scheme of Arrangement and Demerger between Zuari Industries Limited and
Zuari Holdings Limited and their respective shareholders and creditors.

AND

IN THE MATTER OF:

ZUARI INDUSTRIES LIMITED, a company incorporated under the Companies Act, 1956,
having its registered office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726.....Applicant/Transferor Company

FORM OF PROXY

I/We, the undersigned, as Equity Shareholder(s) of Zuari Industries Limited, the Company, hereby appoint _____ of _____, and failing him/her _____, of _____, as my/our proxy, to act for me/us at meeting of the Equity Shareholders of the Company to be held at Jai Kisaan Bhawan, Zuarinagar, Goa on Wednesday the 17th Day of August 2011 at 11.00 a.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme of Arrangement and Demerger between Zuari Industries Limited and Zuari Holdings Limited and their respective shareholders and creditors ("the Scheme") and at such meeting and any adjournment thereof, to vote, for me / us and in my / our name(s) For / Against the said Scheme as my/ our proxy may approve.

Dated this ____ day of _____ 2011.

* Folio No: _____

**DP ID _____ Client ID _____

No. of Shares held :

Affix Re. 1/- Revenue Stamp	Name :
	Address :

Signature across the stamp

* Applicable for Investor holding in Physical Form.

** Applicable for Investors holding in Demat Form.

Notes :(1) Proxy need not be a member.

- (2) The proxy must be deposited at the Registered Office of Zuari Industries Limited, at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 at least 48 hours before the time of holding the meeting.
- (3) Strike out which is not necessary.
- (4) All alterations made in the Form of Proxy should be initiated.
- (5) In case of multiple proxies, the proxy later in time will be accepted.

ZUARI INDUSTRIES LIMITED

Registered Office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS

(Scheme of Arrangement and Demerger between Zuari Industries Limited and Zuari Holdings Limited and their respective shareholders and creditors)

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id	
-------	--

Client Id	
-----------	--

Regd. Folio No.*	
------------------	--

No. of Shares	
---------------	--

Name(s) in Full	Father/Husband's Name	Address Regd. with the Company
1. _____	_____	_____
2. _____	_____	_____

I/We hereby record my/our presence at the court convened meeting of the Equity Shareholders of Zuari Industries Limited having its Registered Office at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726, convened pursuant to the order dated 7th July, 2011 of the High Court of Judicature of Bombay at Goa, at Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 on Wednesday the 17th Day of August 2011 at 11.00 a.m.

Please (√) ___ Member ___ Proxy

Member's Signature

Proxy's Signature

* Applicable for Investor holding Shares in Physical Form

NOTES :

1. Shareholder/Proxies are requested to bring this slip with them.
2. Shareholder attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.