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**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ZENOTECH LABORATORIES LIMITED**

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**CERTIFIED TRUE COPY**

For Zenotech Laboratories Ltd.

*W. A. G. G.*  
Company Secretary

Company No : 01-10122



**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

**In the Office of the Registrar of Companies,  
Andhra Pradesh, Hyderabad**

**(Under the Companies Act, 1956 (1 of 1956))**

**IN THE MATTER OF SUNLINE TECHNOLOGIES LIMITED**

I hereby certify that SUNLINE TECHNOLOGIES LIMITED

was

originally incorporated on FIFTEENTH day of JUNE 1989

under the companies Act, 1956, under the name M/s

MAA SHAKTI TUBE MILL PRIVATE LIMITED (Subsequently Changed)

SUNLINE TUBES PRIVATE LIMITED

The said M/s. SUNLINE TECHNOLOGIES LIMITED

having duly passed

necessary resolution under section 21/22 (1) (e) / 22 (1) (b) of the companies Act, 1956

and also having obtained the approval of the Central Government in writing vide letter  
RAP/TA.VI/SEC.21/10122/2004 dated 10th DAY OF AUGUST 2004 of Registrar

of Companies, Andhra Pradesh, Department of Company Affairs has changed its name

to ZENOTECH LABORATORIES LIMITED

This certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at Hyderabad, this TENTH day of AUGUST

Twenty and FOUR.



*(Signature)*  
(N. S. PONNUNAMBI)  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH : HYDERABAD.

GRAMS: COMPANYREG

PHONE: 4657937 (D)  
4656114 (O)

GOVT OF INDIA  
MINISTRY OF LAW, JUSTICE, COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES  
ANDHRA PRADESH, 3-5-398, 2ND FLOOR,  
KENDRIYA SADAN, SULTAN BAZAR, KOTI,  
HYDERABAD-500 195

REF: NO RAP/TA.VI/Sec.21/ 10122/2004

DATED : 10/08/2004

TO  
SUNLINE TECHNOLOGIES LIMITED  
PLOT NO.19, H.NO.8-3-677/15,  
SRIKRISHNADEVARAYA NAGAR,  
SRINAGAR COLONY, HYDERABAD-73.

Sir/Madam,

Sub: Change of Name - Approval of the Central Government  
under Section 21 of the Companies Act, 1956.

-----  
With reference to the correspondence resting with your  
letter dated - 06/08/2004 - , I hereby approve and signify in writing under  
Section 21 of the Companies Act, 1956 (I of 1956) read with the Govt of India,  
Ministry of Industry, Department of Company Affairs, Notification No. G.S.R.  
No 507 (E) dated the 24th June, 1985, the change of name of the company  
from SUNLINE TECHNOLOGIES LIMITED  
to ZENOTECH LABORATORIES LIMITED



Yours faithfully,

*[Handwritten Signature]*  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD

Copy to:

The Director of Research & Statistics, 2nd Floor, "B" Block,  
Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi - 110 003.

REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD

Company No: 10122



FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

In the Office the Registrar of Companies,  
Andhra Pradesh, Hyderabad.

(Under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF SUNLINE TUBES LIMITED

I hereby certify that M/S. SUNLINE TUBES LIMITED

was

originally incorporated on 15th day of JUNE 1989

under the companies Act, 1956, under the name M/s. MAA SHAKTI TUBE MILL

PRIVATE LIMITED (which was consequently changed on 1/04/92  
as SUNLINE TUBES PRIVATE LIMITED and which was CONVERTED IN TO  
PUBLIC COMPANY ON 25/08/93 and again changed to

SUNLINE TECHNOLOGIES LIMITED.

The said M/s. SUNLINE TUBES LIMITED

having duly passed necessary resolution un-  
der section 21/22(1)(e)/22(1) (b) of the companies Act, 1956 and also having obtained the  
approval of the Central Government in writing vide letter No. RAP/TA6/SEC.21/10122  
dated 06/12/2000 of Registrar of Companies, Andhra Pradesh, Department of  
Company affairs has changed its name to M/s SUNLINE TECHNOLOGIES LIMITED

This certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at Hyderabad, this 6th day of DECEMBER

~~One Thousand Nine Hundred and~~ TWO THOUSAND



(K.L.K.M. BOJ)

REGISTRAR OF COMPANIES  
ANDHRA PRADESH: HYDERABAD

GRAMS: COMPANYREG  
E-MAIL:rochyd.ab@ab.nic.in

PHONES: 4656114 (OFF)  
4657937 (DIR)  
4652807 (FAX)

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE & COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES, ANDHRA PRADESH  
2ND FLOOR, KENDRIYA SADAN, SULTAN BAZAR, HYDERABAD-500 195

No. RAJ/Sec. 17/10122/ / /2003

Date: 28/10/2003

FORM NO. 11  
(UNDER REGULATION 20)

MEMORANDUM ACKNOWLEDGING RECEIPT OF DOCUMENT

The Registrar of Companies acknowledges the receipt of Form No.23 dated 30/09/2003 filed on 24/10/2003 under Section 192 of the Companies Act, 1956 relating to the change of objects D/s.17 for Alteration of Memorandum of Association by M/s. SUNLINE TECHNOLOGIES LIMITED.

It is to notify to you that the above said document was duly registered by the undersigned on 28/10/2003.



*[Handwritten Signature]*  
Asst. Registrar of Companies  
Andhra Pradesh: Hyderabad

GRAMS: COMPANYREG

PHONE: 4657937 (D)  
4656114 (O)

GOVT OF INDIA  
MINISTRY OF LAW, JUSTICE, COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES  
ANDHRA PRADESH, 3-5-398, 2ND FLOOR,  
KENDRIYA SADAN, SULTAN BAZAR, KOTI,  
HYDERABAD-500 195

REF: NO RAP/TA.VI/Sec.21/ 10122/2000

DATED : 06/12/2000

TO  
- SUNLINE TUBES LIMITED  
VIJAYA YOWERS NAGARJUNA NAGAR  
AMEERPET  
- HYDERABAD 73

Sir/Madam,

Sub: Change of Name - Approval of the Central Government  
under Section 21 of the Companies Act, 1956.

-----  
With reference to the correspondence resting with your  
letter dated - 21/11/2000 - , I hereby approve and signify in writing under  
Section 21 of the Companies Act, 1956 (I of 1956) read with the Govt of India,  
Ministry of Industry, Department of Company Affairs, Notification No. G.S.R.  
No 507 (E) dated the 24th June, 1985, the change of name of the company  
from SUNLINE TUBES LIMITED  
to SUNLINE TECHNOLOGIES LIMITED

Yours faithfully,

  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD

Copy to:

The Director of Research & Statistics, 2nd Floor, "B" Block,  
Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi - 110 003.

~~REGISTRAR OF COMPANIES  
ANDHRA PRADESH  
HYDERABAD~~

GRAMS: COMPANYREG

PHONES:

4656114

4657937

4606972

GOVERNMENT OF INDIA  
MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS  
DEPARTMENT OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES, ANDHRA PRADESH  
2ND FLOOR, KENDRIYA SADAN, SULTAN BAZAR, HYDERABAD-500 195

REF. NO. RAP/Sec. 17/01-10122 /1999-2000      DATE: 23-03-2000

FORM II

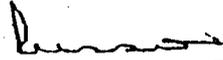
(Under Regulation 20)

REGN. NO

MEMORANDUM ACKNOWLEDGING RECEIPT OF DOCUMENT

The Registrar of Companies acknowledges the receipt of Form No.23 dated 10-02-2000 filed under Section 17 of the Companies Act, 1956 relating to the alteration of the Objects Clause in the Memorandum of Association by M/s. SUNLINE TUBES LIMITED on 01-03-2000

It is to notify to you that the abovesaid document was duly registered by the Undersigned on 23rd March, 2000

  
( S.R.V.V. SATYANARAYANA )  
DY. REGISTRAR OF COMPANIES  
ANDHRA PRADESH:HYDERABAD



NATIONAL INFORMATICS CENTRE

\*

केन्द्र

सूचना-विज्ञान

राष्ट्रीय

\*

NATIONAL INFORMATICS CENTRE

COMPANY No : 01 - 00122

**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON THE  
CONVERSION UNDER SECTION 31 / 44 OF THE  
COMPANIES ACT, 1956 ( 1 OF 1956)**

In the Office of the Registrar of Companies, Andhra Pradesh

**IN THE MATTER OF SUNLINE TUBES PRIVATE LIMITED**

I hereby certify that **SUNLINE TUBES PRIVATE LIMITED** which was originally incorporated on 15th day of June, 1989 under the name **MAA SHAKTI TUBE MILL PRIVATE LIMITED** having duly passed the necessary Special Resolution on 21st day of July, 1993 in terms of Section 31 (1) 44 of the Companies Act, 1956 the name of the Company is this day changed to **SUNLINE TUBES LIMITED**. This Certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at **HYDERABAD** this the 25th day of August One thousand Nine Hundred and Ninety Three.

Sd/-

( N.R. Sridharan )

Seal

**REGISTRAR OF COMPANIES  
ANDHARA PRADESH, HYDERABAD**

**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON  
CHANGE OF NAME**

**COMPANY No. 01 - 10122**

**In the Matter Maa Shakti Tube Mill Private Limited**

I hereby certify that MAA SHAKTI TUBE PRIVATE LIMITED which was originally incorporated on 15th day of June, 1989 under the Companies Act, and under the name MAA SHAKTI TUBE MILL PRIVATE LIMITED having duly passed the necessary resolution the Central Government signifies in writing accords approval in terms of the Registrar of Companies, Andhra Pradesh, Hyderabad Letter No.RAP/TA-II/10122/ Sec.21/92 dated 1st day of April, 1992 for the change of name of the said Company to SUNLINE TUBES PRIVATE LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Hyderabad this 1st day of April 1992 (One thousand Nine Hundred and Ninety Two)

Sd/-

( P. Rajagopalam )

Seal

ASST. REGISTRAR OF COMPANIES

ANDHARA PRADESH, HYDERABAD

UNDER THE COMPANIES ACT, 1956

( I OF 1956 )

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

## ZENOTECH LABORATORIES LIMITED

- i. The name of the company is "ZENOTECH LABORATORIES LIMITED"
- ii. The Registered office of the Company will be situated in the state of Andhra Pradesh.
- iii. The objects for which the Company is established are:

### (A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION.

1. To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, dealers, distributors, and seller of all kinds of Tubes and pipes of any kind of metal including mild steel, galvanised sheet, aluminum sheet, copper sheet, cast iron, carbon steel, stainless steel of any size and pattern used or capable, for being used for any industrial, commercial, agricultural and or domestic purposes and to treat and utilize any waste arising from any such production so as to produce, manufacture by products of any kind of nature.
2. To produce, manufacture, procure, refine, import, export, sell, distribute, deal in and dispose of raw materials of every class and description. All kind of plant, machinery, equipment, spare parts, accessories, other things and articles capable of being used or deemed to be necessary in conducting of the business of the company.
3. To acquire factories, workshops and carry on the business of workshop and factory owners, mechanical, electrical and civil engineers, iron founders, tool makers, brass founders, metal worker boiler makers, mill wrights, machinists, assemblers, fitters, iron and steel converters, smiths, wood workers, wire drovers, manufacturer, repairs and dealers in iron and steel, rolling stock, timber, metals, paints, varnishes.
4. To carry on the business of software, hardware and information technology, trainers, assemblers, researchers, developers, designers, manufacturers buyers and sellers in India and abroad, importers and exporters and agents for all varieties of services such as training, computer communication solution, commercial and technical applications, bit operating systems, microprocessors, enterprise resource planning, internet solutions, transactions processing, database mangement, technical, accounting, financial computer aided designs, and systems, drives, automation programs, networking products, cross platform, software, quality, information and electronic solutions, electronic and information products, peripheral equipment of electronic and information technology industries.
5. To carry on the business of development, sale, trade, deal install, purchase, fabricate, design distribute, maintain, alter, hire, exchange, import and export of computer hardware, software multimedia equipments, data process equipments including systems programs, management concepts, related services.
6. To carry on the business of providing management consultancy services related to computer Software, Hardware, Multimedia and information technology to any individual or Organisation, Body corporate etc., and develop systems of any kind by processing or entering job work and/or hiring out machine and man power and/or assist to setup. Operate and supervise operation of the data processing of other companies or organizations in India or elsewhere.

7. To carry on in India or Abroad business to develop, import, export, transfer, lease or carry on research in the field of molecular modeling for various applications in the field of bio-technology or any other stream of basic/complex sciences and to develop, create, manage, market, encourage the establishment on manufacturing facilities/research centers various applications of bio technology in the fields of development of medicines for human, plant or animal uses.

8. To promote establish, organize, maintain, operate, manage in India or Abroad centers engaged in the field of informatics and to carry on advanced research in the fields of molecular of gene technology for various commercial non-commercial applications, to enter into joint Venture, to take or grant licenses for applications of research and other rights attained by the company in related areas of operations.

9. To set up laboratories develop extract, import, export, but, sell deal in hire the technology, process methods systems to manufacture import but, sell deal in, hire the equipment, instruments chemical enzymes, drugs, bulk drugs, pharmaceutical, medicines, patents, formulations of kinds, types nature and description of including ayurvedic, unani, allopathic, homeopathic and nature cure for whatsoever purposes such as prevention, curation, prophylactic, nourishment beauty aids and hygienic and any items which are capable of being used in the fields of genetic engineering and any other methodology/process developed from time to time for manufacture vaccine and other related products.

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

1. To pay for any rights or property acquired by the company and to remunerate any person, firm or body corporate rendering services to the company either by cash payment or by allotment to him or them shares or securities of the company as paid up in full or part or otherwise.

2. To acquire from any person, firm or body corporate or un-incorporate, whether in India or elsewhere, technical information, know how process, engineering manufacturing and operating date, plain lay-outs and blue prints useful for any of the business of the company and to acquire any grant or license and other rights and benefits in the forgoing matters and things.

3. To insure the whole or any part of the property of the company either fully or partially to protect and indemnify the company from liability or loss in respect either fully or partially and also to issue and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.

4. To mortgage and change the undertaking and all or any of the movable and immovable property, present or future, and all or any of the uncalled capital for the time being of the company and to issue at issue at par or at a premium or discount or for such consideration as may be thought fit, debentures, mortgage debentures and debentures stock payable to bearer or otherwise and either permanent redeemable or repayable and collaterally or further to secure any securities of the company by a trust deed or other assurance.

5. To establish and maintain any agencies in India or any part of the world for the conduct of the business of the company-or for the sale of any products, Housing properties, Land, Materials or things for the time being at the disposal of the company for sale.

6. To employ engineers, mechanics, mason, carpenters, scaffold, setters, painters, electricians and other technicians, salesman, commercial and administrative staff and such other staff and such and staff as may be found necessary for the efficient handing and carrying on the business of the company.

7. To apply for, tender, purchase or otherwise acquire any contracts and concessions for or in relation to the construction, execution, carrying out, equipment improvement, management administration or control of works and conveniences and to undertake execute, carry out, dispose of or otherwise turn to account the same.

8. To lend and advance surplus money either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the company may think fit, but the company will not do banking business as defined under Banking Regulation Act, 1949.

9. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities subject to Reserve Bank of India's directions.

10. To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, patents, patent right, brevested invention, trade marks, designs, licences, protections, concessions and the like conferring any exclusive or non-exclusive or limited right to their use of any secret or other information as to any invention process or privilege which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licences or privileges in respect of, or otherwise turn into account, the property, rights and information so acquired and to carry on any business in any way connected there with.

11. To acquire, build, construct, alter, maintain enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops machinery, engines, roads, railway sidings, reservoirs, electric works and conveniences which may seem calculated directly or indirectly to advance the interest of the company in connection with its business and to join with any other person or company in doing any of these things.

12. To receive money for business purpose of the company on deposit or loan and borrow or raise money from any nationalised or commercial bank, private banker, financial institutions established under central or state laws or to secure deposits from customers, distributors, stockists against goods to be supplied or in such manner as the company shall think fit, subject to the provisions of the Banking Regulation Act, 1949 and the Companies Act, 1956 in this regard.

13. To amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession or for limiting competition with any person or company or companies carrying on or engaged in, or about to carry on or engaged in, or being authorised to carry on or engaged in any business or transaction with 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 benefit the company, subject to the provisions of Monopolies and Restrictive Trade Practices Act, 1969 and the Companies Act, 1956.

14. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibitions subject to the provisions of the companies Act, 1956, but not to a political party.

15. To establish and maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the company or of 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 Directors or Officers of the company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons, and also establish and subsidize and subscribe to any institutions, associations, clubs or funds calculated to for the benefits of or to advance the interest 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 persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.

16. To purchase or otherwise acquire or undertake all or any part of the business, properties, liabilities and transactions of any person, firm or company carrying on any business, which this company may think fit.

17. To distribute among the member in specie any property of the company, or any proceeds of sale or disposal of any property of the Company in case of winding up and that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

18. To open current or fixed accounts with any Bank, Bankers, Shroff or merchant, and to pay into, and to draw money from such accounts.

19. To acquire by subscription, purchase or otherwise and to accept to take, hold and sell, shares or stocks in any company, society or undertaking, the objects of which shall either in whole or in part of the similar of this company or such as may be likely to promote or advance the interests of this company.

20. To enter into any arrangement with any Government Company, State or Central any supreme, municipal, local authority or otherwise that may seem conducive to the company's objects or any of them and to obtain from any such Government or authority all rights, concessions and privileges which the company may think it desirable to obtain and to carry out, exercise and comply with any such arrangement right, privileges and concessions.

21. To apply for and acquire permits, licences and quota rights from the Government of India or from State Government or from foreign Government to import and export plant & machinery, spare parts, equipments, materials, components intermediates, tools fixtures, finished products and processing materials, connected with the (business of) of the company.

22. To enter into agreements with the employees, engineers, technicians, workmen, office staff, salesmen and any other persons having special knowledge of matters, relating to the business of the company as may be necessary or expedient for conducting the business of the company.

23. To refer or agree to refer any claim demand, dispute or any other questions, by or against the company or in which the company is interested or concerned and whether between the company and third parties to arbitration in India or at any place outside India and to observe and perform to do all acts, deeds, matters and things to carry out or enforce the awards.

24. To indemnify members, officers, directors, promoters and servants of the company against proceedings, costs, damages and claims in respect of anything done or ordered to be done for and in the interest of the company or for any loss or damage misfortune whatever which shall happen in execution of the duties of the their office or in relation thereto.

25. To sell the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular wholly or in part for shares (fully paid up or otherwise ) debentures or securities of any other company or companies having objects altogether or in part similar to those of this company.

26. To pay all or any costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of this company.

(C) OTHER OBJECTS:

1. To carry on the business as contractors and to undertake, execute various technical, mechanical, structural, civil engineering, mining jobs, drilling, sand stowing anywhere in India or elsewhere.

2. To deal, purchase, sell, distribute hardware, tools, small pumps, agricultural impliments, building materials of every class and description deemed convenient and beneficial to the company

3. To deal in purchase and sell in cars, jeeps, trucks and other transport vehicles and to undertake transport and material handling contracts in any part of India.

4. To act as general merchants, stockiest, manufactures, representative or agents, selling and purchasing agents, distributors, brokers.

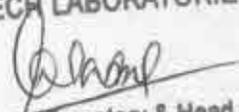
5. To undertake and carry on the business of drilling and boring of any kind, size and depth in coal mines, civil works or agricultural purposes.

6. To carry on the business of manufacturers, dealers, stockist, purchasers of all kinds of firebricks, high alumina bricks, silica bricks and all other refractory products mortar, fireclay, lime, cement, sanitary wares, potteries, allied products and by products.

IV. The liability of the members is limited.

V. The Authorised Capital of the Company is Rs 100,00,00,000 (Rupees Hundred crores only) divided into 10,00,00,000 (Ten crores only) equity shares of Rs 10/- each. The Company has the power from time to time to increase or reduce its capital and to divide the shares in the original or increased capital for the same into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the regulations of the Company for the time being.

FOR ZENOTECH LABORATORIES LTD.

  
Company Secretary & Head of Legal

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

Sl No.	Names, Address, Description Occupation & Signature of subscribers	Number of equity Shares taken by each subscriber	Name, Address Occupation & Signature of the witness
1.	JAYANTKUMAR CHOTALIA S/o. Sri Devji Chotalia Bera Colliery, Area No IX B.C.C. Ltd. P.O.Dhansar Dhanbad  Sd/-	100 (one hundred)	Sd/- I Rama Rao (CA) Door No. 43-11-14 Subbalakshmi Nagar Visakhapatnam and P. Chandra Murti (CA) Hyderabad
2.	JAYSHUKHLAL GOYANI S/o. Late Khim Chan Goyani Street No.6, Subhas Nagar Rajkot 360 001  Sd/-	100 (one hundred)	
3.	NARENDRA KUMAR SONI S/o. Late Jamunadas Soni Bank More Dhanbad 826 001  Sd/-	100 (one hundred)	
4.	DINESH KUMAR SONI S/o. Late Jamunadas Soni Bank More Dhanbad 826 001  Sd/-	100 (one hundred)	
Total		400 (four hundred)	
Total number of equity shares taken : FOUR HUNDRED ONLY			

Date: 02-04-1989.

**THE COMPANIES ACT, 2013**  
**A COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**ZENOTECH LABORATORIES LIMITED**

**Preliminary**

Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

**Interpretation**

In these Regulations:-

- a. "Act" means the notified sections of the Companies Act, 2013, including the rules, regulations, circulars, notifications and orders made there under as amended, modified or re-enacted from time to time; and such of the sections of the Companies Act, 1956 which continue to be in force, and 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;
- b. "Beneficial Owner" shall mean and include a person or persons' as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act.
- c. "Board" or "Board of Directors" Board or Board of Directors means in relation to the Company means the collective body of the directors of the Company and shall include a committee thereof.
- d. "Company" means 'ZENOTECH LABORATORIES LIMITED'.
- e. "Depositories Act" shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time.
- f. "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992.
- g. "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called

- h. "Office" means the Registered Office of the Company.
- i. "Rules" means Rules means the applicable rules of the Act, for the time being in force as prescribed under relevant sections of the Act.
- j. "Seal" means the Common Seal of the Company.
- k. Interpretation of Gender words importing the masculine gender shall include all genders.

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

### **Share capital and variation of rights**

#### **Authorised Capital**

1. The Authorised Share Capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company, with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.

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 and transmission, voting and otherwise.

#### **Shares under Control of the Board**

2. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such 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 and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium subject as aforesaid, such option being exercisable at such time and for such consideration as the Directors think fit.

#### **Allotment otherwise than for cash**

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

#### **Kinds of Share Capital**

4. The Company may issue any kind of shares including but not limited to the following:—

- a) Equity share capital—
  - a. with voting rights; and / or
  - b. with differential rights as to dividend, voting or otherwise in accordance with the Act / Rules; and
- b) Preference share capital

The Company may convert any kind of securities into another kind of security in accordance with the provisions of the applicable laws.

### **Debenture**

- 5. Notwithstanding anything contained in these articles but subject to the provisions of the Act and any other applicable provision of the Act or any other law for the time being in force and Rules, the Company may issue debentures.

### **Redeemable Preference Shares**

- 6. Subject to the provisions of Companies 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.

### **Share Warrants**

- 7. Rights to issue share warrants
  - a) The Company may issue share warrants subject to, and in accordance with provisions of the Act and the applicable Rules/ Regulations/ guidelines.
  - b) The Board may, in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.
- 8. Rights of warrant holders
  - a) The bearer of the share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two (2) clear days from time of the deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.
  - b) Not more than one person shall be recognized as the depositor of the share warrant.
  - c) The Company shall, on two (2) days written notice, return the deposited share warrant to the depositor.

Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a general meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at such general meeting, or be entitled to receive any notice from the Company.

d) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a Shareholder of the Company.

9. Board to make rules

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Variation of Rights**

10. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
11. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. 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 pari passu therewith.

### **Share Certificate**

13. A certificate, may be executed and issued in accordance with the applicable provisions of the Act or rules made thereunder, as may be in force for the time being and as amended from time to time , specifying the shares held by any person, shall be prima facie evidence of the title of the person to such shares.
14. (i) Every person whose name is entered as a member in the register of members shall be entitled to Certificate in accordance with the provisions of the Act or rules made thereunder as may be in force for the time being and as amended from time to time or within such other period as the conditions of issue shall be provided,-
  - (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 twenty rupees for each certificate after the first.
- (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) 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.
15. 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 Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

16. A share held in depository form, the record of the depository is the prima facie evidence of the interest of the beneficial owner.
17. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
18. The provision of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

### **Commission**

19. 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 or 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 rules made there under.
20. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the rules made there under.
21. 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.

### **Further Issue of Share Capital**

22. The Board or the Company, as the case may be, may in accordance with the Act and Rules, issue further shares to:
  - 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
  - b) Employees under any scheme of employees' stock option; or
  - c) Any persons, whether or not those persons include the person referred to in clause (a) or (b) above.
23. Notwithstanding anything contained in sub-clauses(s) above, but subject, however to Section 62 of the Act, the Company may increase its subscribed share capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company by passing special resolution by the members.
24. A further issue of shares may be made in any manner whatsoever as the Board may determine by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules as may be amended from time to time.

### **Lien**

25. (i) The Company shall have a first and paramount lien-
  - (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 single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

26. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

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 the person entitled thereto by reason of his death or insolvency.

27. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) 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 in reference to the sale.

28. (i) 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.

(ii) 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.

29. The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Calls on shares**

30. (i) The Board of Directors may, from time to time, make calls upon the members in respect of any monies unpaid on their shares held by them respectively (whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time appointed by Directors. A call may be made by instalments. The call may be revoked or postponed at the discretion of the Board.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

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

31. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
32. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
33. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.  
  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
34. (i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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.
35. The Board
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.
36. The provision of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

#### **Joint Holders**

37. Where two or more persons are registered as the joint holders (not more than three) of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:
  - a. the joint holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - b. on the death of any such joint-holder 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 the 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 in respect of the shares held by him jointly with any other person.
  - c. only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other moneys payable in respect of such share.
  - 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 delivery of the certificate relating to such share or to receive

documents from the Company and any documents served on or sent to person shall be deemed service on all the joint- holders.

- e. any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one such joint-holders be present at any meeting personally or by proxy 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 be entitled to vote in respect thereof but other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stands shall for the purpose of this sub-clause be deemed joint-holders.
- f. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

### **Transfer of shares**

- 38. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.  
  
(ii) 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.
- 39. The Board may, subject to the right of appeal conferred by section 58 decline to register-
  - (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.
- 40. The Board may decline to recognise any instrument of transfer unless-
  - (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (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.
- 41. On giving not less than seven days' previous notice in accordance with section 91 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:  
  
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.
- 42. If the shares are in dematerialized mode, same will be governed by Depositories Act.

### **Transmission of shares**

- 43. (i) 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.

- (ii) Nothing in clause (i) 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.
44. (i) 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—
- (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.
- (ii) 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.
45. (i) 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.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) 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.
46. 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.

### **Forfeiture of Shares**

47. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
48. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
49. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

50. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
51. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
52. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
53. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Copies of Memorandum and Articles to be sent to the Members**

54. Copies of the Memorandum and Articles of Association of the Company and other documents referred in provisions of the Act shall be sent by the Company to every member at his request on payment of the sum of Rs. 100/- (Rs. One Hundred Only) for each copy or such sum as may be prescribed by the Act.

#### **Alteration of capital**

55. (i) Subject to the provisions of the Act, the Company may, from time to time, by resolution in General Meeting:
- (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.

56. Where shares are 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 regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (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.
- (c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

57. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

### **Capitalisation of profits**

58. (i) The Company in general meeting may, upon the recommendation of the Board, resolve—

- (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 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (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 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);
  - (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
59. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; 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 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;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

60. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **Dematerialisation of Shares**

61. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act, 1996 (“Depositories Act”) and to offer its Shares, Debentures and other Securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in physical and dematerialised form in any media as permitted by law including any form of electronic media.

#### **General meetings**

62. All general meetings other than annual general meeting shall be called extra ordinary general meeting.
63. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

64. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
65. (i) 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.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
66. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
67. 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.
68. 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 choose one of their members to be Chairperson of the meeting.

### **Adjournment of meeting**

69. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) 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.
- (iv) Save as aforesaid, and as provided in section 103 of 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.

### **Voting rights**

70. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) 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.
71. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
72. (i) 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.

- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
73. 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.
74. 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.
75. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

76. 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.
77. An instrument appointing a proxy shall be in the form as prescribed in the rules.
78. 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:

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.

### **Board of Directors**

79. (a) Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).
- (b) Subject to the provisions of the Act, the Company may from time to time by Special Resolution increase or reduce the number of Directors within the limits fixed by these Articles. The Directors shall appoint one women director as per the requirements of the Act.
- (c) (i) The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.
- (ii) Not less than two-thirds of the total number of Directors of the Company shall:

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
- (b) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.

***Explanation:- for the purposes of this Article “total number of Directors” shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.***

- (iii) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.
- (iv) Subject to the provisions of the Act, at every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
- (v) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re- election.
- (vi) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.
- (vii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.
- (viii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-
  - (a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - (c) he is not qualified or is disqualified for appointment;
  - (d) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the said Act; or
- (ix) The Whole-time Directors shall not be liable to retire by rotation subject to Board shall determine at the time of appointment of such Whole-time Directors.
- (x) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board and the person so appointed shall hold office up to the date which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid.

- (xi) Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.
- 80. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
    - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
    - (b) in connection with the business of the Company.
  - (iii) Subject to the provisions of the Act and the rules made there under, the Independent and/ or Non Executive directors shall be entitled to sitting fees for attending each meeting of the Board of directors or any committee thereof as may be decided by the Board of directors, which shall be in addition to reimbursement of expenses incurred by them in attending the meetings.
- 81. The Board may pay all expenses incurred in getting up and registering the Company.
- 82. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.
- 83. The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 84. 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.
- 85. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 86. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
  - (ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- 87. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called 'the Original Director') during his absence for a period of not less than three months from India and such appointee whilst holds office as an Alternate Director, shall be entitled to

receive notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office, if and when the Original Director returns to India. If the term or office of the Original Director is determined before he so returns to India as aforesaid, any provision in the Act or in these Articles for the automatic re-appointment of a retiring Director in default of any other appoint shall apply to the Original Director and not to Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.

88. A Director of the Company may be, or may become a director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise and subject to the provision of the Act and these Articles, no such Director shall be accountable for any benefits received as a Director or member of such Company except in so far as required by the Act.
89. The same individual may, at the same time, be appointed as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company.

### **Powers of Board**

90. (i) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which be directed or required whether by the Act or any other Act or by the Memorandum or those Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be, subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.
- (ii) No regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (iii) Subject to the provisions of the Act and other provisions of the Act and rules there under, the Board may delegate from time to time and at any time to committee formed out of the Directors any of its powers, authorities, and discretion for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.
- (iv) The Board may appoint, at any time and from time to time by a power of attorney any person to be the attorney of the company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the board under these Articles and for such period and subject to such conditions as the Board may from time to time thinks fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any firm or company, or the members, directors, nominees or manufacturers of any firm or company or otherwise in favour of anybody or persons, whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
- (v) The Board may authorise any such delegate, or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.
- (vi) Subject to the provisions of the Act, the Board may delegate all or any of their powers to any Directors jointly or severally or to any one Director at their discretion.

## **Borrowing Powers**

91. Subject to the provision of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power to accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by resolution, which shall provide for the total amount up to which moneys may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six months from the date of the loans such as short term loans, cash credit arrangement, discounting of bills and the issue of other short - term loans of seasonable character but does not include loans raised for the purpose of financial expenditure of a capital nature.
92. If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed or, if permitted by the Act, may by instrument, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to receive monies on call from the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be.
93. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors 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 person so becoming liable as aforesaid from any loss in respect of such liability

## **Proceedings of the Board**

94. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
95. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
96. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
97. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
98. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (iii) 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 if Company provides the facility and intimate in advance, as may be prescribed by the Rules or permitted by law.
99. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
100. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
101. All acts done in any meeting of the Board or of 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 of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
102. Subject to the provisions of the Act, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution as aforesaid mentioned, shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

### **Nominee Directors**

#### 103. Nominee Directors

- (a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to any

All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ Company (hereinafter referred to as the “Corporation”) so provides, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s”) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

- (b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, 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 so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold debentures/shares in the Company as result of underwriting or by direct subscription or private placement 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 vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

- (c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (d) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

104. Subject to the provisions of the Act,—

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;

A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

105. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, Company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, Company secretary or chief financial officer.

### **The Seal**

106. (i) The Common Seal of the Company, if required to be affixed, shall be affixed to any instrument(s), in presence of any one of Directors of the Company and/or Chief Financial Officer and/or Company Secretary and/or Compliance Officer of the Company or such person(s) as the Board or aforesaid persons may appoint for the purpose and who shall sign every instrument to which the Seal of the Company is so affixed in their presence.

(ii) Notwithstanding anything contained in the clause, the use of the Seal of the Company shall not be a mandatory requirement for authenticating any instrument or document by the Company.

(iii) The Company shall also be at liberty to use an official seal in any territory, district or place outside India.

### **Dividends and Reserve**

107. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

108. Subject to the provisions of the Act, 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.

109. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit 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 equalizing 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

110. (i) Subject to the rights of persons, if any, entitled to shares 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, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

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

112. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed 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 on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such electronic transfer or cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may, direct the payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Payment in any way whatsoever shall be made at the risk of the person entitled to the money represented thereby.
113. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
114. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
115. No dividend shall bear interest against the Company.

#### **Accounts**

116. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

#### **Audit**

117. The appointment, qualifications, powers, rights, duties of the Auditors shall be regulated by and in accordance with the Act and Rules made there under.

The Remuneration of the Auditors shall be fixed by the Board as authorised in a General Meeting from time to time.

#### **Winding up**

118. Subject to the provisions of the Act and Rules made there under—
- (i) 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.
- (ii) 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.
- (iii) 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.

## **Indemnity and Responsibility**

### 119. Director's and others' right to indemnity

- (a) Subject to the provisions of the Act, the managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such managing Director, Director, Officer or Employee or in any way in the discharge of his duties. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.
- (b) Subject as aforesaid the managing Director and every Director, manager, Secretary or other Officer or employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or 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.

### 120. Insurance

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.

### 121. Not responsible for acts of others

- (a) Subject to the provisions of the Act, no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.
- (b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

## **Secrecy Clause**

- 122. (i) Every director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in relation thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as

may be necessary in order to comply with any of the provisions in these presents contained.

(ii) No Member shall be entitled to inspect the Company's works without the permission of the managing Director/Directors or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

### **Notice and Service of Documents**

123. It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him. A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.

Subject to Section 20 of the said Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him. The term courier means person or agency who or which delivers the document and provides proof of its delivery.

Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate. Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares. Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be written, facsimile, printed, lithographed, photostat. A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules.

### **General Power**

124. 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.

S.No.	Names, Addresses, Descriptions and Occupation and Signatures of Subscribers	Signature of Subscriber	Signature Name, Address, Description of the witness
1.	JAYANT KUMAR CHOTALIA S/o. Sri Devji Chotalia, Bera Colliery, Area No.IX, B.C.C. Ltd., P.O. Dhansar, Dhanbad	Sd/-	Sd/- I. Rama Rao (C.A.) Door No. 43-11-14, Subbalakshmi Nagar, Visakhapatnam and P. Chandra Murlu (C.A.) Hyderabad.
2.	JAYSHUKHLAL GOYANI S/o. Late Khim Chan Goyani, Street No.6, Subhas Nagar, Rajkot – 360 001.	Sd/-	
3.	NARENDRA KUMAR SONI S/o. Late Jamunadas Soni, Bank More, Dhanbad – 826 001.	Sd/-	
4.	DINESH KUMAR SONI S/o. Late Jamunadas Soni, Bank More, Dhanbad – 826 001.	Sd/-	

DATE : 02-04-1989

E-mail: rochyd.sb@sb.nic.in  
GRAMS: COMPANY REG.

PHONES: 24656114(OFF)  
24652807(FAX)

GOVERNMENT OF INDIA  
MINISTRY OF COMPANY AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES, ANDHRA PRADESH  
2<sup>ND</sup> FLOOR, KENDRIYA SADAN, SULTAN BAZAR, HYDERABAD-500 195.

**CERTIFICATE OF REGISTRATION OF ORDER OF SCHEME OF AMALGAMATION  
UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956**

**IN THE MATTER OF ARRANGEMENT OF**

**M/S. ZENOTECH LABORATORIES PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
M/S. SUNLINE TECHNOLOGIES LIMITED  
(TRANSFeree COMPANY)**

Pursuant to the provisions contained in Sec.394 of the Companies Act, 1956, I hereby certify that the Form No.21 dated 23.07.2004 filed on 23.07.2004 enclosing the order passed by the Hon'ble Court of Andhra Pradesh on 01.07.2004 in C.P.No. 38 & 39 of 2004 providing for the Scheme of arrangement between

**M/S. ZENOTECH LABORATORIES PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
AND  
M/S. SUNLINE TECHNOLOGIES LIMITED  
(TRANSFeree COMPANY)**

has this day been registered.

Given under my hand at Hyderabad on Ninth day of August, 2004.



*(Handwritten Signature)*  
(NS PONNUNAMBI)  
REGISTRAR OF COMPANIES  
ANDHRA PRADESH, HYDERABAD.

1. M/s. Zenotech Laboratories Private Limited
2. Copy to Document File No. 30743
3. M/s. SUNLINE TECHNOLOGIES LIMITED ✓
4. Copy to Document File No. 10122



2E 1

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH  
 AT HYDERABAD  
 (ORDINARY ORIGINAL/CIVIL JURISDICTION)  
 THURSDAY, THE FIRST DAY OF JULY,  
 TWO THOUSAND AND FOUR  
 PRESENT  
 THE HON'BLE MR JUSTICE V.V.S. RAO  
 COMPANY PETITIONS NO. 38 AND 39 of 2004  
 COMPANY APPLICATION NOS 2880 AND 2889 OF 2004

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
 AND  
 IN THE MATTER OF SECTION 301 AND 304 OF THE SAID ACT ON  
 THE MATTER OF M/S ZENOTECH LABORATORIES PRIVATE LIMITED  
 WITH  
 IN THE MATTER OF M/S SUNLINE TECHNOLOGIES LIMITED

C.P. NO. 38 OF 2004:

M/S Zenotech Laboratories Private Limited, a company incorporated under the companies Act 1956, having its Registered Office at Plot. No. 19, H.No. 1956 having its Registered office at Plot. No. 19, H.No. 8-3-677/15, SKD Nagar, Srinagar Colony, Hyderabad - 500 073 rep. by its Director, Dr. Chigurupati Jayaram.

...Petitioner / Transferee Company

Petitioner under Section 301 and 304 of the Companies Act praying that this High Court may be pleased to

- a) That the Scheme of Arrangement for amalgamation as consented by the shareholders of the Petitioner/Transferor Company and the Transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.
- b) For an order that the Petitioner / transferor Company be dissolved without going through the process of winding up.
- c) For an order under section 304 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the Petitioner company and also dissolution of the Transferor company without going through the process of winding up.
- d) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble High Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement for amalgamation.



This Petition coming on for orders upon reading the Judge's summons and the affidavit dated: 10.02.2004 and filed by Mr. Jayaram Chigurupati, Director of the Petitioner Company in support of this Petitioner and upon hearing the arguments of Mr. V.S.Raju, Advocate for the Petitioner company.

C.P. NO. 39 OF 2004:

BETWEEN:

M/s. Sunline Technologies Limited, a company incorporated under the Companies Act 1956 having its Registered Office 845, Banjara Avenue, Road, No. 1, Banjara Hills, Hyderabad - 500 034 rep. by its Director, Sri Koneru Satyanarayana.

..Petitioner / Transferee Company

Petitioner under Section 391 & 394 of the companies Act praying that this High Court may be pleased to

- a) That the Scheme of Amalgamation as approved by the shareholders of the Petitioner / Transferee Company and the Transferor Company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner company and all concerned.
- b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the Petitioner company.
- c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble High Court for any direction that maybe necessary in regard to the carrying out of the scheme of arrangement;

This Petition coming on for orders upon reading the Judge's summons and the affidavit dated: 10.02.2004 and filed by Mr. Koneru Satyanarayana, Director of the Petitioner Company in support of this Petitioner and upon hearing the arguments of Mr. V.S. Raju, Advocate for the Petitioner Company,

The Court made the following Common Order:-

**THE HONOURABLE SRI JUSTICE V.V.N.RAO**

**COMPANY PETITION Nos.38 AND 39 OF 2004**

**ORDER:**

Company Petition No.38 of 2004 is filed by M/s.Zenotech Laboratories Private Limited (hereinafter called, the Transferor Company) and Company Petition No.39 of 2004 is filed by M/s.Sunline Technologies Limited (hereinafter called, the Transferee Company). Both these petitions are filed under Sections 391 and 394 of Companies Act, 1956, seeking the sanction/approval of this Court to the Scheme of Amalgamation of the Transferor Company with Transferee Company with effect from 01.11.2003.

The Transferor Company initially filed Company Application No.2888 of 2003 and this Court by order dated 06.01.2004 dispensed with the meeting of shareholders for the purpose of Section 391(1)(b), thereafter Transferor Company filed the Company Petition No.38 of 2004, which was admitted by this Court on 26.02.2004. As directed by this Court, notice of the petition was advertised in 'Business Standard' dated 20.02.2004 and 'Andhra Bhoomi' dated 03.03.2004 published from Hyderabad. Notice was taken to Regional Director, Department of Company Affairs and proof of service was filed on 09.03.2004. This Court also ordered notice to the Official Liquidator in this petition.

The Transferee Company initially filed Company Application No.2889 of 2003 praying this Court to appoint a Chairperson to conduct the meeting of shareholders. By order dated 06.01.2004 this Court appointed an Advocate practicing in this Court as Chair person of the meeting of the shareholders, who convened the meeting on 07.02.2004 at 11.00 am at Hotel Manshar, Begumpet, Hyderabad and filed a report dated 09.02.2004. Thereafter, the Company Petition No.39 of 2004 was presented to this Court and

which was admitted on 26.02.2004. As directed by this Court, notice of the petition was advertised in 'Business Standard' dated 20.02.2004 and 'Andhra Bhoomil' dated 03.03.2004. Notice to the Regional Director, Department of Company Affairs was also taken out and proof of service was filed before this Court.

The Transferor Company was incorporated in the State of Andhra Pradesh on 22.12.1998. As per the Memorandum of Association, the authorized share capital of the Transferor Company is Rs.2,00,00,000/- (Rupees two crores only) divided into 20,00,000 (twenty lakhs only) equity shares of Rs.10/- each. Out of which, 18,36,500 equity shares of Rs.10/- each have been issued, paid up and fully subscribed and thus the paid up capital is Rs.1,83,65,000/- (Rupees one crore eighty three lakh and sixty five thousand only).

The Transferor Company was incorporated to carry on the business to conduct pharmaceutical research, toxicity studies and bio-equivalence studies, Clinical Trials, Clinical Researches, Clinical testing of the experimental drugs, to render Clinical Chemistry, Pathology, Clinical Laboratory services, Bio-analytical consulting services, to conduct data management and regulatory affairs for the foregoing objects.

The Transferee Company was incorporated in the State of Andhra Pradesh on 15.06.1989. As per the Memorandum of Association, the authorized share capital of the Transferee Company is Rs.6,00,00,000/- (Rupees six crores only) divided into 60,00,000 equity shares of Rs.10/- each. The issued and subscribed capital is Rs.5,75,03,000/- (Rupees five crore seventy five lakh and three thousand only) divided into 57,50,300 equity shares of Rs.10/- each. The paid up share capital is Rs.5,44,24,000/- (Rupees five crore forty four lakh and twenty four thousand only) divided into 54,42,400 equity shares of Rs.10/- each. The Transferee Company has forfeited 3,07,900 equity shares of Rs.10/- each due to non payment of allotment money.

The Transferee Company was incorporated to carry on the business of manufacturers, producers, processors, exporters, buyers, dealers, distributors and seller of all kinds of tubes and pipes of any kind of metal including mild steel, galvanized sheet, aluminium sheet, copper sheet, cast iron, carbon steel, stainless steel of any size and pattern used or capable, for being used for any industrial, commercial, agricultural and/or domestic purposes and to treat and utilize any waste arising from any such production so as to produce, manufacture by-products of any kind or nature and to carry on the business of software, hardware and information technology, trainers, assemblers, researchers, developers, designers, manufactures, buyers and sellers in India and abroad, importers and exporters and agents for all varieties of services such as training, computer communication solution, commercial and technical application, bit operating systems microprocessors, enterprise resource planning, internet solutions, transactions processing, database management, technical, accounting, financial, computer aided designs, and systems, drives, automation programs, networking products, cross platform, software, quality, information and electronic solutions, electronic and information products, peripheral equipment of electronic and information technology industries and to carry on in India or abroad business to develop, import, export, transfer, lease or carry on research in the field molecular modeling for various application in the field of bio-technology or any other stream of basic/complex sciences and to develop, create, manage, market, encourage the establishment on manufacturing facilities/research centers various applications of bio-technology in the fields of development of medicines for human, plant or animal uses.

The Board of Directors of the Transferor Company proposed Amalgamation of the Transferor Company with the Transferee Company and reasons therefor are as follows:

a) The proposed Amalgamation of both the Transferor and Transferee Company would enable economies in administration

and management. It will improve the combined profitability as there would be reduction in overhead costs. The Amalgamation will pave way for efficient and economic control in the running of the operations of the business being carried on independently by both the Companies.

b) The Amalgamation of the Companies will have the benefit of stability of operation and would help to achieve efficient utilization of the resources and facilities. The consolidation of business will achieve rationalization of the management structure and economies of scale for further and stable growth, expansion and diversification and for better and more profitable utilization of the combined resources.

c) The Amalgamation of the Companies will improve the capital base and the combined credit worthiness of both the Companies, which will be beneficial to the business.

d) The Amalgamation would enable the Company to have combined financial resources and goodwill of both the Transferor and Transferee Companies.

e) The proposed Amalgamation would also enable the Transferee Company to have a capital and financial base, which would be in the over all interests of both the Companies, thereby ensuring better growth and will culminate in increase of its leveraging capacity i.e. its capacity to borrow funds for business purposes.

f) The proposed Amalgamation is not only beneficial to the shareholders but also to their employees as they would get stock options etc.

The respective Boards of Directors of both the Companies at the meetings held on 17.11.2003 approved the Scheme of Amalgamation subject to approval of this Court. Under the Scheme, it was agreed to pay five shares of Transferor Company for one share of Transferor Company and the interests of employees and workers is taken care of in Clause 6 (ii) of the Scheme of Amalgamation. Clause 8(f) of the Scheme is to the effect that upon

Amalgamation becoming effective, the authorized share capital of the Transferor Company be deemed to have been added to the authorized capital of the Transferee Company.

The Official Liquidator has filed two reports in Company Petition No:38 of 2004 to the effect that the affairs of the Company have not been conducted in a manner prejudicial to the public interest or to the interest of members of the Company. In a subsequent report dated 25.06.2004, the objection is however taken with the clubbing of the authorized capital of the Transferor Company to the authorized capital of the Transferee Company.

A common counter affidavit is filed by the Registrar of Companies on behalf of the Regional Director of Department of Company Affairs raising objection with regard to the Clause 8(f) of the Scheme, which contemplates the clubbing of the authorized capital of the Transferor Company with the Transferee Company. It is further stated that the Transferee Company has to comply with the provisions of Sections 94 and 97 of the Companies Act, 1956 in case the Transferee Company proposes to increase its authorized capital.

The learned counsel for the petitioners Sri V.S.Raju submits that in view of the objections raised by the Regional Director, Department of Company Affairs, the Transferee Company of the Scheme of Amalgamation would comply with the provisions of Sections 94 and 97 of the Companies Act, 1956 and he prayed to sanction the Scheme as may be modified by this Court. Insofar as other objection of not filing the 'No Objection Certificate' from Calcutta Stock Exchange along with the petition is concerned, 'No Objection Certificate' issued by the Hyderabad Stock Exchange is enclosed. As held by this Court **In re Compact Power Sources Pvt., Ltd.**,<sup>1</sup> 'No Objection Certificate' from the concerned Stock Exchange is not mandatory and the mandatory requirement of regulations is limited to mere filing of the Scheme/Petition before the Stock Exchange for approval at least a month prior to

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<sup>1</sup> 2004 (2) ALD 747

presenting the Scheme/petition under Sections 391 and 394 of the Companies Act, before the Court or Tribunal. Therefore, I overrule the objection raised by the Central Government. The Scheme of Amalgamation between the Transferor Company and Transferee Company has been approved by the respective Members of Directors. In the meeting of the shareholders of the Transferee Company convened under the Presidentship of the Chairperson appointed by this Court, the shareholders unanimously resolved to approve the Scheme of Amalgamation. The petitioners have complied with all requirements of law under Sections 391 to 394 and therefore there cannot be any objection for approving the Scheme.

Accordingly, the Scheme of Arrangement for Amalgamation of the Transferor Company with the Transferee Company is sanctioned. As a result of which the Transferor Company shall stand dissolved without any process for winding up. The petitioners shall file a certified copy of the order in Form No.41 within fourteen days from the date of receipt of the order.

The Company Petitioners are accordingly allowed.

Sd/- Bh. SADA SIVA SARM  
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER *Chinnilthy*  
SUPERINTENDENT  
COPYIST DEPARTMENT  
HIGH COURT OF A.P.  
HYDERABAD

To

1. Drl. Chigurupati Jayaram, Director, M/s. Zenotech Laboratories Private Limited Regd Office at Plot. No. 19 H.No. 8-3-677 / 15, SKD, Nagar, Srinagar Colony, Hyderabad - 500073.
  2. Sri Koneru Satyanarayana, Director, M/s, Sunline Technologies Limited, Regd. Office at 845, Banjara Avenue, Road No.1 Banjara Hills, Hyderabad 500 034.
  3. The Registrar of Companies, 3-5-398, C.P.W.D. Building, Kendriya Sada, Sultan Bazar, Kotli, Hyderabad
  4. The Official Liquidator, Kendriya Sadan, 3-5-398, C.P.W.D. Building, Sultan Bazar, Kotli, Hyderabad.
  5. One cc to the Section Officer, O.S. Section, High Court of A.P. Hyderabad
  6. The Regional Director Company Law Board, Southern Region, Chennai
  7. 2 CD copies.
  8. One cc to Mr. V.S. Raju, Advocate
  9. One cc to Mr. Kanthi Narahari, Advocate
- Ty/zb

HIGH COURT

DATED: 01.07.2004

ORDER

C.P. NOS. 38 AND 39 OF 2004

ALLOWING THE COMPANY  
PETITIONS

10 copies

8/7/04

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THE HIGH COURT OF ANHRA PRADESH	
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CP No.	2008 of 2004
Applicant	2-7-2004
Applicant	2004
Applicant	2004
State	15-7-2004
State	15-7-2004
Adl. No.	2004
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Copy No.	15-7-2004
Copy No.	2004

*CB*  
Section Officer  
15/7/2004



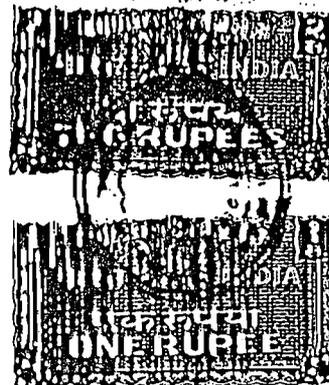
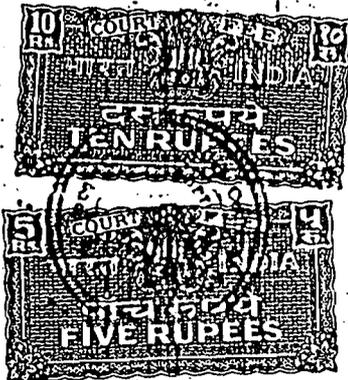
**SCHEME OF AMALGAMATION  
OF  
M/S ZENOTECH LABORATORIES PRIVATE LIMITED  
WITH  
M/s SUNLINE TECHNOLOGIES LIMITED**

**PART - I**

1. In this Scheme unless inconsistent with the subject or context the following expressions shall have the following meanings:

- a) 'The Act' means the Companies Act, 1956 (1 of 1956)
- b) 'Appointed Date' means 1st November, 2011.
- c) 'Court' means the Hon'ble High Court of Andhra Pradesh.
- d) 'Transferor Company' means M/s Zenotech Laboratories Private Limited (hereinafter referred to as "ZLPL"/ Transferor Company) a Company incorporated under the Companies Act having its Registered Office at Plot No. 1, H.No.8-3-677/15, Srikrishnadevara Nagar, Brinagar Colony, Hyderabad-500 073.
- e) 'Transferee Company' means M/s Sunline Technologies Limited (hereinafter referred to as "STL"/Transferee Company), a Company incorporated under the Companies Act, having its Registered Office at 845, Banjara Avenue, Road No.1, Banjara Hills, Hyderabad-500 034.
- f) 'Scheme' means Scheme of arrangement for Amalgamation of M/s Zenotech Laboratories Private Limited with M/s Sunline Technologies Limited under Section 394 of the Companies Act, 1956.
- g) "Effective Date" means the date on which the certified copies of the Order of the Hon'ble High Court at Hyderabad, sanctioning this scheme, is filed with the Registrar Companies, Andhra Pradesh, Hyderabad under Sec. 394 of the Companies Act, 1956.

*Handwritten signature*



h. "Undertaking of the Transferor Company" means

i) It includes all the properties, assets, and liabilities of the Transferor Company viz., M/s Zenotech Laboratories Private Limited., immediately before the Amalgamation.

ii) Without prejudice to the generality of the foregoing clauses the said undertaking shall include all rights, powers, interests, authorities, privileges, liberties and all properties and assets, movable or immovable, tangibles, real or personal, corporeal or incorporeal in possession or reversion, present or contingent of whatsoever nature and wherever situated including lease tenancy and agency rights and all other interest and rights in or arising out of such property with all licenses, trade marks, Patents, Brand Names, Intellectual Property Rights, Inventions, grants, approvals, concessions etc.

PART - II

2) i) M/s Zenotech Laboratories Private Limited was incorporated in the State of Andhra Pradesh on 22<sup>nd</sup> Day of December 1998 under Certificate of Incorporation No. (11-30743 of 1998) in the name and style of M/s Credence Laboratories Private Limited. Having passed the necessary special resolution u/s 21 of the Act and also having obtained the approval of the Central Government on 8th May 2003 the name of the company was changed to M/s Zenotech Laboratories Private Limited and obtained fresh certificate of incorporation consequent on change of name from the Registrar of Companies, A.P, Hyderabad on 8th May, 2003.

ii) The Authorized Share Capital of "ZLPL"/Transferor Company is Rs.2,00,00,000/- divided into 20,00,000 equity shares of Rs.10/- each. The Issued, subscribed and paid up capital of "ZLPL"/Transferor Company is Rs.1,83,65,000/- divided into 18,36,500 equity shares of Rs. 10/- each.

iii) The "ZPL"/Transferor Company was incorporated to carry on the business to conduct, pharmaceutical research, toxicity studies and Bio-Equivalence studies, Clinical Trials, Clinical Researches, Clinical testing of the experimental drugs, to render Clinical Chemistry, Pathology, Clinical Laboratory services, Bio-analytical consulting services, to conduct data management and regulatory affairs for the foregoing objects.

3. i) "STL"/Transferor Company was incorporated as a Private Limited Company on 15th June, 1989 in the State of Andhra Pradesh under Certificate of Incorporation No.01-10122 of 1989-90 under the name and style of M/s Maa Shakti Tube Mill Private Limited. Having passed the necessary special resolution u/s 21 of the Act and also having obtained the approval of the Central Government on 1st April 1992 the name of the company was changed to M/s Sunline Tubes Private Limited. Having passed the necessary resolution u/s 31 of the Act on 21<sup>st</sup> July 1993, the company was converted into a public limited company and changed its name to M/s Sunline Tubes Limited and obtained fresh certificate of incorporation consequent on its conversion from the Registrar of Companies, A.P, Hyderabad on 26th August, 1993. Having passed the necessary special resolution u/s 21 of the Act and also having obtained the approval of the Central Government on 6<sup>th</sup> December 2000 the name of the company was changed to M/s Sunline Technologies Limited and obtained fresh certificate of incorporation consequent on change of name from the Registrar of Companies, A.P, Hyderabad on 6th December, 2000.

ii) The Authorised Share Capital of the Transferor Company is Rs. 6,00,00,000/- divided into 60,00,000 equity shares of Rs 10/- each. The Issued and Subscribed Capital of the Transferor Company is Rs. 5,75,03,000/- divided

209

into 57,50,300 equity shares of Rs.10/- each. The Paid up Capital of the Transferee Company is Rs.2,31,99,000/- divided into 23,19,900 equity shares of Rs.10/- each. The Transferee Company has forfeited 34,30,400 equity shares of Rs.10/- each due to non payment of allotment money.

iii) The Transferee Company was initially incorporated to carry on the business of manufacturers producers, procurers, importer, exporters, buyers dealers, distributors, and seller of all kinds of Tubes and pipes of any kind of metal including mild steel, Galvanised sheet, Aluminum Sheet, Copper sheet, Cast Iron, carbon steel, stainless steel of any size and pattern used or capable for being used for any Industrial, Commercial, Agricultural and or domestic purposes and to treat and utilize any waste arising from any such production so as to produce, manufacture by products of any kind or nature and to carry on the business of software, Hardware and Information technology, trainers, assemblers, researchers, developers, designers, manufacturers, buyers and sellers in India and abroad, Importers and exporters and agents for all varieties of services such as training, computer communication solution, Commercial and technical applications, bit operating systems microprocessors, enterprise resource planning, Internet solutions, transactions processing, database management, Technical, accounting, financial, computer aided designs, and systems, drives, automation programs, networking products, cross platform, software, quality, Information and electronic solutions, electronic and Information products, peripheral equipment of electronic and Information technology industries and to carry on in India or Abroad business to develop, import, export, transfer, lease or carry on research in the field molecular modeling for various applications in the field of bio technology or any other stream of basic / complex sciences and to develop, create, manage, market, encourage the establishment

on manufacturing facilities / research centres various applications of bio technology in the fields of development of medicines for human, plant or animal uses.

#### PART - III

4. With effect from the appointed date, the entire undertaking of the Transferor Company viz, M/s Zenotech Laboratories Private Limited ( "ZLPL" / Transferor Company ) including all its movable and immovable properties such as land, buildings, plant & machinery if any, and other assets of whatsoever nature and including all its rights, interest, privileges, powers and authorities together with all its licenses, patents, Intellectual Property Rights, Inventions, trade marks, brand names import entitlements, export quotas held, applied for or as may be including obtained hereafter by it to which it is entitled and including all its moneys, advances, book debts outstanding recoverable claims and agreements and including all other rights and powers of every description but subject to all mortgages and charges and hypothecation and guarantees, if any, and all other rights whatsoever affecting the properties of Transferor Company i.e, M/s Zenotech Laboratories Private Limited, shall without any further act or deed be transferred to and be vested in Transferee Company in accordance with and under Section 394 of the Act.

5. With effect from the appointed date all liabilities, debts, duties and obligations of whatsoever nature shall without any further Act or Deed be transferred to and taken over by the Transferee Company in accordance with and under Section 394 of the Act.

6. i) All legal and other proceedings and action of whatsoever nature in any Court or Tribunal or before any authority with which M/s Zenotech Laboratories Private Limited (transferor company) is concerned or to which it is the party shall

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not abate or be discontinued or be in any way prejudicially affected by reason of the aforesaid transfer and vesting of the undertaking etc., under Clause 4 and 5 above by anything contained in the Scheme and may be continued and prosecuted by or against transferee company in the same manner and to the same extent as they would have been continued and prosecuted by or against transferor company if the Scheme had not been given effect to.

ii) All the employees of M/s Zenotech Laboratories Private Limited shall become the employees of the Transferee Company without interruption in service and on the basis of continuity of service and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date.

7. The aforesaid M/s Zenotech Laboratories Private Limited vesting of their undertakings etc., of Transferor Company under Clause 4 and 5 above shall not affect any transaction, proceedings or action already validly concluded, settled or taken by Transferor Company and after the appointed date, pursuant to clause 10 hereunder.

8. Subject to the provisions contained in the Scheme, all deeds, bonds, contracts, agreements and other instruments and documents of whatsoever nature to which the Transferor Company is party and which are subsisting effective or enforceable before the appointed date shall remain in full force and effect against or in favour of Transferee Company and may be enforced fully and effectively by or against Transferee Company as they would have been by or against Transferor Company if the Scheme had not been given effect to.

a) In consideration of the transfer under clauses 4 & 5 above and upon the Scheme becoming effective after being sanctioned by the Court, the Transferee Company i.e. M/s Sunline Technologies Limited shall allot 5 (Five) equity shares

of Rs.10/- each fully paid up for every 1 (One) equity share of Rs.10/- each held by such members in "ZLPL"/Transferor Company.

b) All the members of the "ZLPL" / Transferor Company shall accept the shares to be allotted as aforesaid in lieu of their share holdings.

c) The new equity shares of "ZLPL" / Transferor Company to be allotted as aforesaid shall rank for voting and all other rights pari passu with the existing shares of Transferee Company.

d) The members of M/s Zenotech Laboratories Private Limited., on intimation from M/s Sunline Technologies Limited shall surrender their share certificates and allotment letters to M/s Sunline Technologies Limited for cancellation thereof and take all necessary steps to obtain from M/s Sunline Technologies Limited the share certificates to which they are entitled under the Scheme.

e) No fractional certificates shall be issued by the Transferee Company in respect of fractional entitlements, if any, to which the members of the Transferor Company may be entitled on issue and allotment of the shares and of the Transferee Company as aforesaid any fractions arising there from shall be rounded off to one.

f) Upon amalgamation becoming effective, the authorised share capital of the transferor company be deemed to have been added to the authorised capital of the transferee company.

g) The new shares to be allotted on approving the scheme of amalgamation shall be entitled to be listed on the stock exchanges wherever the shares of the transferee company are listed.

h) On approving the scheme of amalgamation by the Hon'ble High Court the name of the transferee company shall be changed to M/s Zenotech Laboratories Limited subject to the compliance of provisions of the Act.

(1) 11

9. With effect from the appointed date and if Transferor Company is dissolved, it shall be deemed to have been carrying on and to be carrying on its business for and on behalf of and in trust of Transferee Company.

10. Upon the Scheme being sanctioned by the Court under section 394 of the Act and on its becoming effective the Transferor Company shall be dissolved without going through the process of winding up with effect from the appointed date or such other date as may be fixed by the Court.

11. Any modification of the Scheme, which the Court by its order may deem fit to make or impose and any direction which the Court may deem fit to issue as regards the implementation of the Scheme and all matters connected therewith shall bind both the Companies and shall be given effect to by the Board of Directors of both transferor / transferee companies and they shall also do all acts, deeds or things as may be necessary to carry the scheme into effect.

12. The Transferee Company shall on behalf of Transferor Company bear all costs, charges and expenses relating to and to be incurred in connection with bringing into effect the Scheme and consequent upon amalgamation of M/s Zenotech Laboratories Private Limited with M/s Sunline Technologies Limited.

13. The Transferee Company and the Transferor Company shall apply to the High Court of Judicature of Andhra Pradesh at Hyderabad for sanctioning this Scheme under Section 391 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect and for dissolution without winding up of the Transferor Company i.e., M/s Zenotech Laboratories Private Limited.

*al-IL*

PART - IV

14. The scheme is conditional and subject to following approvals:

a) The approval by the requisite majorities/consent of the members of the Transferor company and Transferee company.

b) Obtaining all sanctions and orders of the court under the act.

c) The Scheme although operative from the appointed date shall be given effect to with such modifications as may be ordered by the Hon'ble High Court of Andhra Pradesh at Hyderabad.

\*\*\*

*[Handwritten Signature]*

*[Handwritten Signature]*  
SUPERINTENDENT  
COPYIST DEPARTMENT  
HIGH COURT OF A. P.  
HYDERABAD

CA- 408/04

CP - 38  
39/04

V.C. Rajin

CB-

18-00  
18-00  
16-00  
16-00  
8-00  
8-00 } 15/2

THE B.I.	W. P. ADESH
CR No. 408	of 2004
Applic. No. 2-7-	2004
Applic. No. ....	2004
Applic. No. ....	2004
Stamp No. 15-7-	2004
Stamp No. 15-7-	2004
Adl. Stamp No. ....	2004
Adl. Stamp No. ....	2004
Copy deliv. No. 15-7-	2004
Copy deliv. No. ....	2004

15/7/2004

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH  
AT HYDERABAD  
(ORDINARY ORIGINAL/CIVIL JURISDICTION)  
THURSDAY, THE FIRST DAY OF JULY,  
TWO THOUSAND AND FOUR

PRESENT  
THE HON'BLE MR JUSTICE V.V.R.NAO  
COMPANY PETITION NO. 38 AND 39 of 2004  
COMPANY APPLICATION NOS 2888 AND 2889 OF 2003

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF SECTION 391 AND 394 OF THE SAID  
ACT  
IN THE MATTER OF M/S ZENOTECH LABORATORIES PRIVATE  
LIMITED WITH  
IN THE MATTER OF M/S SUNLINE TECHNOLOGIES LIMITED

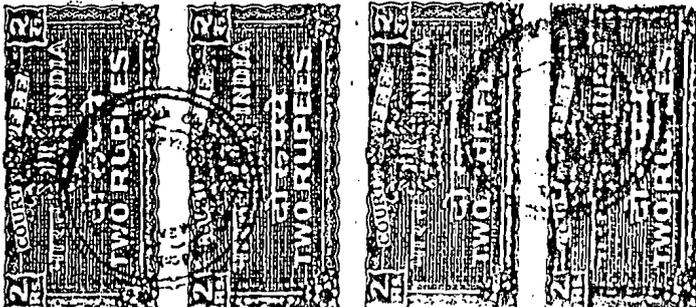
C.P. NO. 38 OF 2004:

M/S Zenotech Laboratories Private Limited, a company incorporated under the companies Act 1956, having its Registered Office at Plot. No. 19, H.No. 1956 having its Registered office at Plot. No. 19, H.No. 8-3-677/15, HKD Nagar, Balnagar Colony, Hyderabad - 500 073 rep. by its Director, Dr. Chigurupati Jayaram.

...Petitioner / Transferor Company

Petitioner under Section 391 and 394 of the Companies Act  
praying that this High Court may be pleased to

- a) That the Scheme of Arrangement for amalgamation as consented by the shareholders of the Petitioner/Transferor Company and the Transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble High Court so as to be binding on all the members, creditors and employees of the Petitioner Company and all concerned.
- b) For an order that the Petitioner / transferor Company be dissolved without going through the process of winding up.
- c) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the Petitioner company and also dissolution of the Transferor company without going through the process of winding up.



- d) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble High Court for any direction that may be necessary in regard to the carrying out of the scheme of arrangement for amalgamation.

**IN THE MATTER OF THE COMPANIES ACT ( 1 OF 1956)  
IN THE MATTER OF M/S SUNLINE TECHNOLOGIES LIMITED  
AND  
IN THE MATTER OF M/S ZENOTECH LABORATORIES  
PRIVATE LIMITED**

**C.P. NO. 39 OF 2004**

BETWEEN:

M/s. Sunline Technologies Limited, a company incorporated under the Companies Act 1956 having its Registered Office 845, Banjara Avenue, Road, No. 1, Banjara Hills, Hyderabad - 500 034 rep. by its Director, Sri Koneru Satyanarayana.

..Petitioner / Transferee Company

Petitioner under Section 391 & 394 of the companies Act  
praying that this High Court may be pleased to

- a) That the Scheme of Amalgamation as approved by the shareholders of the Petitioner / Transferee Company and the Transferor Company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble High Court as to be binding on all the members, creditors and employees of the Petitioner company and all concerned.
- b) For an order under section 394 of the Act that the Petitioner Company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble High Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the Petitioner company.
- c) That the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble High Court for any direction that maybe necessary in regard to the carrying out of the scheme of arrangement;

*These Applications*

Petitions coming on for orders upon reading the Judge's summons and the affidavits dated: 10.02.2004 and filed by Mr. Jayaram Chigurupati Director of the petitioner companies in C.P. No.38 of 2004 and affidavit dt. 10/2/2004 and filed by Koneru Satyanarayana, Director of the Petitioner Company C.P. No. 39/2004 in support of this Petitions and upon hearing the arguments of Mr. V.S. Raju, Advocate for the Petitioner Company, in both the company petitions

THE COURT DOTH ORDER AS FOLLOWS:

1. That this Court doth hereby sanction the scheme of amalgamation and doth hereby declare the same to be binding on the Transferor company and the transferee company namely M/s Zenotech Laboratories Pvt Ltd (transferor company) and M/s Sunline Technologies Limited (Transferee company)
2. that all the property, rights and powers of the transferor company specified in the scheme of amalgamation annexed hereto and all the other property, rights and powers of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to the section 394(2) of the companies Act, 1956 be transferred to and vest in the transferee company for all estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same;
3. That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to section 394(2) of the companies act 1956 be transferred to and become the liabilities and duties of the transferee company.
4. That all proceedings now pending by or against the transferor company be continued by or against the transferee company
5. that the transferee company do without further application allot to such members of the transferor company, have not given such notice of dissent as is required by the Scheme the share in the transferee company to which they are entitled under the said scheme of amalgamation and
6. That the transferor company do within 30 days after the date of this order cause of certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the transferor company shall stand dissolved and the Registrar of Companies shall place all documents relating to

the transferor company and registered with him on the file kept by him in relation to the transferee company and the files relating to the said two companies shall be consolidated accordingly.

7. that any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary, and
8. that there be no order as to costs in both the company petitions

Sd/ Mr. NADA SIVA SARM  
JOINT REGISTRAR

// TRUE COPY //

*A. M.*  
SECTION OFFICER

To

1. Dr. Chigurupati Jayaram, Director, M/s. Zenotech Laboratories Private Limited Regd Office at Plot. No. 19 H.No. 8-3-677 / 1B, SKD, Nagar, Shilpgram Colony, Hyderabad - 500073.
2. Sri Koneru Satyanarayana, Director, M/s. Sunline Technologies Limited, Regd. Office at 8-15, Banjara Avenue, Road No.1 Banjara Hills, Hyderabad 500 034.
3. The Registrar of Companies, 3-5-398, C.P.W.D. Building, Kendriya Sadan, Sultan Bazar, Kotl, Hyderabad
4. The Official Liquidator, Kendriya Sadan, 3-5-398, C.P.W.D. Building, Sultan Bazar, Kotl, Hyderabad.
5. One cc to the Section Officer, O.B. Section, High Court of A.P. Hyderabad
6. The Regional Director Company Law Board, Southern Region, Chennai
7. 2 CD copies.

amsr *RS*

*Ch. Rama Reddy*  
SUPERINTENDENT 15/7/2004  
COPYIST DEPARTMENT  
HIGH COURT OF A.P.  
HYDERABAD

HIGH COURT

DATED: 01.07.2004

AMALGAMATION DECREE

C.P. NOS. 38 AND 39 OF 2004

ALLOWING THE COMPANY  
PETITIONS

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14/7*

THE HIGH COURT OF ANHARA PRADESH	
MUMBAI B.D.	
CA No.	408 of 2004
Filed	2.7.2004
Admission	2004
Admission	2004
Admission	15.7.2004
Admission	15.7.2004
Admission	2004
Admission	2004
Copy ready	15.7.2004
Copy delivered	2004
<i>(Signature)</i> Section Officer.	

*15/7/2004*



Registration No. C 10122 of 1989

Nominal Capital : Rs. 6,00,00,000/-

THE COMPANIES ACT, 1956  
Company Law Board Order  
(Pursuant to Section 391 & 394)

1. Name of the Company : M/s. Sunline Technologies Limited.
2. Name of the Court with location : High Court of Andhra Pradesh Hyderabad.
3. Date of passing the order : 01-07-2004.
4. Date of issue of order : 15-07-2004 (certified copy of the order is enclosed).
5. Section of the Companies Act under which order passed. An authenticated copy of the order is attached. : Section 391 & 394 of the Companies Act.

SIGNATURE ~~FOR~~ Sunline Technologies Limited  
NAME : [Signature]  
DIRECTOR

Dated the 23rd day of July, 2004.

PETITIONER.

DEPARTMENT OF COMPANY AFFAIRS ROC CASH COUNTER RECEIPT OFFICE OF THE REGISTRAR OF COMPANIES			
REGISTRAR OF COMPANIES, HYDERABAD 23/07/2004			
REC. NO.:	450194	REG. NO.:	01-010122
SUNLINE TECHNOLOGIES LIMITED			
TYPE OF DOCUMENT	MODE OF PAYMENT	DATE OF DOCUMENT	AMOUNT RS.
FORM 21	CASH	01-07-2004	500

TOTAL 500  
N: NORMAL FEE A: ADDITIONAL FEE  
COMPUTER SUPPORT BY INDUSTRY DIVISION N.I.C.



Registration No.: 01-30743 of 1998-99.

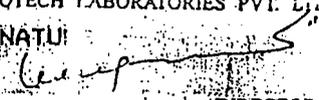
Nominal Capital : Rs. 2,00,00,000/-

THE COMPANIES ACT, 1956  
 Company Law Board Order  
 (Pursuant to Section 391 & 394)

1. Name of the Company : M/s. Zenotech Laboratories Private Limited.
2. Name of the Court with location : High Court of Andhra Pradesh Hyderabad.
3. Date of passing the order : 01-07-2004.
4. Date of issue of order : 15-07-2004 (certified copy of the order is enclosed).
5. Section of the Companies Act under which order passed. An authenticated copy of the order is attached. : Section 391 & 394 of the Companies Act.

For ZENOTECH LABORATORIES PVT. LTD.

SIGNATURE



NAME :

DIRECTOR.

RETENTION

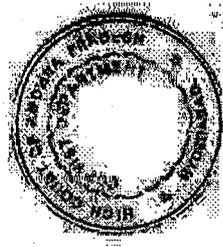
Dated the 23<sup>rd</sup> day of July, 2004.

DEPARTMENT OF COMPANY AFFAIRS ROC CASH COUNTER RECEIPT OFFICE OF THE REGISTRAR OF COMPANIES			
REGISTRAR OF COMPANIES, HYDERABAD 23/07/2004			
REC. NO. :	450195	REG. NO. :	01-030743
ZENOTECH LABORATORIES PRIVATE LIMITED			
TYPE OF DOCUMENT	MODE OF PAYMENT	DATE OF DOCUMENT	AMOUNT RS.
FORM 21	CASH		500
TOTAL			500
N: NORMAL FEE			A: ADDITIONAL FEE
SUPPORT BY INDUSTRY DIVISION N.I.C.			



IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH  
AT HYDERABAD  
(ORDINARY ORIGINAL/CIVIL JURISDICTION)  
TUESDAY, THE SECONDDAY OF MAY  
TWO THOUSAND AND SIX

S. PRESENT  
THE HON'BLE MR JUSTICE S. ANANDA REDDY  
COMPANY PETITON NO.14,16 & 18 of 2006  
COMPANY APPLICATION NO.14 of 2006  
CONNECTED WITH  
COMPANY APPLICATION NO. 1229 OF 2005



IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION BETWEEN  
CREDENCEL PHARMCEUTICALS LIMITED  
AND

ZENOTECH LABORATORIES LIMITED

COMPANY APPLICATION NO.14 of 2006:

Between:

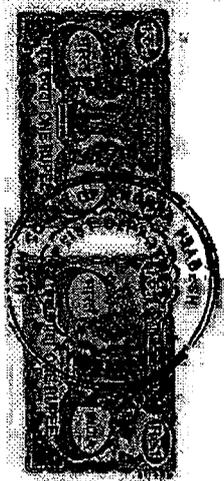
CREDENCE PHARMACEUTICALS LTD  
Rep. by Sri K. Ramakrishna Prasad  
O/o B-3-319/8, Prashanthram Towers,  
4th Floor, Yellareddyguda, Hyderabad -73.

..... PETITIONER

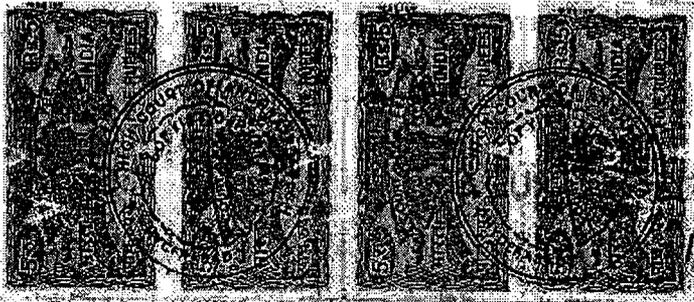
(Transferor Company)

Petitioner under Section 394 of the Companies Act, 1956  
RW Rule 79 of the Companies ( Court) Rules 1959, praying that this  
High Court may be pleased to

i) The said scheme of arrangement may be sanctioned by the Hon,ble Court so as to be binding on all the shareholders and creditors of the Petitioner Company and on the transferee Company and all concern; This Petition coming on for orders upon reading the Judge's Summons and the affidavit dated 07-02-2006 and filed by Mr. K. Ramakrishnn Prasad , Director of the Petitioner Company in support of this and upon hearing the arguments D.SESHADRI NAIDU, Counsel for the Petitioner company.



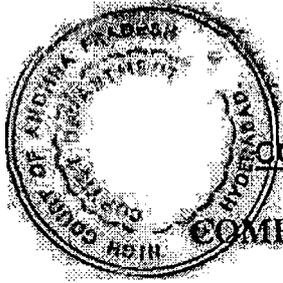
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For ZENOTECH LABORATORIES LTD

Handwritten signature and text: Managing Director



**COMPANY APPLICATION NO.15 of 2006  
CONNECTED WITH  
COMPANY APPLICATION NO. 1230 OF 2005**

**IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF SCHEME OF AMALAGAMATION BETWEEN  
Hemarus Healthcare Private Limited, AND**

**ZENOTECH LABORATORIES LIMITED  
IN THE MATTER OF M/s. CREDENCE PHARMACEUTICALS LTD**

Between:

Hemarus Healthcare Private Limited, Represented by its. by its Director,  
Mr. K. Bhanu Prasad. O/o 8-3-319/8, Prashanthiram Towers,  
4th Floor, Yellareddyguda, Hyderabad -73

..... PETITIONER

( Transferor Company)

Petitioner under Section 394 of the Companies Act, 1956  
RW Rule 79 of the Companies ( Court) Rules 1959, praying that this  
High Court may be pleased to

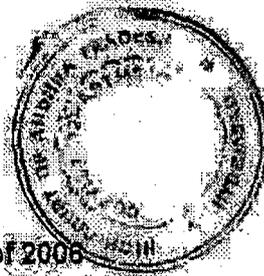
i) The said scheme of arrangement may be sanctioned by  
the Hon.ble Court so as to be binding on all the  
shareholders and creditors of the Petitioner Company and  
on the transferee Company and all concern,

This Petition coming on for orders upon reading the Judge's Summons  
and the affidavit dated 07-02-2006 and filed by Mr. K. Ramakrishna  
Prasad , Director of the Petitioner Company in support of this and upon  
hearing the arguments: D.SESHADRI NAIDU, Counsel for the  
Petitioner company.

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For ZENOTECH LABORATORIES LTD.

  
Managing Director



**COMPANY PETITION NO.16 of 2006  
CONNECTED WITH  
COMPANY APPLICATION NO. 1231 OF 2005**

**IN THE MATTER OF THE COMPANIES ACT (1 of 1956)  
AND  
IN THE MATTER OF SCHEME OF AMALAGAMATION BETWEEN  
Hemarus Healthcare Private Limited  
AND  
CREDENCE PHARMCEUTICALS LIMITED  
AND  
ZENOTECH LABORATORIES LIMITED**

**I  
AND**

**ZENOTECH LABORATORIES LIMITED  
IN THE MATTER OF M/s. CREDENCE PHARMACEUTICALS LTD**

Between:  
ZENOTECH LABORATORIES LIMITED  
Rep. by Ms. Pameela Paruchuri, Company Secretary,  
O/o 8-3-677/15, SKS Nagar Srinagar Colony,  
Hyderabad -73.

..... PETITIONER

(Transferor Company)

Application/ Petitioner under Section 394 of the Companies Act, 1956 RW Rule 79 of the Companies ( Court) Rules 1959, praying that this High Court may be pleased to

- ii) The said scheme of arrangement may be sanctioned by the Hon'ble Court so as to be binding on all the shareholders and creditors of the Petitioner Company and on the transferee Company and all concern;

This Petition coming on for orders upon reading the Judge's Summons and the affidavit dated 07-02-2006 and filed by Mr. K. Ramakrishnn Prasad ; Director of the Petitioner Company in support of this and upon hearing the arguments D.SESHADRI NAIDU, Counsel for the Petitioner company.

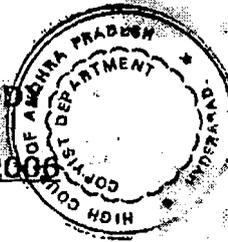
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For ZENOTECH LABORATORIES LTD.

*Cl. H*  
Managing Director

**THE HON'BLE SRI JUSTICE S.ANANDA REDD**

**COMPANY PETITION Nos.14, 15 and 16 of 2006**



**COMMON ORDER :**

These three Company Petitions are filed by the two Transferor Companies viz., Credence Pharmaceuticals Limited (for short 'CPL') and Hemarus Healthcare Private Limited (for short 'HHPL'), and the Transferee Company viz., Zenotech Laboratories Limited (for short 'ZLL'), under Section 394 of Companies Act, 1956 (for short 'the Act') read with Rule 79 of the Companies (Court) Rules, 1959 (for short 'the Rules'), seeking approval of the scheme of amalgamation, under which the Transferor Companies are sought to be merged with the Transferee Company.

It is stated that the first Transferor Company, viz., Credence Pharmaceuticals Limited, was incorporated on 10.06.2004 as a private limited company in the State of Andhra Pradesh, vide certificate of Incorporation No.01-43447. Subsequently, it became a public limited company vide fresh certificate of Incorporation, dated 24.12.2004. The registered office of the said company is situated at 8-3-319/8, 4<sup>th</sup> Floor, Prashanthram Towers, Yellareddyguda, Hyderabad-500 073 in the State of Andhra Pradesh. The authorised share capital of the CPL/Transferor Company as on 30.09.2005 is Rs.11,00,00,000/- divided into 1,10,00,000/- equity shares of Rs.10/- each. The issued, subscribed and paid up equity share capital is Rs.7,51,14,960/- divided into 75,11,496/- equity shares of Rs.10/- each fully paid up. The main objects of the CPL/Transferor Company, as set out in its Memorandum and Articles of Association, are to carry on the business of manufactures and dealers in pharmaceuticals, medical, chemical preparations and compounds, drugs and formulations, to

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For ZENOTECH LABORATORIES LTD.

*[Signature]*  
Managing Director



manufacture, develop, convert, sell, purchase, export, import, deal in and act as agents, distributors, suppliers of all kinds of chemicals and their by-products, medicines, drugs, intermediaries, derivatives etc., which are more elaborately specified in *para-5 at page-2* of the petition.

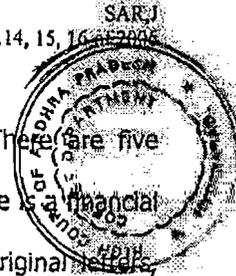
In view of the proposed scheme of amalgamation, the Board of Directors of the CPL/Transferor Company passed a resolution, approving the scheme of amalgamation, subject to the approval of the shareholders, creditors and the Court. In pursuance of the said decision, the petitioner company filed C.A.1229/2005, seeking to appoint a Chairperson for convening the meeting of the shareholders of the petitioner company; accordingly, an order was passed on 23.11.2005 by this Court. Thereafter, the meeting of the shareholders was convened on 07.01.2006, for which 18 members attended the said meeting, holding shares valued at Rs.5,53,90,510/- divided into 55,39,051 equity shares of Rs.10/- each. Two shareholders were represented by proxies, having shares, valued at Rs.25,000/- divided into 2,500 equity shares of Rs.10/- each, out of the Issued, subscribed and paid up capital of Rs.7,51,14,960/- divided into 75,11,496 equity shares of Rs.10/- each.

The resolution was put for approval of the shareholders, who were present in response to the notice. The scheme was approved by the majority of the shareholders, having share value of Rs.5,54,15,510/- divided into 55,41,551 equity shares of Rs.10/ each, voted accepting the resolution, while the single shareholder, having shares of Rs.20,000/- divided into 2,000 equity shares of Rs.10/- each voted against the resolution, and a vote casted by one of the shareholders, having share value of Rs.15,000/- divided into 1,500 equity shares of Rs.10/- each, was declared as invalid. Therefore, it is stated that the majority, by more than 90% of the shareholders presented

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For ZENOTECH LABORATORIES LTD.

  
Managing Director



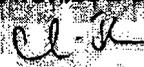
and voted, have approved the scheme of amalgamation. There are five secured creditors, of which four are nationalized banks and one is a financial institution and all of them have give their consent. The original, giving their no objection, are filed before this Court. Therefore, there is no objection as to the secured creditors are concerned. It is represented that there are no unsecured creditors.

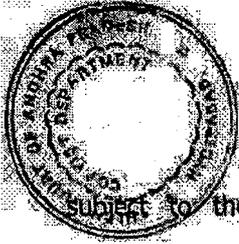
The second Transferor Company, viz., Hemarus Healthcare Private Limited was incorporated on 20.06.2005 as a private limited company under the provisions of the Companies Act in the State of Andhra Pradesh, having its registered office at 8-3-319/8, 4<sup>th</sup> Floor, Prashanthiram Towers, Yellareddyguda, Hyderabad-500 073. The authorised share capital of the second Transferor Company/HHPL is Rs.1,25,00,000/- divided into 12,50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up share capital is Rs.1,20,00,000/- divided into 12,00,000 equity shares of Rs.10/- each. The main objects of the second Transferor Company/HHPL, as set out in the Memorandum and Articles of Association, are; (1) to run, own, manage, administer, Diagnostic centers, Scan Centers, Blood Banks, Nursing homes, Hospitals, Dispensaries, Child welfare and family planning centers, Clinical Pathological testing Laboratories, X-ray clinics in India or abroad; (2) to manufacture, sell purchase, export, import, deal in and act as agents, distributors, suppliers and providers of chemicals, intermediaries, by-products, formulations and combinations used for manufacture of pharmaceuticals, drugs and to carry on the business as dealers in and manufacturers of surgical, scientific equipments etc., which are more elaborately specified in para-5 at page-2 of the petition.

In view of the proposed scheme of amalgamation, the Board of Directors passed a resolution, approving the scheme of amalgamation.

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For ZENOTECH LABORATORIES LTD.

  
Managing Director



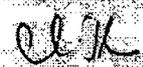
subject to the approval of the shareholders as well as the Court.

In conformity with the said decision, the petitioner company filed C.A.1230/2005, seeking to dispense with the convening the meeting of the shareholders. Since the shareholders are very limited and they have filed their affidavits, giving consent to the proposed scheme of amalgamation, therefore, this Court passed an order on 23.11.2005, dispensing with the convening of the meeting of the shareholders.

The third Company, viz., Zenotech Laboratories Limited, is the Transferee Company, which was incorporated as private limited on 22.12.1998. Subsequently, it was merged with Sunline Technologies Limited, as per the approval of the scheme of amalgamation by this Court in C.P.Nos.38 and 39 of 2004, dated 01.07.2004. Subsequent to the amalgamation, the company has changed its name from Sunline Technologies limited to Zenotech Laboratories Limited, which was approved by the Registrar of the Companies, vide a fresh certificate of Incorporation dated 10.08.2004. The Transferee Company has its registered office at 8-3-677/15, SKD Nagar, Srinagar Colony, Hyderabad-73, Andhra Pradesh. The authorised share capital of the Transferee Company, as on 30.09.2005, is Rs.35,00,00,000/- divided into 3,50,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.15,08,28,000/- divided into 1,56,82,800 equity shares of Rs.10/- each. The main objects of the Transferee Company, as set out in its Memorandum and Articles of Association, are to carry on in India or abroad business to develop, import, transfer, lease or carry on research in the field of molecular modelling for various applications in the field of bio-technology or any other stream of basic/complex sciences and to develop, create, manage, market, encourage the establishment on manufacturing facilities/research centers various

// CERTIFIED TRUE COPY//

For ZENOTECH LABORATORIES LTD.

  
Managing Director

applications of bio-technology in the fields of development of medicines for human, plant or animal uses, the other activities are elaborately mentioned in para-5 at page-2 of the petition.

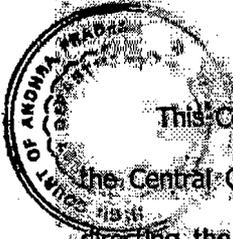
The Board of Directors of the Transferee Company, in view of the proposed scheme of amalgamation, passed a resolution, approving the scheme, subject to the approval of the shareholders, as well as the Court. In pursuance of the said decision of the Board of Directors, C.A.1231/2005 was filed, seeking convening the meeting of the shareholders, by appointing a Chairperson, accordingly, this Court passed an order on 23.11.2005, and the Chairperson, appointed by this Court, convened the meeting of the shareholders on 07.01.2006, after issuing notices individually, as well as by publication in the newspapers. The said meeting was attended by 48 shareholders in person, while six shareholders were represented by proxies, having total value of the share capital of Rs.8,06,82,460/- divided into 80,68,246 equity shares of Rs.10/- each, out of the issued, subscribed and paid up capital of Rs.15,68,28,000/- divided into 1,56,82,800 equity shares of Rs.10/- each.

The scheme of amalgamation was put for approval and the said resolution was approved by the shareholders of the value of Rs.8,06,64,460/- divided into 80,66,446 equity shares, while two shareholders, having share value of Rs.13,000/- divided into 1,300 equity shares voted against, while the vote of one shareholder, by proxy, was invalid, whose value was Rs. 5,000/- divided into 500 equity shares. Therefore, it was reported by the Chairperson that the majority, by more than 90% of the shareholders presented and voted, have approved the scheme of amalgamation.

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For ZENOTECH LABORATORIES LTD.

Managing Director



This Court, while admitting the Company Petitions, ordered notice to the Central Government, as well as to the Official Liquidator, apart from directing the notice to be published in 'Indian Express' English daily and 'Vartha' Telugu daily of Hyderabad editions, and accordingly, notices were published in the newspapers, proof of which was already filed.

In response to the notices, served on the Official Liquidator and the Central Government, the Official Liquidator filed his report, stating that the companies did not obtain the approval of the scheme by the secured creditors. It is further stated that the Transferor Companies shares are not listed on the stock exchange, while the Transferee Company was a listed company. As the shares that are issued to the shareholders of the Transferor Companies would get listed with stock exchange, therefore, the Transferee Company has to comply with the requirements of listing all the securities on the stock exchange in terms of the Securities and Contract Regulations Act. Apart from the above two objections, there are no other objections pointed out by the Official Liquidator. While the Registrar of the Companies, who filed the affidavit, has stated that the Transferor Companies did not seek relief of dissolution of the Transferor companies without winding up, therefore, the Transferor companies cannot be dissolved under the proposed scheme of amalgamation.

With reference to the Transferee Company, it is stated that it is a listed company and it has not produced 'no objection' letter for the proposed scheme of amalgamation from the stock exchange, where the shares have been listed. Therefore, approval of the scheme of amalgamation shall be subject to the above compliance.

In response to the said objections, in fact the Transferor Companies have filed amendment petitions, seeking relief of dissolution to be

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For ZENOTECH LABORATORIES LTD.

  
Managing Director

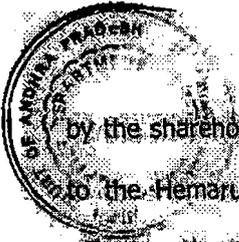
incorporated in the scheme of amalgamation, as well as the order of dissolution in the petitions, which were already ordered. With reference to the second objection raised, i.e. non-production of no objection certificate from the Stock Exchange, it is stated that under the Rules, no objection certificate is not required, as decided by this Court, and what is contemplated is an intimation to the stock exchange as to the proposed scheme of amalgamation and the said communication has already been issued by the Transferee Company, as early as on 03.10.2005, in proof of the same, a copy of the communication, sent to the stock exchange, has been filed along with the reply, therefore, sought for approval of the same. It is stated that there are secured creditors in respect of first Transferor Company viz., Credence Pharmaceuticals Limited, whose consent letters are already filed. There are no creditors of the 2<sup>nd</sup> Transferor Company, viz., Hemarus Healthcare Private Limited.

In response to the notice issued by publication, no objections are received from any third parties. The scheme of amalgamation provides for transfer of the assets and liabilities of the Transferor Companies to the Transferee Company on approval of the scheme with effect from the appointed date. It is stated that the employees, workmen and other staff of the Transferor Companies with effect from the appointed date, would become the employees of the Transferee Company without effecting their continuity of their service and other benefits, including the jurisdiction of their employment, which are not less favourable than what they are enjoying as employees of the Transferor Companies. It is stated that when the scheme becoming effective, the shareholders of the Credence Pharmaceuticals Limited would be issued two equity shares of Rs.10/- each fully paid up for every three equity shares of Rs.10/- each fully paid up, held

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For ZENOTECH LABORATORIES LTD.

  
Managing Director



by the shareholders of the Transferor Companies. Similarly, with reference to the Hemarus Healthcare Private Limited, when the scheme becoming effective, the Transferee Company shall, without any further application or deed, issue 51 equity shares of Rs.10/- each fully paid up of the Transferee Company to the shareholders of the Transferor Company for every 10 equity shares of the value of Rs.10/- each fully paid up, and the Transferor Companies would get dissolved without winding up orders.

As no objections are received from anybody and as a swap ratio fixed is based on valuation as determined by the qualified persons, and the same has already been approved by the shareholders, while considering the scheme of amalgamation, there is no objection for approving the scheme of amalgamation, as sought for.

Accordingly, the scheme of amalgamation, as sought for, is approved, and the Transferor Companies are ordered to be dissolved, without winding up, from the date of the scheme comes into operation. The petitioners are directed to serve copy of this order on the Registrar of Companies, within a period of 30 days from the date of receipt of a copy of this order.

These Company Petitions are, accordingly, ordered.

*1*  
*11/9/08*  
SUPERINTENDENT  
COPYIST DEPARTMENT  
High Court of A. P.  
HYDERABAD

// TRUE COPY //

SD/- K. SATYA KUMARI  
JOINT REGISTRAR  
*SK*  
SECTION OFFICER

1. K. Ramakrishna Prasad, Director, Credence Pharmaceuticals Limited, O/o. 8-3-319/8, Prashanthiram Towers, 4<sup>th</sup> Floor, Yellareddyguda, Hyderabad-73.
2. Mr. K. Bhanti Prasad, Director, Hemarus Healthcare Private Limited, O/o. 8-3-319/8, Prashanthiram Towers, 4<sup>th</sup> Floor, Yellareddyguda, Hyderabad-73.
3. Ms. Pameela Paruchuri, Company Secretary, Zenotech Laboratories Limited, O/o. 8-3-677/15, SKS Nagar, Srinagar Colony, Hyderabad-73.
4. The Registrar of Companies, 3-5-398, C.P.W.D., Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
5. The Official Liquidator, Kendriya Sadan, 3-5-398, C.P.W.D., Buildings, Sultan Bazar, Koti, Hyderabad.
6. One CC to the Section Officer, O.S. Section, High Court of A.P., Hyderabad.
7. Two C.D. Copies.
8. Three (3) CC's to Sri. D. Seshadri Naidu, Advocate (OPUC)

TJMR

For ZENOTECH LABORATORIES LTD.

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*SK*  
Managing Director

**OFFICE OF THE  
District Registrar,  
Hyderabad (South)**

Endt. No.414 / Section 73/08 dated 16.09.2008

Certified that after having gone through the Challan number 57110 dated 27.09.2008 indicating the payment of Rs. 22,25,533/- (Rupees Twenty Two Lakhs Twenty Five Thousand Five hundred and Thirty Three only) towards Stamp Duty paid by Zenotech Laboratories Limited, Hyderabad in the S.B.H, Treasury Branch towards amalgamation as ordered in Hon'ble A.P. High Court order dated 02.05.2006, it is found that the payment of rs.22,25,533/- (Rupees Twenty Two Lakhs Twenty Five Thousand Five hundred and Thirty Three only) has been made.

Date : 06.10.2008

Place: Hyderabad

*M. S. Rao 6/10/2008*  
DISTRICT REGISTRAR  
HYDERABAD (SOUTH)

**// CERTIFIED TRUE COPY //**

For ZENOTECH LABORATORIES LTD.

*Ch. K.*  
Managing Director

HIGH COURT

DATED: 02-05-2006

COMMON ORDER

COMPANY PETITIONS 14, 15 & 16 OF 2006

ORDERING THE COMPANY PETITIONS

// CERTIFIED TRUE COPY //

For ZENOTECH LABORATORIES LTD

Managing Director

THE HIGH COURT OF ANDHRA PRADESH  
HYDERABAD.

App. No. 539 of 2003  
Application made 1-9-2006  
Application returned 2006  
Application represented 2006  
Sineas called for 6-9-2006  
Sineas obtained 11-9-2006  
Adl. Xtra. amount for  
Adl. Train. deposited 2006  
Copy ready 11-9-2006  
Copy delivered 2006

Section Officer