

(The Companies Act, 1956)
(Company Limited by Shares)

MEMORANDUM

AND

ARTICLES

OF

ASSOCIATION

OF

NIIT TECHNOLOGIES LIMITED

COMPANY NO. 55-48753

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

In the office of the Registrar of Companies, NCT of Delhi
& Haryana [under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s NIIT INVESTMENTS LTD.

I hereby certify that NIIT INVESTMENTS LTD.

Thirteenth May

which was originally incorporated on
one thousand nine hundred and ninety two
under the Companies Act, 1956 (Act 1 of 1956) under the name

NIIT INVESTMENTS PRIVATE LIMITED

having duly passed the necessary resolution in terms of Section 21
of the Companies Act, 1956 and the approval of the Central Government
signified in writing having been accorded thereto under Section 21
read with Government of India, Department of Company Affairs, Notifi-
cation No. G.S.R.507(E) dated 24-06-1985 by Registrar of Companies,
NCT of Delhi & Haryana, New Delhi vide letter No. ROC/21/55-48753/543
dated 12/05/2004 the name of the said company is this day changed to

NIIT Technologies Limited

and this Certificate is issued pursuant to Section 23(I) of the said
Act .

Given under my hand at New Delhi this Fourteenth May
of Two Thousand and Four .



Harne
(*Dr. Navrang Jain*)
REGISTRAR OF COMPANIES,
N.C.T. OF DELHI AND HARYANA

3/4

**FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME ON
CONVERSION TO PUBLIC LIMITED COMPANY**

In the Office of the Registrar of Companies, N.C.T. of Delhi & Haryana
(under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF M/S. NIIT INVESTMENTS LIMITED,
(A DEEMED PUBLIC COMPANY U.S.43A)

I hereby certify that NIIT INVESTMENTS LIMITED (A deemed public company u/s.43A) which was originally incorporated on Thirteenth day of May One Thousand Nine Hundred Ninety Two under the Companies Act, 1956 (Act 1 of 1956) under the name NIIT INVESTMENTS PRIVATE LIMITED having duly passed the necessary Special Resolution on 17.12.2003 in terms of section 31/21 read with section 44 of the Companies Act, 1956, the name of the said company is this day changed to NIIT INVESTMENTS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this Fifteenth day of January,
Two Thousand Four.



Navrang Saini
(DR. NAVRANG SAINI)
REGISTRAR OF COMPANIES
N.C.T. OF DELHI & HARYANA

Given to V.P on 24/12/07



सत्यमेव जयते

प्रारूप एक
Form 1

निगमन का प्रमाण-पत्र

Certificate of Incorporation

Asstt. Registrar of Companies
Delhi & Haryana

*The word "Private"
deleted U/S 43(A)
of the Companies Act
1956 W.O. 28-9-92*

सं० 55-48753 शक 19 14
No. 55-48753 of 19 92-93

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज एन आई आई टी
इन्वेस्टमेंट्स लिमिटेड

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह
Asstt. Registrar of Companies
Delhi & Haryana

I hereby certify that NIIT INVESTMENTS PRIVATE

LIMITED

Asstt. Registrar of Companies

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

मेरे हस्ताक्षर से आज ता. 23 वैशाख, 1914 को दिया गया।

Given under my hand at NEW DELHI this THIRTEENTH

day of MAY One thousand nine hundred and NINETY TWO.



H.S. Sharma

। एच.एस. शर्मा ।
अथर कम्पनी रजिस्ट्रार
दिल्ली एवं हरियाणा
(H.S. SHARMA)
ADDL. Registrar of Companies
DELHI & HARYANA

(THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
NIIT TECHNOLOGIES LIMITED

- I. The Name of the Company is **NIIT Technologies Limited**.
- II. The Registered Office of the Company will be situated in the National Capital Territory of Delhi.
- III. The objects for which the Company is established are :-

A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

1. To render Consultancy and related services in Financial, Marketing, Export, Imports Technical, Scientific Software, Hardware and related disciplines.
2. To carry on the business of providing and supply of end-to-end Information Technology Solutions, including turnkey solutions, including systems integration of software, computers, peripherals, networking and communication components, cabling, power supply equipment, appropriate fixtures, metering and monitoring devices, conventional and broad-band wireless, wireline and optical communications equipment and to undertake all other related activities.
3. To carry on the business of providing all kinds of information technology based and enabled services in India and abroad, electronic remote processing, e-services, including all types of internet based/web enabled services, transaction processing, fulfillment services, business support services including but not limited to providing financial and related services of all kinds and description including billing services, processing services, data base services, data entry business, marketing services, business information and management services, training and consultancy services to business, organizations, concerns, firms, corporations, local bodies, trusts, states, governments and other entities; to establish and operate service processing centers for providing services for back office and processing requirements, contacting and communicating to and on behalf of overseas customers by voice, data image, letters using dedicated international private lines; and to handle Business process management, remote help desk management, remote management; remote customer interaction, customer relationship management and customer servicing through call centers, email based activities and letter/facsimile based communication, knowledge storage and management, data management, warehousing, search, integration and analysis for financial and non-financial data.

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

4. To act as information technology consultants and to operate a high technology data processing center for providing information processing, analysis, development, accounting and business information and to customers in India and abroad; to carry on the business of gathering, collating, compiling, processing, analyzing, distributing, selling, publishing data and information and services and providing access to information regarding financial operations and management financial services, investment services, business and commercial operations, financial status, credit worthiness and rating consumer responses and management of business of all kinds and descriptions.
5. To carry on the business of e-learning services including but not limited to content development and support, animation, learning support, learning management systems support and knowledge services; to carry on the business of data digitization by digitizing physical and manual records such as text images, videos and audio to carry on the business in India and abroad, geographic information systems by digitization and processing of spatial data to carry on the business of medical transcription over different channels for servicing the health sector.
6. To carry on the business as internet service provider and undertake any and all kinds of internet/web based activities and transactions; to design, develop, sell, provide, maintain, market, buy, import, export, sell and license computer software, hardware, computer systems and programs products, services and to give out computer machine time and to carry on the business of collecting, collating, storing, devising other systems including software programs and systems.
- *7. To setup, develop, manage and operate Special Economic Zones, Software Technology Parks or other Export Promotion Parks for IT/ ITes entities for itself and others, and to undertake allied activities in connection thereof including leasing/letting out the same.

* Clause added vide resolution passed through Postal Ballot on March 05, 2009.

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

1. To appoint agents, sub agents, commission agents, dealers, distributors, indenting house, representatives, and in relating to the attainment of main objects of the company in India and abroad.
2. To acquire, hold, exchange, buy, sell, underwrite shares, stocks, debentures, stocks, bonds, obligations or securities issue or guaranteed by any person, Government, or Public Body and to acquire any of the aforesaid in any manner and to subscribe for the same either

conditionally or otherwise and to guarantee the subscription thereof, and to exercise and enforce all rights and powers, conferred by or incidental to the ownership thereof in connection with the business of the company.

3. To invest money of the Company, not immediately required, in shares, stocks, investments (other than shares or stocks in the company) as may be expedient and to hold, sell or otherwise deal with such investments in any manner conducive to the interest of the Company.
4. To do all or any of the other things either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, subcontractors, trustees or otherwise.
5. To share with any company, firm, individual or any other organization, premises, works, services, personnels and other services and facilities and compensate or accept or give compensation at periodical intervals for such arrangements and do all such other things as may be deemed incidental or conducive to the attainment and promotion of the main objects of the company.
6. To grant pensions or annuities to any person or persons who are or have at any time been Director or Directors of, employed, in the service of the Company or of its predecessors in business, or the relations, connection or dependents of any such person or persons and to establish or support associations, institutions, clubs, funds and trusts which may be considered, calculated to benefit any such person or persons or otherwise to advance the interest of the Company, its members or its employees and to contribute to any scheme for the purchase by trustees, of shares in the Company to be held for the benefit of the Company's employees, and to lend money of the Company to its employees to enable them to purchase shares of the company, and scheme for sharing profits of the Company with its employees or any of them.
7. To purchase, alter, acquire, maintain, enlarge, replace, take on lease or tenancy or in exchange, hire lease, sale lease take options over or otherwise acquire any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account concessions grants, decrees, licenses, privileges, claims, option, lease, property, real or personal for any business of the Company and to purchase, charter, hire, build or otherwise acquire vehicles of any sort or description for use of the business of the Company.
8. To sell, exchange, mortgage, let on lease, royalty or distribute, grant licenses, easements; options and other rights over and in any other manner deal with or dispose off the whole or any part of the undertaking, property, rights, assets and effects of the Company for such considerations whether for shares, stocks or otherwise as may be thought fit.
9. To pay for any rights or properties acquired by the Company and remunerate any person or company rendering services to the Company either by payment or by allotment, to him or

them of shares or securities of the Company as paid up in full or in part or otherwise and to remunerate, reimburse the expenses for formation of the Company and the preliminary expenses connected therewith.

10. To insure with any other company or persons against losses, damages and risks of all kind which may effect the Company provided that nothing herein contained shall empower the Company to carry on the business of assurances, accident assurance, fire assurance, employees liability assurance, industrial assurance, or any business of insurance, or re-insurer within the meaning of the Insurance Act, 1938 or any Act amending, extending or reenacting the same.
11. To lend or advance money, either with or without security, and give credit to such persons (including Government) and upon such terms and conditions as the Company may determine fit for implementing the main objects, provided that nothing herein contained shall be deemed to empower the Company to carry on in the business of banking as defined under the Banking Regulation Act, 1949.
12. To open branches, offices, showrooms, departmental stores, depots, godowns, warehouses, workshops, exhibit units at one or more places and procure the registration or recognition of the Company in or under the Laws of any place outside India.
13. Subject to Section 58 A, and 292 of the Act and the regulations made thereunder and the directions issued by Reserve Bank of India, from time to time, to receive money on deposits or loans and borrow or raise money in such manner as the Company shall determine fit, and particularly by the issue of debentures or debenture stocks (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the properties or assets of the Company (both present and future) including its un-called capital and also by a similar charge, mortgage, or lien to secure and guarantee the performance by the Company or any other person or company of the obligations undertaken by the Company or any other persons or company as the case may be.
14. To guarantee the performance of any contract or obligations and the payment of money or dividends and interest on any stocks, shares, or securities in any company or persons or the subscriptions of such shares, stocks, or securities in any case in which such guarantee may be considered likely, directly or indirectly, to further the objects of the Company.
15. To draw, make, accept, endorse, discount, negotiate, execute and to issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities and to undertake financial and commercial obligations, transactions and operations of all kind.
16. To apply for purchase or otherwise acquire and prolong and renew, develop or improve, in any part of the world, any patent rights, trade marks, designs, copy rights, licenses,

protections, concessions and the like conferrings, any exclusive, nonexclusive or limited rights their use or use of any secret or other information as to any invention, process or privilege which may seem capable for any of the purposes of the Company or the acquisition of which may seem to benefit the Company, calculated directly or indirectly and to use, exercise, develop or grant licenses or privileges in respect thereof or otherwise turn to account the property, rights and information so acquired.

17. To acquire and undertake all or any part of the businesses, properties and liabilities of any person or company carrying on or proposing to carry on any business which this company is authorised to carry on or is possessed of property suitable for the purposes of the Company.
18. To form, incorporate or promote any company or companies whether in India or elsewhere having amongst its or their objects the acquisition of all or any of the assets or development of the Company or any other object or objects which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the developments of its properties or otherwise prove advantageous to the Company to pay all or any of the costs otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscription to bonds, debentures, obligations or securities of any other company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the company or conduct of its business or in or about the promotion or formation of any other company in which the company may have interest by virtue of technical, financial or other collaboration and/or joint ventures.
19. Subject to Sections 391 to 394 of the Act, to amalgamate or to enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint venture or reciprocal concessions with any person or persons, company or companies, (carrying on or engaged in or about to carry on or engage in or) being authorised to carry on or engage in any business or transactions which the Company is authorised to carry on.
20. To enter into any arrangements and take all necessary or proper steps with any persons, Governments or with other authorities Supreme, National, Local, Municipal or otherwise at any place in which the Company may have interest and to carry on negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modifications to the constitution of the Company for furthering the interest of its Member and to oppose any such steps taken by any other company or person which may be considered likely, directly or indirectly, to prejudice the interest of the Company and to assist the promotion, whether directly or indirectly, of any legislation which may appear to be

in the interest of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company to obtain from any such Government, authority, or company, any charters, contracts, decrees, rights, loans, privileges, or concessions which the Company may think desirable to obtain and carry out, exercise and comply with such arrangements, charters, contracts, decrees, rights, privileges or concessions.

21. To adopt such means of making known the products, services and the activities of the Company as may seem expedient and in particular by advertising in the press, circulars, publications or by information or granting prizes, awards and donations.
22. To undertake and/or execute any trust, the undertaking of which may seem to the Company desirable either gratuitously or otherwise and to vest any real or personal property, rights interest acquired for the benefit of the Company with declared trust in favour of the Company.
23. To apply the assets of the Company in any way or towards the establishment maintenance or extension of any Association, Institution or Fund in any way connected with any particular trade or business or commerce generally and particularly with any particular trade or business or commerce including an Association, Institution or Fund for the protection of the interest of the masters, owners and employers against losses by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefits of any clerks, workmen at any time employed by the Company or any of its predecessors in business or their families or dependents and whether or not in common with the persons or classes of persons and in particular of friendly cooperative and other Societies, Reading Rooms, Libraries, Educational and Charitable Institutions, Refectories, Dinning And Recreation Rooms, Creches, Chaples, Clubs, Schools and Hospitals and to grant gratuities, pension and allowances and to contribute to any funds raised by public or local subscription for any purpose.
24. To subscribe or grant money for any national, charitable, benevolent, public, general or useful activities or for any exhibitions, rural development, energy conservation upliftment of poor aged background class and for health care and family welfare.
25. To develop, promote, establish education institutions, training centres and employment agencies, in and outside India.
26. To buy and sell, import, export, acquire on royalty, lease or license patents secrets, trademarks; designs, knowhow, expertise in India or elsewhere to carry out the main objects of the Company.
27. To act as or engage, consultants, advisors, experts, technicians, researchers, counselors and attorneys in relation to the main object of the Company.
28. To import, export buy, sell or otherwise deal in plant and machinery, instruments, equipments technology and requisites related with the main objects of the Company.

29. To buy, sell, export, import and arrange any such products, services and materials, and provide facilities by making arrangement which may be necessary for the purposes of main objects of the company.
30. To own, arrange and provide any of the services as are considered necessary in the hotel trade in or outside India.

C. THE OTHER OBJECTS ARE:

1. To own, acquire, take on lease, operate, undertake to manage factories, foundries workshops, mines, staff quarters, hotels and restaurants, cold storages, ice factories, test laboratories and research centres.
2. To act as engineers, town planners, designers, contractors, auctioneers, appraisers, valuers; financiers, transporters, garage and petrol pump owners, caterers, jewellers, launderers, general order suppliers, photo-graphers, film producers, distributors and exhibitors, printers and publishers, advertising agents, travel and cargo agents, brewers, wine merchants, data processors, food processors, speculators, opticians, furnishers and interior decorators.
3. To carry on hire purchase, mail order, instalments sale and leasing business.
4. To manufacture and/or deal in electrical mechanical, electronic, hydraulic instruments, equipments, and machinery, spare parts and accessories thereof, paper, fabrics, building materials, hardwares, Pharmaceuticals, chemicals, toiletries, household equipment and requisites, communication aids and systems, paints, glass, rubber, plastic, and textile products, chemicals and Pharmaceuticals and processed food products.
5. To construct, complete, remove, demolish, alter, improvise structure of every nature and to provide services of repair and maintenance, engineering and to develop, provide commission, refrigeration and heating systems, elevators, conveyors, pressure systems, pipeline systems, waterworks, communication systems and power houses.
6. To act as metal and metal alloys founders, casters, spinners, processors, civil electrical, mechanical, electronic engineers, miners, contractors, carpenters and plumbers.
7. To act as packers, movers, forwarding and clearing agents.
8. To acquire, develop, promote and provide technical, managerial and related consultancy services in commercial industrial, social or other projects, and provide technical know how on turnkey basis or otherwise.
9. To own or otherwise acquire and run school, colleges, education institutions, training centres, information and data banks, data processing centres, amusement centres, audio-visual centres, recording studios, fast food parlours, communication and network banks.
10. To act as buyers, sellers, exporters, importers and to generally act as traders, merchants, commission agents, brokers, in respect commodities, products, services engineers goods, capital equipment, spares and accessories.

- IV. The liability of the members is limited.
- V. The Authorized Share Capital of the Company is Rs. 77,00,00,000 (Rupees Seventy Seven Crores only) divided into 7,70,00,000 (Seven Crore Seventy Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.

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

Name, Address, Description and Occupation of each Subscriber	Number of Share taken by each Subscriber	Signature of Subscribers	Signature, Name, description and occupation of the witness
1. SHIV NADAR S/o Late Sh.S.S.Nadar, 44, Friends Colony, New Delhi-110 065 (Business)	10 Equity Shares	Sd/-	<p>I witness the signatures of all the Subscribers who have subscribed in my presence At New Delhi S/d (A.K.Sood) S/o Late Sh. V.P.Sood P-48, South Extension-II New Delhi-110 049 (Chartered Accountant) M.No. 14372</p>
2. RAJENDRA SINGH PAWAR S/o Col. Kanwal Singh M-190, Greater Kailash-II New Delhi-110 048 (Business)	10 Equity Shares	Sd/-	
3. VIJAY KUMAR THADANI S/o Late Sh. H.B.Thadani S-223, Greater Kailash, New Delhi-110 048 (Service)	10 Equity Shares	Sd/-	
Total:	30 Equity Shares	Sd/-	

Verified at New Delhi on 28th day of April, 1992

(THE COMPANIES ACT, 1956)
(1 of 1956)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
NIIT TECHNOLOGIES LIMITED
CONSTITUTIONS OF THE COMPANY

1. a) Save as reproduced herein, the regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956 shall not apply to the Company.
- b) Notwithstanding anything contained in these Articles, such provisions and regulations as may be prescribed by the legislature, as compulsory, by later enactments relating to Companies, shall have priority of observance under such circumstances.

INTERPRETATION CLAUSE

2. The marginal notes hereto shall not affect the construction hereof, in these presents, unless there is something in the subject or context inconsistent therewith, Words and expressions contained in these regulations shall bear the same meaning as in the Companies Act, or any statutory modification thereof.
 - a) 'The Act' means the Companies Act, 1956 and includes any reenactment or statutory modification thereof for time being.
 - b) 'The Board' or 'The Board of Directors' means a meeting of Directors duly called and constituted or as the case may be the Directors assembled at a Board Meeting or the requisite number of Directors entitled to pass a circular or resolution in accordance with these Articles.
 - c) 'The Company' or 'This Company' means **NIIT Technologies Limited**.
 - d) 'Directors' means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board Meeting.
 - e) 'Member' shall mean Members of the Company holding a share or shares of any class registered in the Share Register of the Company.
 - f) 'Month' shall mean the Calendar Month.
 - g) 'The Office' means the Registered Office of the Company.
 - h) 'Paid up' shall include 'Credited as fully paid up'.
 - i) 'Proxy' includes attorney duly constituted under a Power of Attorney.
 - j) 'These Presents' or 'Regulations' means these Articles of Association originally framed or altered from time to time and in force for the time being and include the Memorandum of Association where the context so requires.
 - k) 'The Seal' means the Common Seal for the time being of the Company.
 - l) 'Special Resolutions' shall have the meaning assigned thereto by Section 189 of the Act. 'Words' importing the masculine gender shall include the feminine gender and vice versa. Words importing the singular shall include the plural and words importing the plural shall include the singular.
 - m) 'Section' means Section of the Companies Act, 1956 or any amendments thereof.
 - n) 'Year' means year of account of the Company.

SHARE CAPITAL

3. The Authorized Share Capital of the Company shall be such as given the Clause V of The Memorandum of Association or altered, from time to time. The Company shall have the power to increase or reduce such capital, from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the shares in the capital of the Company for the time being, whether original or increased, and whether issued or not, into several classes, and to attach thereto respectively any preferential, qualified, special or deferred rights, privileges, and conditions as shall from time to time be determined by the Company in accordance with the Company's Articles of Association and the legislative provisions from time being in force in this behalf.

ALLOTMENT OF SHARES

4. Except as provided in Section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of the Company's own shares.
5. Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same to such persons on such terms and conditions, at such times, either at par or at a premium, and for such consideration, as the Board thinks fit, provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting and where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares then subject to the provisions of Section 81 (1A) of the Act, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act.
6. Except as ordered by a court of competent jurisdiction or as by Law required, the Company shall not be bound to, recognise any equitable, contingent, future or partial interest in any share or (except only as is by these Articles, otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
7. The Companies shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any trust, equitable, contingent future or partial interest in any fractional part of a share of (except only as is by these Articles otherwise expressly provided) and other right in respect of share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof.
8.
 - a) Every Member or allottee of shares shall be entitled without payment, to receive one or more certificates in marketable lots specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate/s shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letters of allotment or its fractional coupons of requisite value save in cases of issues, against letter of acceptance or of renunciation, or in cases of issues of bonus shares. Every such certificate/s shall be issued under the Seal of the Company which shall be affixed in the presence of two Directors and the Secretary or some other Authorised Person shall sign the certificate/s, provided that if the composition of the Board permits of it, atleast one of the aforesaid two Directors shall be a person other than a Managing or Wholetime Director. Particulars of every share certificate/s issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
 - b) Any two or more joint allottees of share shall be treated as a Single Member for the purpose of this Article and the Certificate of any share, which, may be subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupees Two. This Company shall comply with the provisions of Section 113 of the Act.

- 3
- c) A Director may sign a Share Certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
 - d) If any certificate of any share or shares be surrendered to the Company for subdivision, split or consolidation into market units of trading or if any certificate be defaced, old, decrept, worn out or the cages in the reverse for recording transfer have been duly utilised, then, upon surrender thereof to the company the same to be cancelled, the Company shall Issue a new certificate in lieu thereof at free of charge.
 - e) No fee shall be charged for the split, consolidation, renewal and pucca transfer receipt into denominations corresponding to the market units of trading, for renounceable letter of rights, for registration of any Power of Attorney, Probate, Letters of Administration Or Death Certificate or for similar other documents.
9. The rules under "The Companies (Issue of Share Certificate) Rules, 1960" shall be complied with, in the issue, reissue, renewal of Share Certificates and the form, sealing and signing of the certificates and records of the certificates, issues shall be maintained in accordance with the said rules.
 10. The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances, supplies or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.
 11.
 - a) The Directors shall in making the allotments duly observe the provisions of the Act.
 - b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share.
 - c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
 12. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
 13. On the issue of Redeemable Preference Shares under the provision of Article 12 hereof the following provisions shall take effect:
 - a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares for the purpose of the redemption.
 - b) No such shares shall be redeemed unless they are fully paid.
 - c) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share Premium Account before the shares are redeemed.
 - d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise be available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the share redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

- 4
14. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture stock of the Company so that the commission in respect of the shares shall be paid, the provisions of Section 76 and other statutory requirements shall be observed and complied with and the rate of commission shall not exceed 5% of the issue price of the shares, 2 1/2% of the price of the debentures or the debenture stock as the case may be, subscribed or to be subscribed. Such commission may be satisfied by the payment of cash or by allotment of fully/partly paid shares or partly in one way and partly in the other.

ISSUE OF SWEAT EQUITY SHARES

15. Notwithstanding anything contained in Section 79 of the Companies Act, 1956, the Company may issue Sweat Equity Shares, i.e. shares issued to Employees or Directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called, of a class of shares already issued if the following conditions are fulfilled:
 - (a) The issue of Sweat Equity Shares is authorized by a Resolution passed by the Company in the General Meeting.
 - (b) The Resolution specifies the number of shares, their value and the class or classes of Directors or Employees to whom such equity shares are to be issued.
 - (c) Not less than one year has at the date of the issue elapsed since the date on which the Company was entitled to commence business.
 - (d) The sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board of India in this behalf, if applicable.

CALLS ON SHARES

16. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
17. Thirty days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
18. If any member fails to pay call on the day appointed for payment thereof the Directors may at any time thereafter, serve a notice on him requiring him to pay the call with any interest which may have accrued. The notice shall name a further day (not earlier than the expiration of 14 days from the date of notice) on or before which payment is required by the notice to be and shall state that in the event of non-payment on or before the time appointed, the share in respect of which the call was made will be liable to be forfeited.
19. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the company in respect of his shares, it shall be sufficient to prove that the members in respect of whose Shares the money is sought to be recovered, appears entered in the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded, in the minute book, and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of the Directors was present at the Board Meetings at

5

which any call was made, was duly convened or constituted, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

20. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
22. If any member fails to pay any call due from him on the day appointed for payment thereof, or, any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but not exceeding 24% but nothing in this Article shall render it obligatory for Board to demand or recover any interest from any such Member.
23. Any sums, which by terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be call duly made and payable on the date on which by the terms of issue the same become payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
24. The Board may, if thinks fit, agree to and received from any Member, willing to advance the same, all or any part of the amounts of his shares beyond the sums actually called up; and upon the money so paid in advance, or upon so such thereof from time to time at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate not less than 15% as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three month's notice in writing. Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

FORFEITURE OF SHARES

25. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time, thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by reason of such non-payment
26. The notice shall name a day (not being less than fourteen days from the date of the notice) and place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 9 percent per annum as the Directors shall determine from the day on which such call or instalment ought to have been paid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the call was made or instalment is payable, will be liable to the forfeited.
27. If the requirement of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interests be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
28. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the data thereof, shall forthwith be made in the Register of Members, but no

forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

29. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
30. The forfeiture of a share involves extinction at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
31. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect, and the Directors shall be entitled to issue a new certificate in respect of a said shares to the person or persons entitled thereto.
32. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

LIEN

33. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (Whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause .
34. The shares of any member who is indebted to the Company may be sold by resolution of the Directors, to satisfy the Company's lien thereof, and be transferred to the purchaser without the consent and notwithstanding any opposition on the part of the indebted member and complete title to the share of any such member which shall be sold and transferred against indebted member and all persons claiming under him whether he may be indebted to the company in fact or not and thereupon, the point of the purchaser shall be deemed to be the holder of such shares discharged from all dues and calls made prior to such purchase, and shall not be bound to see to the application of the purchase money nor his titles to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.
35. No sale however shall be made under Article 36 unless any part of the debt in respect of which the lien exists is presently payable. Further such right of sale shall not be exercised until the expiry of 14 days after the service of the notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists, has been served to the registered holder for the time being of shares or the person entitled by reason of his death or insolvency, to the shares.
36. The net proceeds of any such sale shall be applied in or towards satisfaction of such debt, liabilities and engagements in respect of which the lien exists and the residue, if any, be paid (subject to like lien for sum not presently payable as existed upon the shares prior to the sale) to such members or his representatives or to the persons entitled to the share at the time of the sale.

INCREASE OF CAPITAL

37. The Company at its General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate

amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with provisions of Section 97 of the Act.

38. 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 instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

REDUCTION OF CAPITAL

39. Subject to the confirmation of the Court, the Company may from time to time by special resolution and in any manner authorised by law reduce its share capital in any way and in particular and without prejudice :
- a) Extinguish or reduce the liability on any of its shares in respect of the share capital not paid up.
 - b) Either with or without extinguishing, reducing liability on any of its shares, cancel any paid up share capital which is lost, or is unrepresented by-available assets; or
 - c) Either with or without extinguishing, or reducing liability on any of its shares, cancel any paid up capital which is in excess of the wants of the Company and may if and so far as if necessary alter its memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate any power the Company would have if it were omitted.
40. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution from time to time, subdivide or consolidate its shares, or any of them, and the resolution whereby any share issued divided, may determine that, as between the holders of the shares resulting from such subdivision one or more of such shares have some preference or special advantage as regards dividend, capital or otherwise over as compared with the others or other. Subject as aforesaid the Company in General Meeting may by an ordinary resolution also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
41. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of atleast three fourths in nominal value of the issued shares of the class or if confirmed by a special resolution passed at a separate General Meeting of the holders of shares of that class.
42. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares made for the first time after formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital, then such further shares, shall be offered to the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date, such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 45 days from the

8

date of the offer within which the offer, if not accepted will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such manner as they may think most beneficial to the Company.

- (b) Notwithstanding anything contained in the preceding sub-clause, the Company, may
 - i) by a special resolution, or
 - ii) by an ordinary resolution and with the consent of the Central Government issue further shares to any persons, and person or persons may not include the persons who at the date of the offer are the holders of the equity shares of the Company.
- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 8(3) of the Act, the Company may increase its subscribed 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 in the Company.

TRANSFER & TRANSMISSION OF SHARES

43. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer and transmission of any shares.

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. Every instrument of transfer of shares shall be in accordance with and in the form prescribed under the Act or the Rules made thereunder.

Every such instrument of transfer shall be executed both by the Transferor and the Transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

44. The Board shall have power, on giving previous notice of a sufficient number of days as prescribed under the applicable laws from time to time by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the Transfer Books, the Register of Members or Register of Debenture Holders at such time or times and for such period or periods, but not exceeding the number of days as may be prescribed under applicable laws from time to time, as may seem expedient.
45. Subject to the provisions of Section 111 of the Act and Section 22(A) of the Securities Contracts (Regulation) Act, 1956, the Board, without assigning any reason for such refusal, may within one month from the date of which the instrument of transfer was delivered to the Company, decline to register any transfer of shares and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve. If the Board refuses to register the transfer of any shares the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
46. Where in the case of partly paid shares an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.
47. In the case of death of any or more the persons named in the Register of Members as the joint holder of any shares, the survivors shall be the only persons recognised by the Company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

- 48 . The executors or administrators or holders of Succession Certificate or the legal representatives of deceased member (not being one or two of joint holders) shall be the only person recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or Letter of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India and a clearance certificate from the Estate Duty Authorities provided that in case where the Board in its absolute discretion, thinks fit, the Board may dispense with production of probate or Letter of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 63 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member .
49. No share shall in any circumstances be transferred to any insolvent or person of unsound mind.
50. Subject to the provisions of Articles 48 and 49, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy, or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provisions, herein contained, and until he does so, he shall not be freed from any liability in respect of shares.
51. A person entitled to a share by transmission shall, subject to the right of Directors to retain such dividend or money as hereinafter provided be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.
52. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice; and give effect thereto if the Board shall so think fit.
53. No charge be made by the Company for registration of transfers of its shares and debentures.

DIRECTORS

54. The Company shall have not less than three and not more than twelve Directors including the nominated, technical, special, additional, debenture Directors, if any, and also including any other kind of Director on the Board.
55. The subscribers to the Memorandum of Association shall be the first Directors of the Company.
56. Any person whether member of the Company or not may be appointed as a Director and no qualification by way of share holding be required from any Director.

57. The Board shall have power to co-opt one or more persons to be Directors, but so that the total number shall not exceed twelve. In the place of a Director who is about to leave or is absent from that state in which the meetings of the Directors are generally held the Board may appoint any person to be alternative Directors provided such absence shall not be lesser period than three months and such appointee while he holds office as an alternate Director shall be entitled to notice of all meetings of the Directors and to attend and vote thereat and on all resolutions proposed in circulation's but he shall IPSO FACTO vacate office, as a Director if and when the original Director returns to the State in which the meetings are generally held. An alternate Director appointed under this clause need not be a member of the Company and shall not be required to obtain qualification shares.
58. In case the Union Government or any State Government or any Financial Institution grants loans, renders any other form of financial assistance or accepts participation in the capital of the Company, such Government or Financial Institution shall, if the agreement between it and the Company so provides be entitled to nominate its representation or representatives on the Board of Directors. Such Directors shall cease to be Directors upon repayment of such loan, their ceasing to be interested in the Company in any fiduciary capacity or the expiry of the term stipulated in the agreement for termination of such rights of nomination. Such nominating body may, from time to time remove its nominees and appoint another nominee or nominees in their place and while holding such office such nominees shall be liable to retirement by rotation.
59. The nominee Directors appointed by the Financial Institutions shall not be liable to retire by rotation.
60. If any Director appointed by the Company in General Meeting vacates office as Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board of Directors but any person so appointed shall retain his office so long as the vacating Director would have retained the same if no vacancy had occurred, provided that the Board of Directors may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Companies Act. 1956.
61. Each Director shall be paid out of the funds of the Company as sitting fees for such sums as may be decided by the Board of Directors, not exceeding the sums prescribed under the applicable laws from time to time, for every meeting of the Directors or any Committee thereof at which he shall be present in person, besides travelling, boarding, lodging and other expenses.
62. Subject to the provisions of Section 309 of the Companies Act, 1956, and other applicable provisions, the Company shall have the power to pay consulting charges/fees to non-executive directors in consideration for professional services rendered by them to the Company.
63. (a) Subject to the provisions of Section 314 of the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company the Directors may pay to such Director such special remuneration as they think fit which remuneration may be in the form of either salary, commission or lumpsum and may either be in addition to or in substitution of the remunerations specified in the last preceding Article.

(b) Subject to provisions of the Companies Act, 1956 the Board of Directors may employ from time to time any Directors to perform any work or supply goods required by the Company or to serve the Company in any professional capacity or in any other capacity or character and may remunerate him for such work or goods or services as they may think proper and may enter into contracts with him for the purpose aforesaid, but no Directors shall vote at any Directors' meeting upon and question affecting his own employment as aforesaid or any other contract relating thereto provided also that the

Directors shall disclose their interest as required by the provisions of Sections 297, 299 and 300 of the Companies Act, 1956.

64. The Directors shall have power from time to time, to appoint any other person to be Directors, provided the total number of Directors shall not at any time exceed the maximum number fixed as above. But any Directors so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election.
65. The Company may, by ordinary resolution, remove an ordinary Director other than a Director appointed by the Central Government in pursuance of section 408, before the expiry of his period of office and fill up the vacancy thus created in the manner and subject to the provisions of Section 284 of the Companies Act, 1956.
66. The Directors may elect one of themselves to the office of the Chairman of the Board of Directors and the same person may also be appointed as Managing Director of the Company. The Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of office.
67. At the Annual General Meeting of the Company to be held in every year one third of such Directors are liable to retire by rotation for the time being or, if their number is not three or multiple of three, then the number nearest to one third shall retire from office and they will be eligible for re-election.
68. If at any Annual General Meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, he shall if willing to continue in office until the Annual General Meeting in the next year and so on from year until his place is filled up, unless it shall be determined at such meeting (on due notice) to reduce the number of Directors in office.
69. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
70. Subject to the provisions of Sections 297, 299, 300, 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

MEETING OF BOARD OF DIRECTORS

71. A Director from time to time or a Managing Director upon the request of any Director shall convene the meeting of the Board. All Meetings of the Board of Directors of the Company shall unless and otherwise determined by the Board, be held at the Registered Office. The quorum for a Board Meeting shall be two Directors or one third of the total strength (any fraction contained in one third being rounded off as one) whichever is higher. The Board shall meet atleast once in every three months.
72. Save with the consent in writing of all the Directors, reasonable notice, in writing, shall be given of every meeting of the Board to every Director for the time being in India, and at his usual address in India to every other Director. Notice of the date of such meeting shall also be given by cable/electronic mail to every Director not for the time being in India.
73. Save as otherwise expressly provided in the act, a resolution in writing circulated in draft together with all necessary papers and signed by all or a majority of the members of the

Board of Directors or of a Committee thereof for the time being entitled receive notice of a meeting of the Board or Committee shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee duly convened and held. In the event of the signature of anyone or more of the Directors to any such of resolution being affixed on different dates the said resolution shall unless otherwise stated therein be deemed to be passed on the date of signature of the Director signing last.

74. The Company shall have the power to hold Board or Committee Meetings through the means of video, web, teleconferencing or other electronic means and also allow Directors to participate in the Board or Committee meetings through the means of video, web, teleconferencing or other electronic means subject to the applicable provisions, if any, of the Companies Act, 1956 and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee meetings shall be read mutatis mutandis.

POWERS OF THE BOARD

75. The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company and may exercise all such powers of the Company as are not by the Companies Act, 1956 or any statutory modifications thereof for the time being in future or by these Articles, required to be exercised by the Company in General Meeting subject nevertheless, to any regulation of these Articles or the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meetings shall invalidate and prior of the Directors which would have been valid if that regulation had not been made.
76. The Board shall have power to appoint servicing consultants and agents for purchase and sale of goods required for manufacture by the Company on such terms and conditions as to period, remuneration, commission etc., and they may deem fit subject to the relevant provisions of the Companies Act, 1956.
77. Subject to the provisions of Section 292 of the Act, the Directors may delegate any of their powers to a committee consisting of such member or members of their body as they think fit, or to any category of managerial personnel or pay any principal officer of the Company or to principal officer of the Branch office of the Company. Any such committee or delegates shall, in exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Directors.
78. Without prejudice to the General powers conferred by the proceedings, Articles and powers conferred by these Articles and subject to the provisions of Act, the Board of Directors shall have the following powers, that is to say:
- a) To pay the costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.
 - b) At their discretion to pay for any property rights, privileges acquire by, or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon subject always to the liability of all share holders in regard to the debts of the Company and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
 - c) To take on lease, purchase or otherwise acquire for the Company, any property right or privileges, which the Company is authorised to acquire, at such price and generally on such terms and conditions as they may think fit.
 - d) To appoint any persons or person to hold in trust for the Company, property belonging to the Company or in which it is interested or for any other purposes and to execute all such instruments and to do all such things as may be necessary or requisite in relation to any such trust.

- e) To sell, let, exchange or otherwise dispose off absolutely or conditionally any part of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.
- f) To appoint and at their discretion remove or suspend such agents, managers, secretaries for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require securities in such instances and to such amounts as they think fit and generally to provide for the management of the Company in different parts of India or outside in any countries and to establish and maintain branch offices.
- g) To buy or procure the supply of all article goods, merchandise and other moveable property required for the purpose of the Company and to sell them.
- h) To appoint any person or persons to be Attorneys of the Company for each purpose, and with powers, authorities and discretions not exceeding those vested in or exercisable by the Board and for such periods and subject to such conditions as the Board from time to time think fit.
- i) To enter into, carry out, rescind or vary financial arrangement with any banks, persons or corporations for or in connection with the Company's business affairs and pursuant to or in connection with such arrangements to deposit, pledge or hypothecate any property of the Company and to execute and register any document relating to the same.
- j) To make and give receipt, realise and other discharges for money payable to the Company and for the claims and demands of the Company.
- k) To compound and allow time for the payment or satisfaction of any debts due to or by Company and any claim or demand by or against the Company and to refer matters to arbitration and observe and perform the awards.
- l) To sign, draw, accept, endorse and negotiate and discount, for and on behalf of the Company, all such cheques, bills of exchange, promissory notes, hundies, drafts, government and other securities and all other documents, whether negotiable or otherwise as shall be normal in or for carrying on the affairs of the Company.
- m) To institute, prosecute, defend, compromise or abandon any legal proceedings by or against the Company or its officers or otherwise concerning affairs of the Company.
- n) To invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities in investments and in such manner as they may think fit, and from time to time to vary or realise such securities and investments.
- o) To enter into negotiations and contracts and to rescind or vary all such contracts and to do all acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- p) To make and repeal, from time to time bye-laws for the regulations of the business of the Company, its officers and servants.
- q) To deposit money on security or otherwise with other persons or company or companies, whether Banking Company or not, and to invest any funds of the Company that are not required for the time being for the general purpose of the Company in such investments (other than the share of the Company) as may be thought proper and to hold, exchange, sell, vary and dispose off or deal with any of the investments of the companies as may be deemed expedient.
- r) To give credit or deal upon credit with or without security with any persons, including a member of the Company of such amount upon such terms and conditions as they shall think fit.

- s) To call any General Meeting of the Company to transact such business as is mentioned in the notice convening the meeting.
- t) To exercise and to carry into effect any or all of the objects and powers mentioned or referred to in the Memorandum of Association.

BORROWING POWERS

- 79. The Directors may from time to time at their discretion raise or borrow or secure the payments of any sum or sums of money for the purpose of Company's business and may secure the payment for or repayment of such money by mortgage or charge upon the whole or any part of the assets and property of the Company (present and future) including its uncalled and unpaid capital.
- 80. Subject to aforesaid, any bonds, debenture stock or other securities issued by the Company shall be under the control of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- 81. The Directors may at any time pay or agree to pay to any person, commission which may represent a share in the profits of the Company or in any other manner either in a lumpsum or in yearly, half-yearly or quarterly instalment, in consideration of his guarantee, to Debenture Holders or other creditors on behalf of the Company the payments on the face value of the Debentures or other liabilities. Such commission will be payable only out of the profits of the Company.
- 82. Subject to the provisions of Section 58-A of the Act and the rules made thereunder the Directors may receive deposits merely for the purpose of financing the business of the Company bearing interest at such rates as the Directors may fix which may be made payable monthly, quarterly, half-yearly or at the beginning or the end of the term for which the sums are borrowed.
- 83. If the Director or any other person shall become personally liable, for payment of any such primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over the whole or any part of assets of the Company by way of indemnity to secure of the Directors or persons so-becoming liable as aforesaid for loss in respect of such liability.

MANAGING DIRECTOR, MANAGER AND SECRETARY

84. (A) MANAGING DIRECTOR

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

(B) MANAGER

Subject to the provisions of Section 197 A and 388 and any other applicable Sections of the Companies Act, 1956, the Board shall have the power to appoint a Manager upon such terms and conditions as the Board thinks fit.

(C) SECRETARY

Subject to the provisions of the Act, from time to time, appoint for such term and at such remuneration and upon such conditions as it may think fit and its discretion, remove any individual (hereinafter called "the Secretary") who shall have such qualifications as may be prescribed under the Act, to perform such duties and functions, which by the Act or otherwise are to be performed by the Secretary of the Company and to execute any other

duties and functions which may, from time to time, be assigned to the Secretary by the Board or the Managing Director.

Subject to the provisions of the Act, a Director may be appointed as Secretary. Any provisions of the Act or these regulations requiring or authorising a thing to be done by a Director and the Manager or Secretary shall not be satisfied by its being done by the same person acting both as Director and as or in the place of the Manager or the Secretary.

SHARE WARRANTS

85. The Company may issue share warrants subject to, and in accordance with the provisions of Section 114 and 115 and accordingly the Board may in its discretion, with respect to any share which is fully paid upon 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, required as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fees as the Board from time to time require issue a share warrant.
86. 1) 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 of 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 clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.
- 2) Not more than one person shall be recognised as a depositor of the share warrant.
- 3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
87. 1) Subject as herein otherwise expressly provided no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
- 2) 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 member of the Company.
88. The Board may from time to time make rules as to the terms and 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.

GENERAL MEETING

89. The Company shall comply with the provisions of Sections 170 to 186 of the Act or statutory modifications thereof in the calling and conduct of meetings.
90. 1) An Annual General Meeting of the Company may be convened by giving not less than 21 days clear notice in writing. All other General Meetings may be convened by giving not less than 14 days notice in writing.
- 2) A General Meeting may be called after giving a shorter notice than that specific under sub-clause (1) if consent is accorded thereto in the case of Annual General Meeting by all the members entitled to vote thereat and in the case of any other meeting by the members of the Company holding not less than 95% of such part the paid up capital of the Company, as given right to vote at the meeting.
- 3) Every notice of meeting of the Company shall specify the place, date and the hour of General Meeting shall contain a statement of the business to be transacted thereunder.

- 4) Every Annual General Meeting shall be called on a day which is not a public holiday, and shall be held during the business hours at the registered office of the Company or at any other place in the city, in which the registered office is situated and the notice calling for such meeting shall specify it as the Annual General Meeting.
 - 5) The Company may subject to the provisions of section 192 of the Companies Act, 1956 and the rules thereunder as amended from time to time pass such resolution(s) as required to be passed in accordance with provisions of the said Act and Rules thereunder by Postal ballot instead of transacting the business at the General Meeting. Such resolution, if assented to by the majority of the shareholders by postal ballot, shall be deemed to have been passed at the General Meeting convened in that behalf.
91. The Board may, whenever it thinks fit call General Meetings and General Meeting other than Annual General Meeting shall be an Extraordinary General Meeting.

The Board shall on the requisition of members convene any Extraordinary General Meeting of the Company in the circumstances and in the manner provided under section 169 of the Act.

92. Five Members or such other numbers of members as the laws for the time being in force prescribes, entitled to be and personally present shall be the quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of meeting. If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved, in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall constitute the quorum.

VOTES OF MEMBERS

93. On a show of hands, every member present in or by proxy, or attorney, and being a holder of equity shares, and entitled to vote, shall have one vote. On a poll, the voting rights of members shall be as laid down in the Act. Preference shareholders shall have right to vote in accordance with the provisions of Section 87 of the Companies Act.
94. Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman or if at any Meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors decline to take the Chair, then the members present shall choose some one of their number to be Chairman.
95. At any General Meeting a resolution put to the vote at the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Sec. 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that resolution has, on a show of hand, been carried unanimously or by a particular majority, or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.
96. If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
97. In the case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote.
98. a) On a show of hands every member holding equity shares and present in person shall have one vote.

- b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up Equity Share Capital.
 - c) On a poll, a member having more than one vote, or his proxy or other person entitled to vote for him need not use all his votes in the same way.
99. In the case of joint holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders.
100. On a poll, votes may be given either personally or by proxy.
101. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

ACCOUNTS

102. Books of accounts shall be kept at the registered office of the Company and at such other place in India as the Directors may think fit.
103. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what condition or regulation the accounts and books of the Company or any of them shall be open to inspection of members not being Directors, No member (not being a Director) shall have any right to inspect the same, except as provided by the Companies Act, or authorised by the Board of Directors, or by any resolution of the Company in General Meeting.

AUDIT

104. Once atleast in every year the account of the Company shall be examined, and the correctness thereof and of the Balance Sheet and Profit and Loss Account, ascertained by one or more Auditor or Auditors.
105. As regards the appointment and remuneration, qualification and disqualification, removal, powers, rights and duties of Auditors, the Directors and the Auditors shall have regard to Sections 224 and 231 of the Companies Act, 1956.
106. Every account of the Company when audited and approved by a General Meeting shall be conclusive, except so far as regards any error discovered therein before or at the audit of the then next account, and whenever such error is discovered within that period the account shall be forthwith corrected and hence forth shall be conclusive.

CAPITALISATION OF PROFITS

107. 1) The Company in General Meeting may, upon the recommendation of the Board resolve;
- a) That it is desirable to capitalise a part of the amount for the time being standing to the credit of the Profit and Loss Account, or otherwise available for distributions and
 - b) That such sum be accordingly set free for distribution in the manner specified in clause two among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in case, but shall be applied to the provisions contained in clause three 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 or debentures of the Company to be allotted and distributed, credited as fully paid up amongst such members in the proportions aforesaid or
 - c) Partly in the way specified in sub-clause (a) and partly in sub-clause (b).

- 3) A share premium account and a capital redemption reserve account may for the purpose of this Articles only be applied in paying up unissued shares to be issued to the members of the Company as fully paid bonus shares.
- 4) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

COMMON SEAL

108. The Directors, shall provide a Common Seal of the Company shall be kept in safe custody. The Board shall have powers from time to time, to destroy the seal and substitute a new seal in lieu thereof.
109. Subject to the provisions of the Companies' (Issue of Share Certificate Rules) 1960 the Common Seal of the Company shall be affixed to any instrument with express authority, of a resolution passed by the Board of Directors, for affixing the seal, in the presence of at least one of the Directors along with either the Secretary or any official duly authorised by the Board of Directors and that Director and the Secretary, or the Authorised Signatory shall sign every instrument to which the Common Seal is so affixed in their presence.

INDEMNITY

110. Every Director, Secretary or Officer, of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Secretary or Officer or Auditor in defending a proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application u/s 633 of the Companies Act, 1956 in which relief is granted to him by the Court.
111. No Director, Secretary, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, defaults of any other Director, Auditor or other officer for joining in any receipts or other acts for conformity or for any loss or expense happening to the Company through the insufficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency of deficiency of any security in or upon which any of his moneys of the Company shall be vested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effect shall be deposited, unless the same happens through his default or negligence.

DIVIDENDS

112. The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and for the purpose of the equilisation of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation or other special funds, may be applied in payment thereof. The dividends so declared by the General Body shall not exceed the amount so recommended by the Directors.
113. The Directors may, from time to time, pay to the Members such interim dividends as in their judgment the financial position of the Company justifies.
114. 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 where of 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.
115. No dividends shall be payable except out of the profits of the year or any other undistributed profits, and no large dividend shall be declared than is necessary recommended by the Directors of the Company. The Directors in Annual General Meeting may declare a smaller dividend. Before declaring any dividend the Company shall have regard to the provisions of Section 205 of the Act. Unclaimed dividend, if any, will be dealt as per the provisions of Section 205-A of the Act and no unclaimed dividend shall be forfeited unless the claim becomes barred by law.

116. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to section 205A of the Act.
117. Subject to the provisions of Section 511 of the Act, the assets of the Company may on its winding up be distributed pro-rata among the members in specie or in kind.
118. Whenever any differences or disputes arise between the Company on one hand and any of the members or either their heirs, executors, administrators, assignors on the other hand, or between the members interest touching the true intent or construction or the incidents or consequences of these presents or the statutes or touching anything when or thereafter done, executed, omitted, re suffered in pursuance of these presents or of the statutes or touching any breach, or otherwise relating to the promises or to these presents or to any statute affecting the Company or to any of the officers of the Company every such difference of disputes shall be referred to the decision of two arbitrators of whom one shall be appointed by each of the parties to the dispute or difference. Such arbitration will be governed by the laws for the time being in force.
119. No members shall be entitled to inspect the Company's books without the permission of the Directors to require discovery of or any information respecting any details of the company's trading or any matter which may be in the nature of a trade secret, or a secret process or trade mystery which is or may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will not be expedient in the interests of the members of the Company to communicate to the public.
120. To officers and authorised nominees of any financial institutions giving loan or any other form of financial assistance shall have a right to inspect the Factory, Documents, Registers, Books of accounts and other relevant statutory books and obtain copies and extracts from them during the normal working hours of the Company.

WINDING UP

121. 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 special or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the some kind or not.

For the purpose aforesaid, the liquidator may set such values 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.

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 as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INSPECTION OF BOOKS OF ACCOUNTS AND REGISTERS

122. Subject to the provisions of the Act, the Board shall from time to time determine whether and to what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by resolution of the Company in the General Meeting.
123. Subject to the provisions of these Articles and the Act, no member shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in

the opinion of the directors it will be expedient in the interests of the Company to communicate.

SECRECY

124. Every Director, Secretary, Auditor, or any other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with the individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by the law of the Country and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.
125. Subject to the Act and these Articles, no member or any other person (other than Director) shall be entitled to enter the premises of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information respecting any details of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter which may relate to the conduct of the business of the Company and which in the opinion of the Board will be expedient in the interests of the Company to disclose or communicate.

BUYBACK OF SHARES/SECURITIES

126. Notwithstanding anything contained in these Articles of Association, the Company shall have the power to buyback its shares or other securities in accordance with the provisions of Section 77 A, 77AA and 77 B of the Companies Act, 1956 from its existing shareholders or the holders of other securities on a proportionate basis or by purchase of the shares or securities issued to the employees of the Company pursuant to a scheme of stock options or sweat equity.

S No.	Name, Address, Description and Occupation of each subscriber	Signature of Subscribers	Signature, Name, Address, Description and Occupation of Witness
1.	SHIV NADAR S/o Late Sh.S.S.Nadar, 44, Friends Colony, New Delhi-110 065 (Business)	Sd/- S S Nadar	I witness the signatures of all the Subscribers who have subscribed in my presence At New Delhi S/d (A.K.Sood) S/o Late Sh. V.P.Sood P-48, South Extension-II New Delhi-110 049 (Chartered Accountant) M.No. 14372
2.	RAJENDRA SINGH PAWAR S/o Col. Kanwal Singh M-190, Greater Kailash-II New Delhi-110 048 (Business)	Sd/- Rajendra Singh Pawar	
3.	VIJAY KUMAR THADANI S/o Late Sh. H.B.Thadani S-223, Greater Kailash, New Delhi-110 048 (Service)	Sd/- Vijay Kumar Thadani	

New Delhi Dated : 28th day of April 1992

IN THE HIGH COURT OF DELHI AT NEW DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
COMPANY PETITION NO. 75/2004
CONNECTED WITH
COMPANY APPLICATION NO. (M) 17/2004
IN THE MATTER OF M/s NIT Ltd.,
having its Regd. Office at
C-125, Okhla Industrial Area,
Phase - I, New Delhi - 110 020

.....Petitioner
Transferor Company

AND
COMPANY PETITION NO. 61/2004
CONNECTED WITH
COMPANY APPLICATION NO. (M) 18/2004
IN THE MATTER OF M/s NIT Technologies Ltd.
having its Regd. Office at
C-125, Okhla Industrial Area,
Phase - I, New Delhi - 110 020

.....Petitioner
Transferee Company

BEFORE HON'BLE MR. JUSTICE S.K. AGARWAL
DATED THIS 18 TH DAY OF MAY 2004 READ WITH ORDER DATED 28/5/2004
AND 31/5/2004.

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petitions coming up for hearing on 18/5/2004 read with order dated 28/5/2004 and 31/5/2004 for sanction of the scheme of arrangement proposed to be made between NIT Ltd. (hereinafter referred to as the transferor Company) and NIT Technologies Ltd. (hereinafter referred to as the transferee company) upon reading the said petition, the order dated 13/2/2004 whereby the requirement of convening the meetings of the shareholders of the Transferee company was dispensed with. However, Transferor Company was ordered to convene a meeting of its secured creditors and unsecured creditors and shareholders for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of arrangement and annexed to the affidavits of Sh. Krishna Kumar Darbha authorised representative of the Transferor Company and Sh. Ravi Lal Thapa, the authorised representative of the transferee company filed on the 10th day of February

ATTEST
Clerk Judicial Deptt
High Court of Delhi

2004 and the publication in newspapers namely (1) Economic Times (English) dated 29/2/2004 and Jansatta (Hindi) dated 2/3/2004 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 13/2/2004, the affidavit of Sh. Santosh Aggarwal, Advocate filed on 15/3/2004 and Sh. K.K. Bhatia filed on 16/03/2004 showing the publication and despatch of the notice convening the said meetings, the reports of Chairman of the said meetings as to the result of the said meetings and upon hearing Sh. Rajiv Nayyar Sr. Advocate with Mr. Anirudh Dass, advocate for the petitioner and Mr. Jawahar Lal for the applicant and Mr. M.K. Bagri, Asstt. Registrar of Companies and Mr. P.K. Batta for Dy. Registrar of Companies in person and it appearing from the reports that the proposed scheme of arrangement has been approved unanimously without any modification by the said shareholders and creditors of the transferor company present and voting either in person or by proxy and upon reading the affidavit dated 11/05/2004 of Sh. U.C. Nahata, Regional Director, Northern Region, Department of company Affairs, Kanpur on behalf of Central Government and the objection with regard to para 6.6 of part VI of the scheme having been satisfied since the said para 6.6 part VI of the scheme has been ordered to be deleted by the court and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Companies Act, 1956. Company applications NO. 660/2004, 661/2004, 675/2004 and 676/2004 having also been disposed of.

THIS COURT DOETH HEREBY SANCTION THE SCHEME OF ARRANGEMENT setforth in Schedule-I annexed hereto subject to deletion of para 6.6 of Part VI of the Scheme of Arrangement and DOETH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor Company and Transferee Company and all concerned and doeth approve the said scheme of arrangement from the appointed dated i.e. 01/04/2003.

ATTENTED

**Senior Judicial Deptt.
High Court of Bhatta**

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of the Global Solutions Business undertaking of the Transferor Company specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the Global Solution business undertaking 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 Company Act, 1956 be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same and
2. That all the liabilities and duties of the Global Solutions Business undertaking of 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 and;
3. That all the proceedings now pending by or against the Transferor Company in relation to the Global Solution Business Undertaking be continued by or against the Transferee Company and;
4. That the transferee Company do without further application allot to such members of the Transferor Company as is required by Clause 3.19 to 3.27 given in the scheme of arrangement herein the shares in the Transferee Company to which they are entitled under the said Arrangement; and
5. That the Transferor Company do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration.
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

ATTESTED

**Registrar Judicial Dept
High Court of Bahr**

- 4 -
Schedule I

SCHEME OF ARRANGEMENT

BETWEEN

NIIT LIMITED

AND

ITS CREDITORS AND SHAREHOLDERS

AND

NIIT INVESTMENTS LIMITED

AND

ITS SHAREHOLDERS

FOR DEMERGER OF THE GLOBAL SOLUTIONS
BUSINESS UNDERTAKING OF NIIT LIMITED TO
NIIT INVESTMENTS LIMITED

For NIIT Investments Limited

Authorised Signatory

ATTESTED

**Member Judicial Dept
High Court of Madras**

- 5 -

PART I

WHEREAS

- A. NIIT Limited (the "NIIT") is a company duly incorporated and existing under the Companies Act, 1956 and has its registered office at C - 125, Okhla Industrial Area, Phase - I, New Delhi- 110020, India.
- B. NIIT is an information technology company providing software and learning solutions to customers worldwide through operations in India and through subsidiary companies in various countries of the world.
- C. NIIT is engaged in, primarily, two distinct businesses, namely: -
- a) Learning Business that is engaged primarily in providing Education and Training in the areas of Information Technology and others;
 - b) Solutions Business that is engaged primarily in two business activities namely: -
 - (i) providing software services and solutions, business process outsourcing services and geographic information services; and
 - (ii) knowledge solutions business (KSB) that is engaged in design, development, delivery and management of knowledge management systems, education computer software, content, content management and others.

For NIIT Investments Limited

Authorised Signatory

- D. The future business directions of learning business and solutions business indicate areas of divergence in growth profiles and product offerings. Segregation of these businesses, therefore, in different companies would create

focussed entities, having the necessary flexibility to pursue their individual growth strategies.

- E. NIIT now proposes by this Scheme of Arrangement (the "Scheme") to transfer GSB Undertaking to NTL (as such term is hereinafter defined), by way of demerger.
- F. The demerger of GSB Undertaking into NTL with effect from the Appointed Date shall be in the interests of the shareholders, creditors and all other stakeholders of NIIT. The restructuring would enable focused business approach for maximisation of benefits to all stakeholders and opportunity for pursuing accelerated growth options.

PART II

1. DEFINITIONS

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

"Act" means the Companies Act, 1956 (Act No.1, of 1956) including any amendments, re-enactment and or modification thereof from time to time;

or NIIT Investments Limited

"Appointed Date" means 1st April 2003; the date with effect from which this Scheme shall be applicable.

Authorised Signatory

Registrar Judicial Deptt
High Court of Delhi


"GLB Undertaking" means the Global Learning Business division and the knowledge solutions business division (KSB) of NIIT as on the Appointed Date, which relates to the business of education and training in the areas of Information Technology and others and design, development, delivery and management of knowledge management systems, education computer software, content, content management and others and shall mean and include all its assets and liabilities and the brand name "NIIT", which is and shall remain the exclusive property of NIIT;

"Effective Date" shall have the meaning given to it in Clause 6.11;

"NIIT" means NIIT Limited, a company duly incorporated and existing under the Act, having its registered office at C - 125, Okhla Industrial Area, Phase - I, New Delhi- 110020, India;

"NTL" means NIIT Investments Limited (name proposed to be changed to NIIT Technologies Limited or such other name as may be approved by the Registrar of Companies, NCT of Delhi and Haryana), a company duly incorporated and existing under the Companies Act, 1956, having its registered office at C - 125, Okhla Industrial Area, Phase - I, New Delhi- 110020, India;

"Record Date" shall have the meaning as ascribed to it in Clause 6.2;

 Investments Limited
Authorised Signatory

"Scheme" shall mean this Scheme of Arrangement;

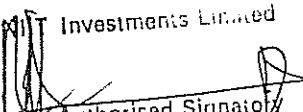
ATTESTED


Senior Judicial Officer
High Court of Delhi

"GSB Undertaking" means the Global Solutions Business (GSB) undertaking of NIIT as on the Appointed Date, which

relates to the business of software services and software solutions, including investments in subsidiaries engaged in business process outsourcing and geographical information services, and shall mean and include all its assets and liabilities. Without prejudice and limitation to the generality of the above, the GSB Undertaking shall mean and include:

- (i) any and all immovable property, land, buildings (as mentioned in Annexure-I), movable assets including plant, machinery and equipments, whether leased or otherwise, any and all rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the immovable properties whether leasehold or otherwise comprised in this business undertaking together with all present and future liability including contingent liabilities and debts appertaining to this business undertaking, as per the records of NIIT;
- (ii) any and all permits, quotas, rights, entitlements, licences, tenancies, trademarks, servicemarks, patents, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licences, powers and facilities of every kind and description whatsoever appertaining to this business undertaking, as per the records of NIIT;
- (iii) any and all permanent employees of NIIT engaged in or in relation to this business undertaking at their respective offices, branches, factories, depots, shops or otherwise at their current terms and conditions, as per the records of NIIT;
- (iv) any and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to this business undertaking, as per the records of NIIT;

For NIIT Investments Limited

Authorised Signatory

ATTESTED


Senior Judicial Officer
High Court of Delhi

- (v) any and all equity shares or other similar securities held in subsidiaries of NIIT engaged in software solutions business including equity shares in NIIT Technologies Inc. USA pursuant to restructuring of NIIT Inc., USA in accordance with Clause 5.4 of the Scheme and any indirect beneficial interest in downstream subsidiaries (engaged in software solutions business) by virtue of equity shares or other similar securities held in such downstream subsidiaries by subsidiaries of NIIT; and
- (vi) any and all investments and loans and advances including accrued interest, in connection with or relating to this business undertaking, as per the records of NIIT.

1.2 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

1.3 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

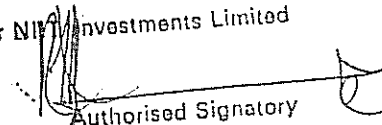
2. SHARE CAPITAL

2.1 The Share Capital of NIIT and NTL as at 1st January 2004 is as under:

ATTESTED

**Examiner Judicial Deptt
High Court of Delhi**

For NIIT Investments Limited


Authorised Signatory

A. NIIT

<u>Authorized Share Capital</u>	<u>Amount</u> <u>(Rs.)</u>
50,000,000 Equity Shares of Rs. 10/- each	500,000,000
2,500,000 Redeemable Preference Shares of Rs. 100/- each	250,000,000
 <u>Issued Share Capital</u>	
38,650,479 Equity Shares of Rs. 10/- each	386,504,790
 <u>Subscribed Share Capital</u>	
38,649,279 Equity Shares of Rs. 10/- each	386,492,790
 <u>Paid up Share Capital</u>	
38,649,279 Equity Shares of Rs. 10/- each fully paid-up	386,492,790
Add: Forfeited shares	6,000
Total	386,498,790

B. NTL

<u>Authorized Share Capital</u>	<u>Amount (Rs.)</u>
15,000,000 Equity Shares of Rs. 10/- each	150,000,000
 <u>Issued Share Capital</u>	
9,662,320 Equity Shares of Rs. 10/- each	96,623,200
 <u>Subscribed & paid up Share Capital</u>	
9,662,320 Equity Shares of Rs.10/- each	96,623,200

15/02/2020
 Member Secretariat
 NIIT Investments Limited

For NIIT Investments Limited
 Authorised Signatory

PART III


3. TRANSFER OF THE GSB UNDERTAKING TO NTL.

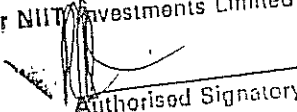
A. Transfer and Vesting of GSB Undertaking:

3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the GSB Undertaking shall be demerged on a going concern basis at book value (i.e., values as stated in the books of accounts of NIIT immediately before the Appointed Date) into and vested in and / or be deemed to have been and stand demerged at book value into and vested in NTL in accordance with section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein.


3.2 (a) Without prejudice to Clause 3.1 above, in respect of such of the assets of the GSB Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery including equity shares held in various body corporates in India and abroad, plant, machinery and equipments, the same shall be so transferred by NIIT, and shall upon transfer deemed to have become the property and an integral part of NTL with effect from the Appointed Date.

(b) In respect of such of the said assets other than those referred to hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and or be deemed to be transferred to and vested in NTL.


Member Investment Board
The Central Board

For NIIT Investments Limited

Authorised Signatory

- (c) With effect from the Appointed Date and upon the Scheme becoming effective, beneficial equity interest of subsidiaries of NIIT in software solutions business downstream subsidiaries by virtue of equity shares or other similar securities held in such downstream subsidiaries by subsidiaries of NIIT shall be deemed to have been transferred to and vested in NTL, notwithstanding the fact that transfer of the legal ownership of such equity shares or other similar instruments may take place after the Effective Date in compliance with laws of countries in which such subsidiaries and downstream subsidiaries are located.
- (d) For the avoidance of doubt it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, arrangements or other instruments of whatsoever nature in relation to the GSB Undertaking which NIIT owns or to which NIIT is a party to cannot be transferred to NTL for any reason whatsoever, NIIT shall hold such asset or contract, deed, bond, agreement, arrangement or other instrument of whatsoever nature in trust for the benefit of NTL, in so far as it is permissible to do so, till such time as the transfer is effected.
- (e) If for any reason whatsoever, any asset forming part of the GSB Undertaking cannot be transferred to NTL in the form in which it exists, the Board of Directors of NIIT and NTL shall agree upon the mode and manner in which such asset or its equivalent value is to be transferred to NTL.

For NIIT Investments Limited

Authorised Signatory

3.3 With effect from the Appointed Date and upon the Scheme becoming effective, the land, together with the buildings standing thereon relating to the GSB Undertaking, and any

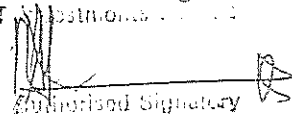
APPROVED
Former Judicial Dept
High Court of Delhi

documents of title/rights and easements in relation thereto shall be vested in and transferred to and or be deemed to have been and stand transferred to and vested in NTL and shall belong to NTL. With effect from the Effective Date, NTL shall in relation to such properties, be liable for ground rent and municipal taxes. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of NTL. No stamp duty shall be payable for the transfer and vesting of the land pertaining to GSB Undertaking, as it has been remitted, as provided in Clause 3.19 hereof and since no land pertaining to the GSB Undertaking is situate in the State of Delhi.

- 3.4 (a) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, duties and obligations of NIIT pertaining to GSB Undertaking, secured or unsecured, and whether or not provided for in the books of accounts of NIIT, whether disclosed or undisclosed in the balance sheet, shall be the debts, liabilities, duties and obligations of NTL and NTL undertakes to meet, discharge and satisfy the same. It is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- (b) Where any of the liabilities and obligations attributed to the GSB Undertaking on the Appointed Date has been discharged or is discharged by NIIT on behalf of

the GSB Undertaking after the Appointed Date and For NIIT, Dated _____

ATTESTED
Examiner Judicial Dept
High Court of Delhi


Authorised Signatory

prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of NTL.

- 3.5 All loans raised and used, and liabilities incurred, by NIIT after the Appointed Date but before the Effective Date for the operations of the GSB Undertaking shall be discharged by NTL.
- 3.6 With effect from the Appointed Date and upon the Scheme becoming effective, NIIT and NTL shall take all steps reasonably necessary to enter into new or amendatory loan or security agreements or instruments and the like, as may be necessary with the creditors, such that NTL shall assume the sole responsibility for repayment of borrowings.
- 3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, exemption schemes, arrangements and other instruments of whatsoever nature, in relation to the GSB Undertaking, or to the benefit of which the GSB Undertaking may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour of NTL and may be enforced as fully and effectually as if, instead of NIIT, NTL had been a party or beneficiary or obligee thereto.
- 3.8 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences including those relating to tenancies, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the GSB Undertaking to the benefit of which the GSB Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be remain in full force and effect in favour of, or against,

For NIIT Investments Limited

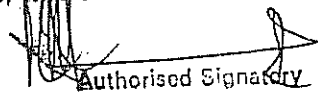
Authorised Signatory

Number Judicial
High Court of Madras

NTL as the case may be, and may be enforced fully and effectually as if, instead of NIIT, NTL had been a beneficiary or obligee thereto.

- 3.9 (a) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents required to carry on operations in the GSB Undertaking shall stand vested in and or transferred to NTL, without any further act or deed, and shall be appropriately recorded by the statutory authorities concerned therewith in favour of NTL, by granting fresh registrations, licences, certificates etc in the name of NTL, if required. The benefit of all statutory and regulatory permissions, factory licences, STPI registrations / licenses / approvals, environmental approvals and consents including the statutory licences, permissions or approvals or consents required to carry on the operations of the GSB Undertaking shall vest in and become available to, or deemed to have vested in and made available to, NTL pursuant to the Scheme with effect from the Appointed Date. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by the GSB Undertaking and GLB Undertaking shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation and / or issue fresh, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation

For NTL Investments Limited


Authorised Signatory

AFCO 110

**Examiner Judicial Department
High Court of Madras**

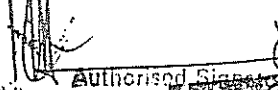
of operations in NTL without any hindrance or let, from the Appointed Date.

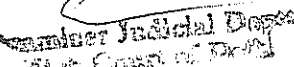
(b) Upon the Scheme becoming effective, NTL shall be deemed to have been carrying on the business of GSB Undertaking with effect from the Appointed Date and be entitled to avail / claim with effect from the Appointed Date all the benefits, registrations (including registration as an STP Unit and/or 100 % Export- Oriented Unit), permissions, licences, concessions, exemptions, benefits under Section 10A/10 B of the Income Tax Act, 1961 etc with respect to the GSB Undertaking as were being availed / claimed by NIIT. If any regulatory authority, including the STPI, requires the filing of any application, the same shall be filed for statistical purpose only; as both the GSB Undertaking and the GLB Undertaking are eligible businesses (and continue to be so eligible) for claiming various benefits, concessions etc, including the benefits under Section 10A/10 B of the Income Tax Act, 1961

3.10 NTL, at any time after the Scheme becoming effective and in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the GSB Undertaking to which NIIT is a party in order to give formal effect to the above provisions.

3.11 With effect from the Appointed Date and upon the Scheme becoming effective, NTL undertakes to have such legal or other proceedings initiated by or against NIIT in respect of the GSB Undertaking, transferred in its name and to have the same continued, prosecuted and enforced by or against NTL

For NIIT Investments Limited


Authorized Signatory


Chartered Judicial Officer
High Court of Madras

to the exclusion of NIIT. NTL also undertakes to deal with all legal or other proceedings which may be initiated by or against NIIT or NTL after the Effective Date relating to the GSB Undertaking in respect of the period up to the Effective Date, in its own name and account and to the exclusion of NIIT, and further undertakes to pay all amounts including interest, penalties, damages, etc. which NIIT may be called upon to pay or secure in respect of any liability or obligation relating to the GSB Undertaking for the period up to the Effective Date, and any reasonable costs incurred by NIIT in respect of such proceedings started by or against it relating to the period up to the Effective Date upon submission of necessary evidence by NIIT to NTL for making such payment.

3.12 (a) With effect from the Appointed Date and upon the Scheme becoming effective any and all permanent employees of NIIT engaged in the GSB Undertaking as on the Effective Date, shall become permanent employees of NTL employed on similar terms and conditions as to remuneration, and without any break or interruption of service.

(b) Post Effective Date, NTL shall have the option of either creating new trust for the benefit of their respective employees to take care of the provident fund and superannuation fund, or of continuing with to make contributions to existing funds established by NIIT. In case, NTL establishes a new provident fund for its employees, the balances lying to the credit of employees of the GSB Undertaking in the existing provident fund established by NIIT, shall be transferred to such new provident fund by way of transfer of equivalent amount of cash / underlying investments and pending such transfer, the contributions required to be made in respect of such

NIIT Investments Limited

Authorised Signatory

ATTESTED

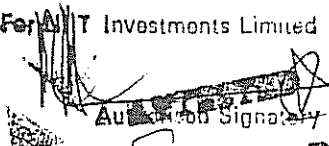
Examiner Judicial Dept
High Court of Delhi

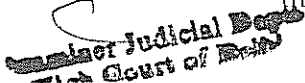
employees shall continue to be made by NTL to the existing provident fund of NIIT. NTL shall discharge the liability (if any) of provident fund in respect of other employees taken over by it under the Scheme as and when the same shall become applicable. Similarly, in respect of superannuation benefits, the accumulated contributions and accretions thereon of the employees of the GSB Undertaking shall be transferred to a similar fund, if so established by NTL and pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by NTL to the existing superannuation fund of NIIT. Payment in respect of gratuity liability of the employees taken over by NTL shall be made by NTL as and when the same may become due.

(c) It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the GSB Undertaking of NIIT in relation to such schemes or funds shall become those of NTL. It is clarified that the services of all permanent employees of NIIT transferred to NTL will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds. In the event that NTL creates any such funds, all contributions pertaining to the permanent employees of the GSB Undertaking made to the existing funds shall be transferred by NIIT to the new funds.

(d) NTL undertakes to continue to abide by any agreement(s) / settlement(s) entered into with any labour unions / permanent employees by NIIT in relation to the GSB Undertaking. NTL agrees that for the purpose of payment of any retrenchment

For NIIT Investments Limited


Authorized Signatory


Notary Public
Court of India

compensation, gratuity and other terminal benefits, the past services of such permanent employees with NIIT shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

- (e) Options granted (whether vested or not) pursuant to NIIT Employee Stock Option Scheme "ESOP 2000" to such employees of NIIT who are becoming employees of NTL pursuant to the Scheme shall be restructured by the Compensation Committee so that instead of options of NIIT such employees shall be given proportionate options in NTL determined on the principles laid down in Clause 3.20 and 4.1 of the Scheme and the time for which the employee held such options in NIIT shall be taken into account while considering the vesting of such option in NTL; and
- (f) Upon the Scheme becoming effective, NIIT Employee Stock Option Scheme "ESOP 2000" shall be deemed to have been suitably modified and made applicable to NTL and the Board of NTL shall be deemed to have been authorised to implement such a stock option scheme in NTL to grant options upto 10% of the issued equity share capital of NTL on the similar terms and conditions as are contained in NIIT Employee Stock Option Scheme "ESOP 2000", subject to the provisions of Clause 3.12(e) above and subject to such other approvals/permissions/compliances as may be required under the law.

3.13 Subject to the other provisions contained in this Scheme, all contracts, business/ asset purchase agreements, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights,

For NIIT Investments Limited

Authorized Signatory

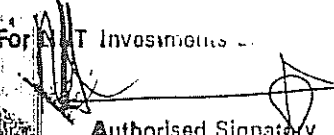
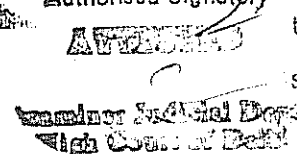
Member Judicial Bench
High Court of Delhi

deeds, bonds, other agreements and instruments of whatsoever nature relating to the GSB Undertaking to which NIIT is a party or having effect immediately before the Effective Date, shall remain in full force and effect against and in favour of NTL and may be enforced fully and effectually as if, instead of NIIT, NTL had been a party thereto.

3.14 NIIT shall permit NTL to use its brand "NIIT" as a part of the corporate name of NTL and as a part of its brand name and marketing / promotional material, subject to such terms and conditions as may be agreed to between NIIT and NTL.

3.15 NIIT is entitled to various benefits under incentive schemes, tax holidays and or tax concessions, including, *inter-alia*, under the Income-tax Act, 1961, and policies in relation to the GSB Undertaking and pursuant to this Scheme it is declared that the benefits under all of such schemes, tax holidays and or tax concessions, and policies shall be transferred to and vest in NTL and all benefits, entitlements and incentives of any nature whatsoever, including income tax concessions and incentives, carry forward losses, unabsorbed depreciation, etc, shall be claimed by NTL and these shall relate back to the Appointed Date as if NTL was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by NTL of all the terms and conditions subject to which the benefits under the incentive schemes were made available to NIIT.

3.16 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorizations relating to the GSB Undertaking, shall stand transferred by the order of the Hon'ble Court to NTL, NTL shall file the relevant intimations, if any, for the record of the

For NIIT Investments ...

Authorised Signatory

Hon'ble Justice Dipak Chatterjee
High Court of Delhi

statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts.

3.17 For the purpose of giving effect to the order passed under Section 391 and 394 in respect of this Scheme, NTL shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the GSB Undertaking in NTL. Upon the Scheme becoming effective and with effect from the Appointed Date and the filing of certified copies of the order of the High Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of NTL in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of NIIT in accordance with Section 138 of the Act, if there are any existing charges attaching to the GSB Undertaking.

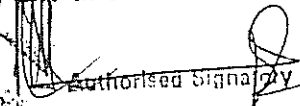
3.18 With effect from the Appointed Date and upto and including the Effective Date:

(a) NIIT shall be deemed to have been carrying on all business and activities relating to the GSB Undertaking for and on behalf of and in trust for NTL.


(b) All profits accruing to NIIT and all taxes thereof or losses arising or incurred by it relating to the GSB Undertaking shall, for all purposes, be treated as the profits, taxes or losses as the case may be of NTL.

(c) NIIT in relation to the GSB Undertaking and NTL shall carry on their business activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort

For NIIT Investments Limited


Authorised Signatory




Member Judicial Deptt
High Court of Madras

or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, save and except, in each case, in the following circumstances:

- (i) if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Delhi at New Delhi; or
 - (ii) if the same is expressly permitted by this Scheme; or
 - (iii) if written consent of NTL / NIIT, as the case may be, has been obtained.
- (d) except by mutual consent of the respective Boards of Directors of NIIT or NTL, or as the case may be, or as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme, pending sanction of this Scheme, NTL and NIIT shall not make any change in their respective capital structure or in the capital structure of the subsidiaries of NIIT or step down subsidiaries of such subsidiaries of NIIT either by any increase, (by issue of equity shares, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, affect the reorganisation of capital herein.

B. Consideration:

3.19 Upon the Scheme becoming effective and in discharge of the consideration for the demerger, transfer and vesting of the GSB Undertaking, NTL shall, without any further act or deed, issue and allot to the equity shareholders of NIIT its

For NIIT Investments Limited

Authorised Signatory

Member Judicial Dept

equity shares on the basis and in the manner more specifically hereunder.

3.20 Subject to Clauses 3.22 hereof, NTL shall issue and allot its fully paid up Equity Share of the face value of Rs. 10/- each in the proportion of 75 Equity Shares of Rs. 10/- fully paid up of NTL to every member of NIIT holding one-hundred (100) fully paid Equity Shares of Rs. 10/- each in NIIT, prior to reorganization of Share Capital of NIIT as envisaged in Part IV of the Scheme.

3.21 The Equity Shares of NTL to be issued under Clause 3.20 shall be issued by NTL to those equity shareholders of NIIT whose names appear on the Register of Members of NIIT on the Record Date.

3.22 No coupons shall be issued in respect of fractional entitlements, if any, by NTL, to the members of NIIT at the time of issue and allotment of Equity Shares of NTL. The Board of Directors of NTL shall, instead consolidate all such fractional entitlements, ignoring any fraction remaining after such consolidation and thereupon shall issue and allot whole Equity Shares in lieu thereof to a director or officer of NTL or such other person as the Board of Directors of NTL shall appoint in this behalf who shall hold such Equity Shares in trust for all such members who are entitled to such fractional balances, with the express understanding that such director, officer of NTL or such other person, who is allotted such consolidated shares, be bound by the express understanding to cause the sale of such shares by a Committee of Directors, acting in trust on behalf of the members entitled to the fractional balances. Such sale of shares in the market shall be by the Committee of Directors at such time(s), at such price(s) and to such person(s) as the Committee of Directors may deem fit and the net sale

For Investments Limited

Authorized Signatory

Minor Judicial Dept
High Court of Delhi

proceeds thereof, deposited with NTL (i.e., after deduction there from of expenses incurred in connection with the sale), shall be distributed by NTL to the equity shareholders of NIIT (as on the Record Date) in proportion to their respective fractional entitlements.

3.23 All Equity Shares to be issued and allotted by NTL in terms hereof shall rank pari passu in all respects including dividend from the date of their allotment in terms of the Scheme with the existing Equity Shares of NTL. The holders of the Equity Shares of NTL and NIIT shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Record Date. All the Equity Shares of NTL, including the existing Equity Shares issued by NTL shall be listed on all the stock exchanges on which existing equity shares of NIIT are listed.

3.24 The Stock Exchanges shall list all the Equity Shares of NTL in accordance with Chapter VIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 without NTL being required to make an initial public offer, as the requisite minimum public shareholding of NTL's paid-up share capital shall comprise of Equity Shares allotted to the public holders of Equity Shares in NIIT. (viz members of the public)

3.25 Upon the Scheme becoming effective and subject to the above provisions, the shareholders of NIIT as on the Record Date, shall receive new share certificates or demat share receipts of credit of new Equity Shares in their share accounts maintained with the depository participants reflecting the equity share capital of NTL issued in accordance with Clause 3.20. NTL shall, if so required, be


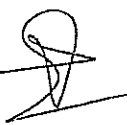
For NIIT Investments Limited

Authorised Signatory


ATTEST
Member of Technical Staff
NITM Centre of Excellence

eligible to issue letters of allotment for the Equity Shares pending issue of share certificates or receipts for credit to the account of the shareholders with the depository participant under the depository system. It is clarified that members of NIIT who hold their Equity Shares in dematerialized form shall be issued the Equity Shares of NTL in dematerialised form as per the records maintained by the depository participant as on the Record Date and those who hold shares in physical form shall be issued share certificates.

- 3.26 NTL undertakes to increase its Authorised Capital, if required, by appropriate amount after the sanction of the Scheme, but prior to the Record Date, so as to discharge its obligations under this Scheme.
- 3.27 The Reference Balance Sheet of NTL as on the Appointed Date presuming the Scheme has become effective and after taking into account the provisions of this Part III is attached herewith as Annexure II.

For NIIT Investments Limited

Authorised Signatory 

ATTESTED


Examiner Judicial Depto
High Court of Bahr

PART IV

4. REORGANIZATION OF SHARE CAPITAL OF NIIT

4.1 Pursuant to the demerger of the GSB Undertaking, the paid up equity share capital of NIIT shall be reorganized. The par value (Rs. 10/-) of the paid up Equity Shares of NIIT as are issued and outstanding, on the Record Date, shall be reorganized. The face value of Rs. 5/- per Equity Share of Rs. 10/- each shall be treated as cancelled. The balance paid up value of Rs. 5/- per Equity Share of NIIT shall be consolidated into fully paid up Equity Shares of Rs. 10/- each such that 100 Equity Shares of Rs. 10/- each fully paid up of NIIT held prior to the reorganization hereunder shall stand reorganized into 50 Equity Shares of Rs. 10/- each fully paid up.

4.2 In the event the reorganization results in any fractional balances in the holding of any member of NIIT, the Board of Directors of NIIT shall be empowered to consolidate all such fractional balances, ignoring any fraction remaining after such consolidation, into whole Equity Shares and issue and allot them to a director or officer of NIIT or such other person as the Board of Directors of NIIT shall appoint in this behalf, to be held in trust for all such members who are entitled to such fractional balances, with the express understanding that such director, officer of NIIT or such other person, who is allotted such consolidated shares, shall be bound by the express understanding to cause the sale of such shares by a Committee of Directors, acting in trust on behalf of the members entitled to the fractional balances.

For NIIT Investments Limited
Authorized Signatory

ATTEST
Registrar Judicial Department
High Court of Bombay

Such sale of shares in the market shall be by the Committee of Directors at such price(s), at such time(s), and to such person(s), as the Committee of Directors may deem fit and

the net sale proceeds, deposited with NIIT, shall be distributed by NIIT to the members (as on the Record Date) in proportion to the respective fractional entitlements, after deduction therefrom the expenses incurred in connection with the sale.

4.3 NIIT, acting through the Committee of Directors shall be empowered to advise the depository participants of the equity shareholders in dematerialized form, on the Record Date, the information of shareholding arising out of reorganization of capital pursuant to this Scheme; for substitution thereof in lieu of or in the place and stead of the certificates of the Equity Shares held by them before such reorganization of capital.

4.4 Those equity shareholders of NIIT who continue to hold their Equity Share in physical form as on the Record Date shall be issued fresh share certificates consequent upon the reorganization. Their original share certificates shall be deemed to be cancelled and non-est and not tradable on any stock exchange or otherwise from and after the Record Date. The new Share Certificates of NIIT issued pursuant to Part IV of this Scheme shall be delivered to such equity shareholders who hold their Equity Shares in physical form by Registered Post, irrespective of whether such Equity Shareholders surrender their old share certificates or not. The Stock Exchanges shall also be intimated, on the Record Date of the non-tradability of the original share certificates so that they can intimate NIIT members by public notice displayed on the Notice Board and through electronic means.

For NIIT Investments Limited

4.5


Options granted (whether vested or not) pursuant to NIIT Employee Stock Option Scheme "ESOP 2000" to such employees of NIIT who are not becoming

Authorised

Member Judicial Bench
High Court of Delhi

employees of NTL pursuant to the Scheme shall be restructured by the Compensation Committee on proportionate basis on the principles laid down in Clause 3.20 and 4.1 of the Scheme

For NTL Investments Limited
Authorised Signatory



AFFIRMED
Magister Judicial Officer
High Court of New Zealand

PART V

The Global Solutions Business of NIIT is carried out by NIIT itself, through equity investments made in various subsidiaries in various countries of the World and further downstream investments made by such subsidiaries. The Global Solutions Business carried out by NIIT and by its direct subsidiaries will be demerged into NTL pursuant to Part III of the Scheme. The remaining of the Global Solutions Business is proposed to be restructured in this Part V.

5. REORGANISATION OF WORLD -WIDE SUBSIDIARIES

5.1 With effect from the Appointed Date and upon the Scheme becoming effective, world-wide subsidiaries of NIIT which further hold equity shares or other similar instruments in software solutions business downstream subsidiaries will transfer their equity shares or other similar instruments to subsidiaries and downstream subsidiaries of NTL which have come into being pursuant to the Scheme. The transfer and rearrangement of the investments in worldwide subsidiaries in accordance with this Clause 5.1 shall be deemed to be a part of the demerger of the GSB Business.

5.2 With effect from the Appointed Date and upon the Scheme becoming effective, worldwide subsidiaries of NTL, that come into being pursuant to the Scheme, which further hold equity shares or other similar instruments in learning business downstream subsidiaries will transfer their equity shares or other similar instruments to subsidiaries and downstream subsidiaries of NIIT.

ATTENDED
5.3

For ~~NIIT~~ Investors: ~~Judicial Dept~~
High Court of Pond
Authorised Signatory

The transfer and rearrangement of the investments in world-wide subsidiaries in accordance with Clause 5.1 and 5.2 shall be subject to relevant approvals required from the Reserve Bank of India, implemented in a cost effective manner and in compliance with local laws.

5.4 NIIT USA Inc., USA ("NIIT USA"):

NIIT USA, a subsidiary of NIIT, is engaged in both, the learning as well as the software solutions business. It is proposed that the Software business of NIIT USA shall be spun-off into a new company, NIIT Technologies USA Inc. (a This spin-off is proposed to be achieved through a tax-free spin-off as provided under IRC 355 of the Internal Revenue Code of USA or through any other similar arrangement in compliance with laws of USA. Consequent to the proposed spin-off, the current holding of NIIT, in NIIT USA, shall split into two investments as follows:

- (i) NIIT's holding in NIIT Technologies USA Inc. (new company); and
- (ii) NIIT's holding in NIIT USA (the residual company).

NIIT's holding in NIIT Technologies USA Inc. will be deemed to be a part of the GSB Undertaking and will be demerged into NTL in accordance with Part III of the Scheme.

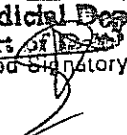
5.5 NIIT Middle East WLC., Bahrain ("NIIT Bahrain")

NIIT Bahrain is a subsidiary of NIIT Europe Ltd, UK. It is proposed that NIIT Europe Ltd, UK shall transfer its equity shares held in NIIT Bahrain to NIIT Antilles NV, Netherlands Antilles..

5.6 NIIT Malaysia Sdn Bhd., Malaysia ("NIIT Malaysia")

NIIT Malaysia is a subsidiary of NIIT Asia, Pacific Pte Ltd, Singapore ("NIIT Singapore"). It is proposed that NIIT Singapore shall transfer its equity shares held in NIIT Malaysia to NIIT Antilles NV, Netherlands Antilles.

ATTESTED
 For NIIT Investments
 Notary Public
 High Court of Singapore
 Authorised Signatory



5.7 NIIT Japan KK, Japan ("NIIT Japan")

Pursuant to the transfer as per Part III of the Scheme, NIIT Japan shall form part of the GSB undertaking. It is proposed that NIIT shall transfer its equity shares held in NIIT Japan to NIIT Technologies Inc. USA.

5.8 NIIT GC Ltd., Mauritius ("NIIT GC")

NIIT GC is a subsidiary of NIIT Mauritius Limited, Mauritius. It is proposed that NIIT Mauritius Limited, Mauritius shall transfer its equity shares in NIIT GC to NIIT Antilles NV, Netherlands Antilles.

5.9 NIIT Mauritius Limited, Mauritius

It is proposed that all other investments of NIIT Mauritius Limited, Mauritius, whether strategic or minority, except equity shares of NIIT GC, will be transferred to NIIT Technologies USA Inc. (the new company). It is proposed that, thereafter, NIIT Mauritius Limited, Mauritius may be wound up in accordance with laws of Mauritius.

5.10 NIIT Europe Ltd. ("NIIT UK")

NIIT's investment in NIIT UK represents economic interest to the extent of GBP 3,276,427 forming part of the GSB Undertaking and GBP 3,573,576 representing economic interest of the GLB Undertaking. Accordingly, NIIT's investment in NIIT UK of GBP 3,276,427 shall be demerged into NTL in accordance with Part III of the Scheme. NIIT UK proposes to buyback from NIIT a part of its equity shares or undertake any other similar arrangement, to the extent of

ATTESTED

**Senior Judicial Officer
High Court of Mauritius**

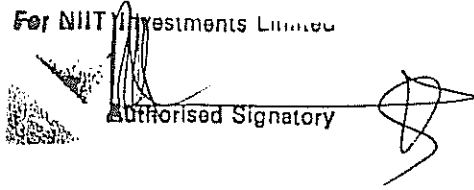
For NIIT Investments Limited

Authorised Signatory

GBP 3,573,576 representing economic interest of the GLB
Undertaking in NIIT UK.

For NIIT Investments Limited

Authorised Signatory

A handwritten signature in black ink, consisting of several vertical strokes, is written over the text 'For NIIT Investments Limited'. A horizontal line extends from the end of the signature to the right, ending in a large, circular scribble.

ATTESTED

**Witness Judicial Dept
High Court of India**

PART VI

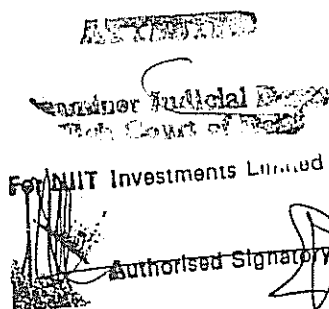
6. GENERAL TERMS AND CONDITIONS

- 6.1 (i) Upon the Scheme becoming effective, and consequent to the issuance/ re-organization of share capital as per Clause 3.20 and 4.1 above, the aggregate reserves of NIIT shall be reduced by Rs. 96,623,200, and the same shall stand reorganized and allocated between NIIT and NTL as described below: -

Rs.	NIIT	NTL
Capital Redemption Reserve	54,598,467	16,570,603
Share premium account	44,794,328	13,595,052
General Reserve	2,960,915,284	898,636,049
Profit & Loss Account	1,802,425,935	547,035,212

- (ii) The reference Balance Sheets of NIIT and NTL as on the Appointed Date presuming that the Scheme has become effective and after taking into account the transactions envisaged in Part II to IV of the Scheme, are attached herewith as Annexure-II.

- 6.2 (i) The Board of NIIT or a Committee of Directors of NIIT shall determine the Record Date(s) which shall be later than the Effective Date. Separate or common Record Dates may be taken for:



 Chartered Accountant
 Member Judicial Department
 High Court of Madhya Pradesh
 For NIIT Investments Limited
 Authorised Signatory

- (a) for issue and allotment of fully paid up Equity Shares by NTL in accordance with Part III of this Scheme; and
- (b) re-organization of Equity Share Capital of NIIT.

(ii) On determination of the Record Date(s) as aforesaid, NIIT shall provide to NTL, the list of members of NIIT as on the Record Date(s) who are entitled to the issue and allotment of the fully paid Equity Shares in terms of the Scheme, to enable NTL to issue and allot fully paid Equity Shares in terms of this Scheme.

6.3 (i) Upon the Scheme becoming effective, NTL may, in its balance sheet to be prepared as on March 31, 2004, represent all the assets including the fixed assets, current assets and investments at their fair value, to ensure that such assets reflect their correct value in terms of their future usage, technological obsolescence, revenue & cash generating capabilities and accounting principles of conservatism. The balance between book value of these assets and the fair value shall be adjusted against the free reserves and /or the demerger adjustment account, if any -

(ii) Further, the diminution in subsidiaries of NTL on account of review of the assets of respective subsidiaries, in accordance with the relevant accounting standards in each jurisdiction, may be reflected while preparing consolidated accounts of NTL in accordance with AS-21 and the difference, if any, may be adjusted in reserves arising out of consolidation

(iii) Such representation of the assets viz. fixed assets, current assets, and investments at its fair value shall be in accordance with the recommendations of the financial consultants to be appointed by the Board of NTL.

ATTENDED
Registrar
Company Registrar
High Court of Madras

For ~~NIIT~~ Investments Limited
Authorised Signatory

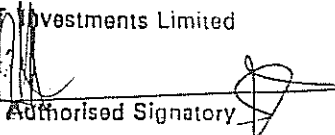
(iv) Such recommendations of the financial consultants shall be made to the audit committee of NTL, which in turn may recommend fair value of all such assets to

the Board of NTL, who in turn may approve representation of all such assets at their fair value.

- 6.4 (i) Upon the Scheme becoming effective, NIIT may, in its balance sheet to be prepared as on March 31, 2004, represent all the assets including the fixed assets, current assets and investments at their fair value, to ensure that such assets reflect their correct value in terms of their future usage, technological obsolescence, revenue & cash generating capabilities and accounting principles of conservatism. The balance between book value of these assets and the fair value shall be adjusted against the free reserves and /or the demerger adjustment account, if any.
- (ii) Further, the diminution in subsidiaries of NIIT on account of review of the assets of respective subsidiaries, in accordance with the relevant accounting standards in each jurisdiction, may be reflected while preparing consolidated accounts of NIIT in accordance with AS-21 and the difference, if any, may be adjusted in reserves arising out of consolidation
- (iii) Such representation of the assets viz. fixed assets, current assets, and investments at its fair value shall be in accordance with the recommendations of the financial consultants to be appointed by the Board of NIIT.
- (iv) Such recommendations of the financial consultants shall be made to the audit committee of NIIT, which in turn may recommend fair value of all such assets to the Board of NIIT, who in turn may approve representation of all such assets at their fair value.

ATTESTED

Examiner Judicial Dept
High Court of Bahr

For NIIT Investments Limited

Authorised Signatory

- 6.5 (i) The provisions of Part III of the Scheme are in compliance with Section 2(19AA) of the Income Tax Act, 1961 and are intended to be implemented accordingly.
- (ii) NIIT and NTL are expressly permitted to revise their Income Tax returns and related TDS certificates and the right to claim refund, advance tax credits etc. upon this Scheme becoming effective and have expressly reserved the right to make such revisions in the Income Tax returns and related TDS certificates and the right to claim refund, advance tax credits etc. pursuant to the sanction of this Scheme.

6.6 Upon the Scheme becoming effective, para no: (i) of the letter no: 10/6/2002.CL.X dated: 31st December 2002 read with letter no. 10/6/2000-CL.X (VI) dated 22nd January 2003 issued to NIIT by the Department of Company Affairs, Government of India shall be deemed to have been waived off, as the same would become almost impossible to comply with in light of the restructuring of the business of NIIT as proposed in this Scheme.

6.7 There is no stamp duty payable in the State of Delhi, for the demerger order, as there is no conveyance of immovable property taking place that may be chargeable to stamp duty within the State of Delhi.

ATTESTED
Minor Judicial Officer
High Court of Delhi
For NIIT Investments Limited
Authorised Signatory

NIIT and NTL shall make necessary applications before the Hon'ble Delhi High Court for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of Courts located in Delhi only.

6.9 All costs, charges, taxes, including duties, levies and fees, restructuring expenses and all other expenses, if any, arising

out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental to the transactions envisaged in this Scheme, shall be borne by NIIT and NTL, in such proportion as they may agree and shall be adjusted against their reserves.

6.10 NIIT and NTL through their directors or authorised persons, may in their full and absolute discretion, assent to any alteration or modification to which the Court and or any other Authority may deem fit to approve or impose and / or make any alteration or modification as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith. NIIT and NTL through their directors or authorised persons, may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage of the proceedings.

6.11 The Scheme is conditional upon and subject to its being sanctioned by the Hon'ble High Court of Delhi and certified copies of the order sanctioning the Scheme being filed with the Registrars of Companies, NCT of Delhi and Haryana. The Scheme shall become operative on the date on which certified copy of order of the Hon'ble High Court of Delhi sanctioning the Scheme is filed by NIIT and NTL with the Registrar of Companies, NCT of Delhi and Haryana. Such date shall be known as the Effective Date.

ATTESTED

**Member Judicial Dept.
High Court of Delhi**

If any Part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any Party, in which case the Parties

For NIIT Investments Limited
Authorised Signatory

shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part.

6.13 On the sanction of the Scheme and upon the Scheme becoming effective, with effect from the Appointed Date the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder: -

- (i) Transfer by way of demerger of the GSB Undertaking into NTL;
- (ii) Issue of shares by NTL as a consideration of the demerger of GSB Undertaking into NTL; and
- (iii) Reorganisation of Equity Share Capital of NIIT in accordance with Part IV of the Scheme.

6.14 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any Equity Shares in NIIT or NTL as to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to NTL or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to the arbitration of Mr. R S Pawar, Chairman & Managing Director of NIIT under the Arbitration and Conciliation Act 1996, whose decision shall be final and binding on all concerned.

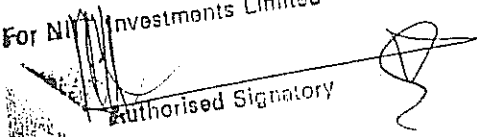
APPROVED
Chartered Financial Analyst
High Court of India

For M.A. Investments Limited

Authorised Signatory

ANNEXURE I

Sl No.	Name of the Property	Location
1	Rajdoot, Versova Mumbai	Flat no 103, 1 st Floor, Rajdoot (Wings A & B) Situated at Sub Plot no 2 of Plot E, and presently bearing C.T.S No. 1210/3B admeasuring 2465.5 sq. mts. Off Yari Road, Versova, Andheri West, Mumbai 400 058 Flat measuring 974 sq. feet (carpet area)
2	Rajdoot, Versova Mumbai	Flat no 205, 2 nd Floor, Rajdoot (Wings A & B), Situated at Sub Plot no 2 of Plot E, and presently bearing C.T.S No. 1210/3B admeasuring 2465.5 sq. mts. Off Yari Road, Versova, Andheri West, Mumbai 400 058 Flat measuring 715 sq.feet. (carpet area)
3	Takshila Building Mumbai	Flat no 31, A Wing, 3 rd Floor, Takshila Building no 24, Co-operative Housing Society Ltd. Situated at Plot no 53,54,55 and 56 (part) of Mulgaon Village Mahakali Caves Road, Andheri East, Mumbai.400 093 Flat measuring 895 sq.ft.
4	Charmwood, Surajkund	Flat no 12, 3 rd Floor, Block E-5, Charmwood Village, Surajkund Road, Faridabad Haryana Flat measuring 950 sq feet
5	Gurgaon, Huda (Yet to be capitalized)	Plot no 85, Sector 32, Gurgaon Echelon Institutional Area Gurgaon, Haryana Land measuring 4050 sq. mtrs.

For NIT Investments Limited

Authorised Signatory

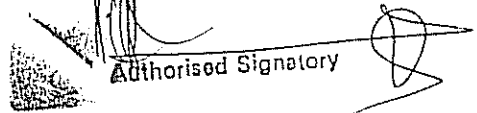
ASSTANT
JUDICIAL DEPT
High Court of Delhi


48

ANNEXURE-II
Reference Balance Sheet of 'NIIT' and 'NTL' as on Appointed Date

		(In Rs)		
	Particulars		" NIIT "	" NTL "
	TOTAL ASSETS			
1	FIXED ASSETS			
	Gross Block		2,494,539,374	1,355,325,392
	Accumulated Depreciation		(1,390,751,536)	(669,920,524)
	NET FIXED ASSETS		1,103,787,838	685,404,868
2	CAPITAL WORK-IN-PROGRESS		12,003,715	12,979,082
3	INVESTMENTS		3,046,238,941	721,914,885
	LONG TERM, TRADE [UNQUOTED] In Subsidiary Companies			
	* NIIT (USA) Inc. , USA		398,415,709	
	* NIIT (USA) Inc. , USA			110,475,698
	2,989,375 Equity Shares of 1 Singapore \$ each fully paid-up in NIIT Asia Pacific Pte. Ltd., Singapore			77,518,750
	2,092 Equity Shares of 50,000 Yen each fully paid-up in NIIT Japan K.K., Japan			33,178,916
	1 Equity Share of 70,475 Yen each fully paid-up in NIIT Japan K.K., Japan			20,890
	6,000 Equity Shares of 50,700 Yen each fully paid-up in NIIT Japan K.K., Japan			90,168,878
	6,816,436 Equity Shares of 1 Singapore \$ each fully paid-up in NIIT Australasia Pte. Ltd., Singapore		180,836,595	
	3,573,576 Equity Shares of 1 UK Pound each fully paid-up in NIIT Europe Ltd., UK		222,966,903	
	3,276,427 Equity Shares of 1 UK Pound each fully paid-up in NIIT Europe Ltd., UK			204,426,821
	500,000 Equity Shares of 1 US \$ or Rp. 2297 each fully paid-up in PT NIIT Indonesia, Indonesia	17,560,000		
	Less Provision for diminution in the value of investment	(17,560,000)	0	
	890,000 Equity Shares of Rs. 10/- each fully paid-up in NIIT GIS Ltd			8,900,000
	6,600,000 Equity Shares of US \$ 1 each fully paid-up in NIIT Mauritius Ltd., Mauritius		297,342,250	
	21,506,000 Equity Shares of US \$ 1 each fully paid-up in NIIT Antilles NV, Netherlands Antilles		1,023,676,900	
	108,000,000 Equity Shares of Re 1 each fully paid-up in NIIT Online Learning Limited		108,000,000	
	325,000,000 8.5% Cumulative Redeemable Preference Shares of Re 1 each fully paid in NIIT Online Learning Limited		325,000,000	
	900,000 Equity Shares of Rs 10/- each fully paid-up in Hole-in-the-wall Education Limited (formerly Minimally Invasive Education Company Limited)		9,000,000	
	5,499,990 Equity Shares of Rs 10/- each fully paid-up in NIIT SmartServe Limited			54,999,900

For NIIT Investments Limited

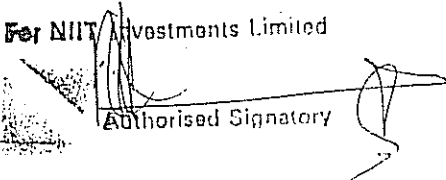

Authorised Signatory

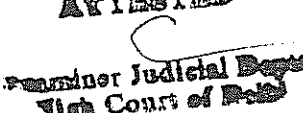
ATTESTED

Charmer Judicial Dept
High Court of Delhi

Particulars		"NIIT"	"NTL"
87,934 Equity Shares of Euro 1/- each fully paid-up in AD Solutions, Germany In Other Companies 1,500,000 Equity Shares of Singapore S each fully paid-up in Japan India Information Technology Pte. Ltd., Singapore Less-Provision for diminution in the value of investment	36,867,451 (36,867,451)	0	142,225,032
80,311 Equity Shares of Rs 10/- each fully paid-up at a premium of Rs 301.29 per share in Mind Shaper Technologies Pvt. Ltd.		25,000,000	
100,627 Equity Shares of Rs 10/- each fully paid-up at a premium of Rs 94.92 per share in Aesthetics Technologies Pvt. Ltd.		20,000,584	
600,000 Equity Shares of Rs 10/- each fully paid-up at par in MedVarsity Online Ltd		6,000,000	
LONG TERM, NON-TRADE (UNQUOTED) In Other Companies			
240 Equity Shares of Rs.10/- each fully paid-up in Hinduja HCL Singtel Communication Pvt. Ltd Less Provision for diminution in the value of investment	2,400 (2,400)	0	
SHORT TERM, TRADE INVESTMENTS (UNQUOTED) Units of Mutual Funds		430,000,000	
4 DEFERRED TAX ASSETS		7,570,000	
5 CURRENT ASSETS			
Inventory		76,546,378	3,656,989
Sundry Debtors		944,331,946	378,168,944
Interest Accrued			131,498
Cash & Bank Balances		504,364,897	135,702,276
Other Current Assets		58,354,262	23,610,338
Loans & Advances		292,018,435	110,261,304
TOTAL CURRENT ASSETS		1,875,615,918	651,531,349
TOTAL ASSETS (A)		6,045,216,411	2,071,830,184
TOTAL LIABILITIES			
6 CURRENT LIABILITIES & PROVISIONS		672,466,872	165,533,733
7 LOAN FUNDS		316,763,135	122,215,573
8 DEFERRED TAX LIABILITY		-	25,000,000
TOTAL LIABILITIES (B)		989,230,007	302,749,306
NET WORTH (A-B)		5,055,986,404	1,769,080,878
9 EQUITY SHARE CAPITAL		193,252,390	292,369,600
10 RESERVES & SURPLUS		4,862,734,014	1,476,711,278
Capital Redemption Reserve		54,598,467	16,570,603
Share Premium Account		44,794,328	13,595,052
General Reserve		2,960,915,284	898,636,049
Profit & Loss Account		1,802,425,935	547,909,574
NET WORTH (9 +10)		5,055,986,404	1,769,080,878

* NIIT as on 31.03.2003 held 11,000,000 equity shares of US \$ 1 each aggregating to US \$ 11,000,000, equivalent to Rs 508,891,407 in NIIT USA Inc, USA. Pursuant to the proposed reorganization of NIIT USA Inc., as detailed in Part V of the Scheme, NIIT's investment in NIIT USA Inc., USA shall be split into investment in NIIT USA Inc. (residual company) and NIIT Technologies USA Inc (new Company). Rs 398,415,709 and Rs 110,475,698 respectively reflect NIIT's value of investment in NIIT USA Inc and NIIT Technologies USA Inc. The number of equity shares and face value of each equity share representing the investment of NIIT in the two companies shall be determined on completion of spin off process of NIIT USA Inc, USA.

Pursuant to demerger of NIIT, its investment in NIIT Technologies USA Inc, shall be transferred to NTL at the value stated above.

For NIIT Investments Limited

 Authorized Signatory

ATTESTED

 Examiner Judicial Dept
 High Court of Madras

IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY PETITION NO. 75 OF 2004
CONNECTED WITH

COMPANY APPLICATION (M) NO. 17 OF 2004

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

In the matter of the Companies Act, 1956;

And

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

And

In the matter of NIIT Limited (Petitioner/Transferor Company), a Company incorporated under the Companies Act, 1956 having its registered office at C - 125, Okhla Industrial Area, Phase - I, New Delhi - 110 020;

And

In the matter of the Scheme of Arrangement between NIIT Limited (Transferor Company) and its Shareholders and the Creditors, and NIIT Technologies Limited and its Shareholders, both companies incorporated under the Companies Act, 1956, having their registered offices at C - 125, Okhla Industrial Area, Phase - I, New Delhi - 110 020.

NIIT Limited)	
a Company incorporated under the)	
Companies Act, 1956)	... PETITIONER / TRANSFEROR
having its Registered office at)	COMPANY
C-125, Okhla Industrial Area, Phase-I)	
New Delhi - 110020)	

SCHEDULE 15

1. Part I: Short Description of the freehold property of the Transferor Company:

Sl No.	Particulars of Free hold property	Total Area
1.	<p>BUILDING Rajdoot, Versova Mumbai Flat no 103, 1st Floor. Rajdoot (Wings A & B), situated at Sub Plot no 2 of Plot E, and presently bearing C.T.S No. 1210/3B admeasuring 2465.5 sq. mts. Off Yari Road, Versova, Andheri West, Mumbai 400 058</p> <p>Boundaries- North: Partly by C.T.S. No. 1210/3A and partly by C.T.S. No. 1215 South : by C.T.S. 1215 East : Partly by C.T.S. No. 1215, Partly by C.T.S. No.1209 and partly by C.T.S No. 1210/3A West : by C.T.S. No. 1210/ 3A</p>	Flat measuring an Area of 974 sq. feet (carpet area)

APPROVED
Registrar of Companies
High Court of Delhi

SI No.	Particulars of Free hold property	Total Area
2.	BUILDING Rajdoot, Versova Mumbai Flat no 205, 2 nd Floor, Rajdoot (Wings A & B), situated at Sub-Plot no 2 of Plot E, and presently bearing C.T.S No. 1210/3B admeasuring 2465.5 sq. mts. Off Yari Road, Versova, Andheri West, Mumbai 400 058 <u>Boundaries-</u> North : Partly by C.T.S. No. 1210/3A and partly by C.T.S. No. 1215 South : by C.T.S. 1210/3A East : Partly by C.T.S. No. 1215, Partly by C.T.S.No.1209 and partly by C.T.S No. 1210/3A West : by C.T.S. No. 1210/ 3A	Flat measuring an Area of 715 sq. feet. (carpet area)
3.	Takshila Building Mumbai Flat no 31, A Wing, 3 rd Floor, Takshila Building no 24, Co- opertaiye Housing Society Ltd. situated at plot no 53,54,55 and 56 (part) of Mulgaon Village Mahakali Caves Road, Andheri East, Mumbai.400 093	Area 895 sq.feet.
4.	Charmwood, Surajkund Flat no 12, 3 rd Floor, Block E-5, Charmwood Village, Surajkund Road, Faridabad, Haryana	Area 950 sq.feet
5.	Gurgaon, HUDA Plot no 85, Sector 32, Gurgaon Echelon Institutional Area, Gurgaon, Haryana (yet to be capitalized)	Land measuring an Area of 4050 sq.mtrs.

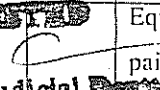
2. Part II: Short Description of the leasehold property of the Transferor Company:

None

3. Part III: Short Description of all stocks, shares, debentures and other charges in action of the Transferor Company.

A: Investments of the Transferor Company to be transferred to NIIT Technologies Limited (Transferee Company)

SI No.	Particulars of Investments	Nos. of Shares	Amount (in Rs.)
1.	Equity Shares of 1.00 Singapore \$ each fully paid-up in NIIT Asia Pacific Pte. Limited, Singapore	2,989,375	77,518,750
2	Equity Shares of 50,000 Yen each fully paid-up in NIIT Japan K.K., Japan	2092	33,178,916
	Equity Shares of 50,700 Yen each fully paid-up in NIIT Japan K.K., Japan	6000	90,168,878
	Equity Shares of 70,475 Yen each fully paid-up in NIIT Japan K.K., Japan	1	20,890

APPROVED

 Member Judicial Officer
 High Court of Madhya Pradesh

Sl No.	Particulars of Investments	Nos. of Shares	Amount (in Rs.)
5	Equity Shares of 1.00 UK Pound each fully paid-up in NIIT Europe Limited, UK	3,276,427	204,426,821
6	Equity Shares of Rs. 10/- each fully-paid in NIIT GIS Limited	890,000	8,900,000
7	Equity shares of Rs. 10/- each fully paid-up in NIIT SmartServe Limited.	5,499,990	54,999,900
8	Equity Shares of Euro 1/- each fully paid-up in AD Solutions AG, Germany	87,934	142,225,032
9	*Equity Shares of NIIT (USA) Inc., USA.		110,475,698

* NIIT Limited (the Transferor Company) as on 31.03.2003 held 11,000,000 equity shares of US\$ 1 each aggregating to US\$ 11,000,000, equivalent to Rs 508,891,407/- in NIIT USA Inc, USA. Pursuant to the Scheme and as detailed in Part V of the Scheme, the Transferor Company's investment shall be split into investment in NIIT USA Inc, USA (residual company) and NIIT Technologies Inc, USA (new Company), for an amount of Rs. 398,415,709/- and Rs. 110,475,698/-, respectively. Pursuant to Scheme, the Transferor Company's investment in NIIT Technologies Inc, (deemed to be part of GSB Undertaking) shall be transferred to the Transferee Company at stated value. The exact numbers of equity Shares and face value of each equity shares representing the investment in NIIT Technologies Inc., USA shall be determined on completion of spin off process of NIIT (USA) Inc, USA as specified in the Scheme.

B. All authorizations, consents, approvals, licenses, registrations including, but not limited to, the following:

Sl.	Description	Issued by	Approval/ Registration/ License No.
1	STP Unit- 39/2 Bannerghatta Road, Bangalore-560 029 (a) Software Technology Parks of India's Registration for 100% EOU under STP Scheme. (b) Custom Bonding License	The Director, Software Technology Parks of India, Bangalore The Deputy Commissioner of Customs, Bangalore	EIG/NIIT/GEN/18818 dated March 9, 2001 45/2001 (CUSTOMS) Dated March 16, 2001
2	STP Unit- EM 4/1, Salt Lake City, Sector-V, Kolkata (a) Software Technology Parks of India's Registration for 100% EOU under STP (b) Custom Bonding License	The Director, Software Technology Parks of India, Kolkata The Commissioner of Customs, Kolkata	STPK:DIR:382:2003-04:1035 dated February 5, 2004 18/04/(100% EOU/STP) dated February 20, 2004

APPROVED
Member Judicial Dept
High Court of Madras

<p>3</p>	<p>3.1 STP Main Unit- 6-B Pretoria Street, Kolkata</p> <p>3.2 Extended STP Unit: (i) 6 Royd Street, Kolkata (ii) EM 4/1, Salt Lake City, Sector-V, Kolkata</p> <p>(a) Software Technology Parks of India's Registration for 100% EOU under STP Scheme.</p> <p>(b) Custom Bonding License</p>	<p>The Director, Software Technology Parks of India, Kolkata</p> <p>The Commissioner of Customs, Kolkata</p>	<p>STP:EIC:95:96-97:191 dated November 01, 1996 and [for extension] STPK:DIR:95:2002-03/175 DATED June 06, 2002 And STPK:DIR:95:2003-04:1048 Dated Feb. 10, 2004</p> <p>55 dated January 31, 2002 and 141 dated March 2, 2001 and extended area endorsed on June 28, 2002 and Feb 20, 2004 on the same License</p>
<p>4</p>	<p>STP Unit- Aditiya Textiles Compund, Corduroy Building, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai</p> <p>(a) Software Technology Parks of India's Registration for 100% EOU under STP Scheme.</p> <p>(b) Custom Bonding License</p>	<p>The Director, Software Technology Parks of India, Mumbai</p> <p>The Commissioner of Customs, Mumbai</p>	<p>STP/P/VII (A) (161)/97/2036 dated December 01, 1997</p> <p>S/15-29/98-99B dated May 13, 1998</p>
<p>5</p>	<p>5.1 STP Main Unit:-A-44, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi</p> <p>5.2 Extended STP Unit: A-43, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi</p> <p>(a) Software Technology Parks of India's Registration for 100% EOU under STP Scheme.</p>	<p>The Director, Software Technology Parks of India, Noida</p>	<p>PCM/G/PSE/05/025/STPI N-13243 dated October 30, 2000 and [for extension] STPIN/EXP-UNIT/109267/10172003/1883/19742 dated October 17, 2003</p>

AVT
Senior Judicial Officer
Court of


	(b) Custom Bonding License	The Commissioner of Customs, Delhi	302/2000 dated November 20, 2000 and extended area endorsed on Nov. 10, 2003 on the same License
6	<p>6.1 STP Main Unit- 8 Balaji Estate, Sudarshan Munjal Marg, Kalkaji, New Delhi</p> <p>6.2 Extended STP Unit: (i) D-190 Oldha Phase I, New Delhi (ii) C-125 Oldha Phase I, New Delhi</p> <p>(a) Software Technology Parks of India's Registration for 100% EOU under STP Scheme.</p>	The Director, Software Technology Parks of India, Noida	15 (73)/ 91-SDA dated November 6, 2001. And [for extension] PCMG/PSE/06/047/STPN /4172 dated Dec. 20, 1999 And PCMG/PSE/06/047/STPN /6918 dated Feb 18, 2002
	(b) Custom Bonding License	The Commissioner of Customs, Delhi	10/1992 dated October 29, 1992 and extension is endorsed on April 02, 2002 And [for extension] 1/2000 dated Jan 05, 2000

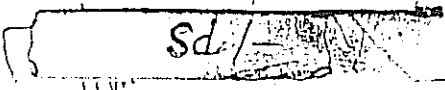
Note: In relation to STP Units as specified in Sl. Nos. 4, 5, 6 and their respective extensions (if any), the approvals referred above, which are in the name of NIT Limited (Transferor Company), pertain to carrying on operations jointly by both GSB Undertaking and GLB Undertaking.

Pursuant to the Scheme and as more specifically mentioned in clause 3.9 thereof, for that part of the STP units constituting GSB Undertaking, relating to Sl. Nos. 4, 5 and 6 and their respective extension (if any), fresh licenses/ approvals in the name of NIT Technologies Limited (the Transferee Company) be issued/ granted/ modified/ endorsed by the concerned authorities from the Appointed Date (i.e., April 1, 2003).

Dated this the 18th day of May 2004 and
 r/w order dated 28.5.2004 and 31.5.2004.

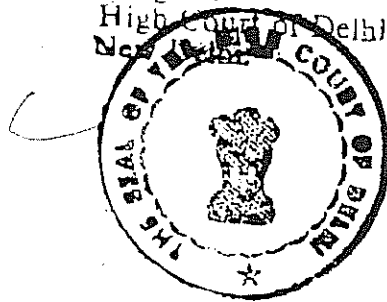
Certified to be True Copy
 Senior Judicial Department
 Court of Delhi.
 Authorised Under Section 70
 Indian Evidence Act.

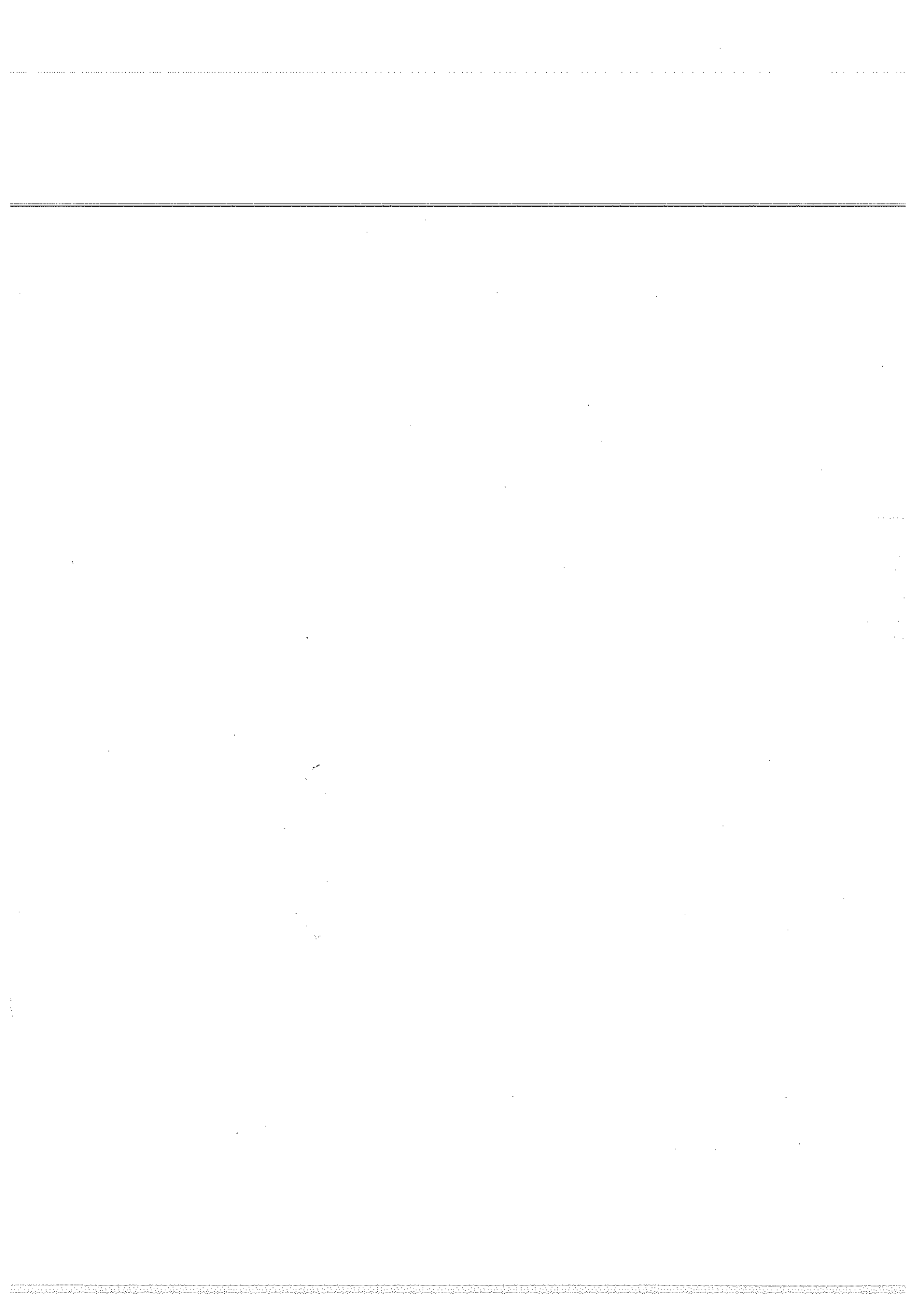
(By order of this Court)



 Joint Registrar (Sd.)
 For Registrar.

5087
 Date of Presentation of Application for copy 19/3/04
 No. of Words/Pages 47
 Copying Fees 93.5
 Urgent Fees
 Registration and Postage Fee 26
 Agency Fees
 Total Rupees 260
 Name of Applicant R. S. Bhatia
 Date of Receipt of Record for copy
 Date of Preparation of Copy 2/6/04
 Date of Delivery of Copy 2/6/04

Dr. S. Swastika
 Administrative Officer (Judl)
 (Original)
 High Court of Delhi
 No. 111





No. 1199
Date of Presentation
Application for Copy 30/11/18
No. of Pages 3
Copying Fee 5/-
Registration & Postage Fee
Total ₹ 1000/-
Date of Receipt &
Record of Copy
Date of Preparation of Copy 12/12/18
Date of Delivery of Copy 12/12/18

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
NEW DELHI

Rajh 12/12/2018
DD/DR/AR/Court Officer
National Company Law Tribunal
New Delhi

Company Petition CA-347/ND/2017

CORAM: SHRI R.VARADHARAJAN, MEMBER (JUDICIAL)
SHRI V.K.SUBURAJ, MEMBER (TECHNICAL)

IN THE MATTER OF SECTIONS 230-232 OF THE COMPANIES ACT, 2013:

In the matter of:

Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

OF

**PIPL BUSINESS ADVISORS AND INVESTMENT PRIVATE LIMITED
(PETITIONER/AMALGAMATING COMPANY-1)**

AND

**GSPL ADVISORY SERVICES AND INVESTMENTS PRIVATE LIMITED
(PETITIONER/ AMALGAMATING COMPANY-2)**

WITH



NIIT TECHNOLOGIES LIMITED
(PETITIONER/ AMALGAMATED COMPANY)

WITH

Their respective Shareholders and Creditors

MEMO OF PARTIES:

For the Applicants: Mr. Anirudh Das, Advocate for Shardul Amarchand Mangaldas & Co.
Mr. Abhishek Baid, Advocate

ORDER

Date: 26.11.2018

This is an application seeking for correction in the order passed by this Tribunal dated 12.11.2018 approving the Scheme of Amalgamation contemplated between the applicant companies herein. The applicant points out that certain inadvertent clerical and typographical errors have crept in the order passed by this Tribunal which has been detailed in paragraph 2 of the application as follows:

- i. At page 5, paragraph "E" of the order, "2,53,66,521 Equity Shares of Rs.2/- each" should read as "21,75,911 Equity Shares of Rs.10/- each";
- ii. At page 5, paragraph "F" of the Order, "2,59,15,838 Equity Shares of Rs.2/- each" should read as "21,75,911 Equity Shares of Rs.10/- each";
- iii. At page 6, paragraph 3, line No.11 of the Order, "the date of 02.09.2017" to read as "22.09.2017";



No. 11.9.9.....
Date of Presentation
of application for Copy 30/11/18
No. of Pages 3
Copying Fee 5/-
Registration & Postage Fee.....
Total ₹ 1,00,00/-
Date of Receipt &

- iv. At page 8, paragraph 9, line NO.4 of the Order, the date of "29.06.2017" to read as "14.06.2017";
v. At page 11, line No.11 of the Order, "NIIT Ltd." to read as "NIIT Technologies Limited";

As rightly pointed out in the application in view of two simultaneous petitions having been filed before this Tribunal in CP No.385/ND/2017 as well as (CA)(CAA)/284/ND/2017 having similar sounding names as well as the facts are also being similar, typographical errors seem to have been crept in and in view of powers vested in this Tribunal under Section 420 of the Companies Act, 2013, this Tribunal orders the correction in the order dated 12.11.2018, to the following effect :

- i. At page 5, paragraph "E" of the order, "2,53,66,521 Equity Shares of Rs.2/- each" should read as "21,75,911 Equity Shares of Rs.10/- each";
ii. At page 5, paragraph "F" of the Order, "2,59,15,838 Equity Shares of Rs.2/- each" should read as "21,75,911 Equity Shares of Rs.10/- each";
iii. At page 6, paragraph 3, line No.11 of the Order, "the date of 02.09.2017" to read as "22.09.2017";
iv. At page 8, paragraph 9, line NO.4 of the Order, the date of "29.06.2017" to read as "14.06.2017";
v. At page 11, line No.11 of the Order, "NIIT Ltd." to read as "NIIT Technologies Limited";

In relation to sub-para (e) of paragraph 2 of the petition, the correction which is sought for is denied in view of the fact that figures have been extracted from the observations/reply of Income Tax and in the circumstances since it is an extract from the pleadings, it cannot be changed or corrected.

In the above circumstances, this application stands allowed. A certified copy of the order if applied for along with the modifications, as ordered above in relation to order dated 12.11.2018, shall be issued to the petitioners/applicants.

— Sel —
(Dr. V.K. SUBBURAJ)
MEMBER (TECHNICAL)

UD Mehta
26.11.2018



— Sel —
(R. VARADHARAJAN)
MEMBER (JUDICIAL)

व. वि. राजू / V.V.B. RAJU
उप पंजीयक / DEPUTY REGISTRAR
राष्ट्रीय कंपनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
Block-3, 6th Floor, CGO COMPLEX
LODHI ROAD, NEW DELHI - 110003

No 11320
Date of Presentation
Date of application for Copy 13/11/18
No. of Pages 36
Copying Fee 5/-
Registration & Postage Fee
Total ₹ 1000/-
Date of Receipt &
Record of Copy
Date of Preparation of Copy 19/11/18
Date of Delivery of Copy 22/11/18

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH - III

NEW DELHI

Company Petition CAA – 385/ND/2017

Connected with

CA (CAA) – 83(ND) of 2017

Rajin
DD/DR/AR/Court Officer
National Company Law Tribunal
New Delhi
19/11/2018

IN THE MATTER OF SECTIONS 230-232 OF THE COMPANIES ACT, 2013:

CORAM: SHRI R.VARADHARAJAN, MEMBER (JUDICIAL)

Dr. V.K.SUBBURAJ, MEMBER (TECHNICAL)

MEMO OF PARTIES:

PIPL BUSINESS ADVISORS AND INVESTMENT PRIVATE LIMITED

8, Balaji Estate, First Floor, Guru Ravi Das Marg,

Kalkaji, New Delhi-110 019

.....Petitioner/Amalgamating Company-1

GSPL ADVISORY SERVICES AND INVESTMENT PRIVATE LIMITED

8, Balaji Estate, First Floor, Guru Ravi Das Marg,

**CA (CAA) – 83(ND) of 2017
PIPL Business Advisors and Investment Pvt. Ltd.**



Rajin

Rajin

Kalkaji, New Delhi-110 019

.....Petitioner/Amalgamating Company-2

NIIT TECHNOLOGIES LIMITED

8, Balaji Estate, First Floor, Guru Ravi Das Marg,

Kalkaji, New Delhi-110 019

.....Petitioner/Amalgamated Company

**For the Petitioners:
Singh**

**Mr Anirudh Das, Mr Kumar Sawhney, Mr Kamaljeet
and Mr Prashant, Advocates
for M/s. Shardul Amarchand Mangaldas & Co., Advocates**

For Regional Director:

Mr C.Balooni, Company Prosecutor

For Official Liquidator:

Mr Amish Tandon & Mr Ajeyo Sharma, Advocates

For Income Tax:

Mr Zoheb Hussain, Sr. Standing Counsel for Revenue

For SEBI :

Mr Abishek Baid, Advocate.

ORDER

Pronounced on :12.11.2018

1. As amongst the petitioner companies a Scheme of Amalgamation has been formulated, it is averred in the joint petition filed by the three companies, marked as Annexure – 1 avowedly based on the rationale as given in paragraph 7 of the petition which is to the following effect:

**CA (CAA) – 83(ND) of 2017
PIPL Business Advisors and Investment Pvt. Ltd.**

2 | Page



Q

7.1 The proposed scheme of Amalgamation shall result in transfer and vesting of the Petitioner/Amalgamating Company 1, and Petitioner/ Amalgamating Company 2 (Petitioner/Amalgamating Companies) into and with the Petitioner/Amalgamated Company on a going concern basis.

7.2 The proposed amalgamation of the Petitioner/Amalgamating Company 1 and the Petitioner/Amalgamating Company 2 with the Petitioner/Amalgamated Company pursuant to this Scheme shall be in the interest of both the Petitioner/Amalgamating Companies and the Petitioner/Amalgamated Company and all their concerned stakeholders including shareholders, creditors, employees, and general public in the following ways:

(i) The amalgamation would lead to simplification of the shareholding structure and reduction of shareholding tiers and also provides transparency to the Promoters' direct engagement with the Amalgamated Company.

(ii) the amalgamation is being undertaken pursuant to a succession planning of the Promoters intended to streamline the Promoters' shareholding in the Applicant/Amalgamated Company, inter-alia held through Petitioner/Amalgamating Company 1 and Petitioner/ Amalgamating Company 2.

(iii) the amalgamation would not change the aggregated promoters' shareholding in the Petitioner/Amalgamated Company.

7.3 In view of the facts, the Board of Directors of the Petitioner/Amalgamating Companies and the Petitioner /Amalgamated Company have approved the Scheme at their respective Board Meetings held on 24 March 2017.

7.4 Accordingly, the present Company Petition is being filed by the Petitioner/Amalgamating Companies and the Petitioner/Amalgamated Company through the authorized person nominated by the Board of Directors of the Petitioner/Amalgamating Companies and the petitioner/Amalgamated Company.



Q

2. The salient features of the Scheme as have been brought out in Paragraph 8 of the petition averred to have been considered by the Board of Directors in their meeting held on 24.3.2017 which prompted them to approve the Scheme based on the above noted rationale is to the following effect:-

- A. The Appointed Date under the Scheme means closing hours of 31st March, 2017.
- B. The Scheme proposes that upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamating Companies shall stand transferred to and be vested in the Amalgamated Company as a going concern.
- C. The Scheme further provides that upon the Scheme becoming effective and with effect from the Appointed Date:-
- (i) All assets and properties of the Amalgamating Company 1 and the Amalgamating Company 2 shall stand transferred to and be vested in the Amalgamated Company.
 - (ii) All immovable and moveable assets including sundry debtors, outstanding loans and advances, if any of the Amalgamating Company 1 and Amalgamating Company 2 shall stand transferred to and be vested in the Amalgamated Company;
 - (iii) All registrations, goodwill, licenses relating to the Amalgamating Company 1 and Amalgamating Company 2 shall stand transferred to and be vested in and/or be deemed to be transferred to and vested in the Amalgamated Company;
 - (iv) All contracts, deeds, bonds, agreements, etc. to which the Amalgamating Company 1 and Amalgamating Company 2 are party shall stand transferred to and vested in the Amalgamated Company.
 - (v) All pending suits, appeals or other proceedings of whatsoever nature relating to the Amalgamating Company 1 and Amalgamating Company 2 shall stand transferred to and to be deemed to be the proceedings by or against the Amalgamated Company.



Q

- D. It is provided for in the Scheme that all employees of the Amalgamating Company 1 and Amalgamating Company 2 as on the Effective Date shall become the employees of the Amalgamated Company on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company without any interruption of service.
- E. The Scheme further provides that in terms of Clause 5.1 of Part IV of the Scheme, upon the Scheme becoming effective and in consideration of the amalgamation of the Amalgamating Company 1 with the Amalgamated Company, the Amalgamated Company shall issue 2,53,66,521 Equity Shares of Rs.2 each in the proportion of the number of equity shares held by the shareholders of the Amalgamating Company 1.
- F. The Scheme further provides that in terms of Clause 5.2 of Part IV of the Scheme, upon the Scheme becoming effective and in consideration of the amalgamation of the Amalgamating Company 2 with the Amalgamated Company, the Amalgamated Company shall issue 2,59,15,838 Equity Shares of Rs.2 each in the proportion of the number of equity shares held by the shareholders of the Amalgamating Company 2.
- G. The Scheme further provides that in terms of Clause 7.1 of Part IV of the Scheme and upon the Scheme becoming effective all the Equity Shares held by the Amalgamating Company 1 and Amalgamating Company 2 in the Share Capital of the Amalgamated Company as on the Effective date, shall stand cancelled.
- H. Upon the Scheme becoming effective and with effect from the Appointed Date the entire Authorized Share Capital of the Amalgamating Companies shall stand transferred to the Amalgamated Company.
- I. It is provided in the Scheme, that upon the Scheme becoming effective, the Amalgamating Company 1 and the Amalgamating Company 2 shall stand dissolved without being wound up.



Q

3, Record of this Tribunal in relation to the 1st motion joint application filed by all the three petitioner companies involved in the Scheme of Amalgamation in Company Application No.CA (CAA) – 83 (ND)/2017 discloses that based on the representations made in the joint application and also taking into consideration the provisions of Section 230-232 of the Companies Act, 2013, while requirements of meetings of equity shareholders in relation to Petitioner -Amalgamating Companies 1 and 2 got dispensed with vide order dated 22.09.2017 in addition to the meeting of Secured Creditor of the Petitioner – Amalgamated Company, the meetings of the Equity Shareholders and Unsecured Creditors of the Petitioner – Amalgamated Company was directed to be called, convened and held as per the directions contained in the said order dated 2.09.2017. In view of the absence of any secured and unsecured creditor(s) of the Petitioner-Amalgamating companies the necessity of a requirement of convening a meeting of the said classes got obviated.

4. The joint petition further avers that the meetings as directed were held on 28.10. 2017 in accordance with the directions of the above noted order which is evidenced by the Report of the Chairman appointed by this Tribunal annexed along with the petition as an Annexure and pursuant to the same this joint petition was filed seeking the sanction of this Tribunal in relation to the Scheme.

5. Upon filing of this petition on 1.11.2017 and after due compliances in relation to the order issued by this Tribunal on 10.11.2017 for causing paper publications of the



Q

notice of hearing of the petition and as well as notices directed to be issued to regulatory authorities as contemplated under the provisions of Sections 230-232 of the Companies Act, 2013 for which an affidavit of compliance had also been filed dated 26.12.2017.

6. Consequent to all compliances, this joint petition filed by the petitioner companies came up for consideration before this Tribunal on 05.04.2018 for final hearing during the course of which the submissions of the learned counsels for the petitioner companies as well as Learned Company Prosecutor for Regional Director/ROC, Learned Advocate for Official Liquidator and Learned Standing Counsel for Income Tax were heard in detail and orders were reserved subject to clarifications, if any. The matter was listed again on 28.08.2018 in view of the clarifications sought for from the petitioners in relation to the respective Trusts having control over the Amalgamating Companies and upon the same being filed and produced before this Tribunal orders were reserved again on 26.09.2018.

7. Perusal of the report of the Independent Chairman appointed for the meetings of the equity shareholders and unsecured creditors of the Amalgamated Company discloses in relation to voting in relation to the Scheme as follows:-

i) In relation to Unsecured Creditors : 26 unsecured creditors in numbers, present and voting constituting 10.67% of the total secured debt unanimously approved the Scheme placed in the meeting



ii) In relation to Equity Shareholders: 518 equity shareholders of the Applicant/Amalgamated representing 97.92% in number and 99.99% of the paid up equity capital approved the Scheme, however, 11 equity shareholders representing 2.08% in numbers and 0.01% of the paid up equity share capital were of the opinion that the Scheme should not be approved.

Even though from the report of the Chairman it is seen that 2.08% in number and 0.01% in percentage terms of the paid up equity share capital voting were of the opinion that the Scheme should not be approved and hence voted accordingly, and as noted above, however, none of the equity shareholders who had expressed dissent are before this Tribunal. In relation to unsecured creditors the report of the Chairman discloses that the consent to the Scheme had been unanimous.

8. In relation to the statutory authorities and sectoral regulators to whom notices were directed to be issued, the response of the authorities has been to the following effect, namely, Ministry of Electronics & Information Technology has expressed its approval to the Scheme as contemplated amongst the companies vide its communication dated 09.11.2017.

9. Further the Petitioner/Amalgamated Company being a listed entity in the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), NSE upon submission of the draft Scheme have granted 'No objection' vide its letter bearing No.NSE/LIST/11100 dated 15.06.2017 and BSE vide letter dated 29.06.2017 bearing No.DCS/AMAL/ST/R37/814/2017-18 has granted 'No adverse observations' and



Q

both the above noted letters of NSE and BSE have also reflected the observations of SEBI communicated vide letter dated 14.06.2017 to them in relation to the Scheme and the approval subject to compliance of the same.

10. While the office of the Regional Director has filed its representation dated 03.01.2018 vide Diary No. 061 perusal of which shows no adverse observation has been raised therein apart from a technical observation in relation to paragraph 3.8 and 4.8 of the Scheme in relation to dissolution of the amalgamating companies, the Office of the Official Liquidator in its report filed vide Diary No.059 dated 03.01.2018 is of the view that the affairs of the aforesaid Transferor Companies does not appear to have been conducted in a manner prejudicial to the interest of its members or public interest as per the provisions of Companies Act 1956/2013.

11. However, the Income Tax Department in its reply filed dated 09.01.2018 and 20.03.2018 in relation to the Petitioner – Amalgamating Company No.1, which during the course of oral submissions was also represented by the Ld.Sr.Senior Standing Counsel for Income Tax to be considered applicable to the Petitioner – Amalgamating Company No.2 as well as the transfer contemplated of assets of the amalgamating companies and allotment of equity shares being similar, has brought out certain background facts which prima facie is not discernable from a perusal of the petition and which is extracted from the reply in order to better understand the factual context under which objections have been raised by Income Tax to the sanction of the Scheme, namely: -



Q

- That the Amalgamating Company 1 and 2 got incorporated as a Private Limited Company on 01.03.2016 and 02.03.2016 respectively having authorized share capital of Rs.1.00 crore each and paid up capital of Rs.5,10,000/- each. While Amalgamating Company 1 has only 2 shareholders being Pawar Family Trust and Neeti Pawar being nominee of Pawar Family Trust, in relation to Amalgamating Company 2 it has only two shareholders being Thadani Family Trust and Renuka Vijay Thadani. In relation to the Amalgamated Company which was incorporated on 13.05.1992 under the Companies Act, 1956 and is having an authorized capital of Rs.75.00 crores and fully paid up share capital of Rs.61.36 crores and that its shares are listed in NSE and BSE. The appointed date is 31.03.2017 as per the present Scheme.
- The life of the amalgamating companies is of 13 months and the revenue from sales services of Amalgamating Company 1 is Rs.2,69,500/- and the balance sheet as on 31.03.2017 shows a total of merely Rs.6,17,889/-. By way of preferential allotment 50,000 shares of Amalgamating Company 1 has been allotted to M/s Pawar Family Trust in F.Y.2016-17 and that the trustee of the said trust is none other than Mr Rajendra Singh Pawar promoter of both NIIT Technologies Ltd as well as M/s.Pace Industries Pvt. Ltd the holding company of Amalgamating Company 1 prior to the preferential allotment. It is also pointed out that the 1000 fully paid shares held by M/s.Pace Industries Pvt.Ltd was also transferred to the Pawar Family Trust making thereby its 100% beneficial shareholders of the Amalgamating Company 1.
- That during F.Y.2016-17 the Amalgamating Company 1 has received 21,75,911 equity shares of Rs.10/- each of Amalgamated Company by way of gift from the above noted M/s. Pace Industries Pvt. Ltd at a nominal value of Rs.100/- only and that the said transaction is amenable to tax under the provisions of Income Tax Act which according to the department had not been paid. Since the said shares of 21,75,911 nos. of M/s.NIIT Technologies Ltd held by Amalgamating Company 1 in view of the Scheme of Amalgamation shall be cancelled on the effective date and will accordingly result in the reduction of capital and that in furtherance of the cancellation of the said shares, the Pawar Family Trust will be allotted shares in NIIT Technologies Ltd thereby effectively transferring the shares from Amalgamating Company 1 without paying any Capital Gains Tax. Thus by a pre-ordained series of transactions undertaken by the amalgamated company for by passing legal provisions and to evade its income tax liabilities.

12. Taking into consideration the above facts relating as to how the shares of the amalgamated company being a listed company had been transferred within a short



Q

by it and in a nut shell the opposition to the sanctioning of the Scheme is as given hereunder:-

- The Scheme is nothing but a culmination of a pre-ordained series of transactions undertaken by the amalgamated company for by passing legal provisions and to evade its income tax liabilities
- The Scheme is an exercise to benefit solely the Family Trusts of the revalued NIT shares from Global Solutions Pvt. Ltd (GSPL) to the Thadani Family Trust through the medium of Petitioner-Amalgamating Company 2 and from Pace Industries Pvt. Ltd (PIPL) to Pawar Family Trust through the medium of Petitioner-Amalgamating Company 1.
- The applicant companies are trying to misuse the provisions of Section 47 of the Income Tax Act by resorting to amalgamation and that such sort of practice is required to be curbed by this Tribunal
- The intention of the applicant companies is not simplification of the shareholding structure as claimed by it but to avoid income tax liability as on date and in future as well, and the companies cannot be allowed to use dubious means for tax evasion and that a duty is cast upon the income tax department to lift the corporate veil to identify the true transaction
- The scheme has been formulated to come into effect on 31.03.2017 only to avoid the tax liability that may arise under Section 56(2)(x) that has been recently introduced through the Finance Act, 2017 and will be applicable w.e.f. 01.04.2017

16. Before going into the merits of the above contentions, inter-alia, raised by the Income Tax Department as above, this Tribunal has to be definite as to the contours within which it is required to exercise its jurisdiction when considering a Scheme coming up before it for sanction, particularly when objections are put forth by the revenue as compared to other authorities, say Central Government or the Regional Director who have not raised any adverse observations about the Scheme as already noted. In this connection reference is made to paragraph 70 of the decision cited by the parties of the Hon'ble High Court of Delhi in the matter of – M/s.Vodafone



(Handwritten mark)

Essar Limited and others and M/s.Vodafone Essar Infrastructure Limited in

C.P.No.334 of 2009 dated 29.03.2011 which is to the following effect:-

70. In my view, if the Court is indeed to sanction the Scheme, the powers of the Income Tax Department must remain intact. The authorities relied on by the petitioners also support this proposition, with the only exception being a situation where the Scheme itself has only one purpose, which is to create a vehicle to evade the payment of tax, rather than mere avoidance of tax. It is also true that the scope of objection that may be raised by the Central Government and the Regional Director is larger, and that of the tax authorities is confined to the question of revenue. It is not open to this Court, in the exercise of company jurisdiction, to sit over the views of the shareholders and Board of Directors of the petitioner companies, unless their views were against the framework of law and public policy, which, as discussed above, is not the conclusion reached here. It is purely a business decision based on commercial considerations.

17. Thus when a Scheme is up for consideration and its sanction before this Tribunal, the onus is on the Income Tax Department to establish that the Scheme itself has only one purpose, being the vehicle created solely to evade the payment of tax. In this connection going by the ratio of the above judgement of Hon'ble High Court of Delhi in Vodafone Essar's case, this Tribunal, in other words is required to ascertain while considering a Scheme which is opposed by Income Tax Authority as to whether the Scheme is used simply as a device for tax evasion. and nothing more. However, this throws up a significant question as to the parameters to consider as to when a person is said to engage in tax evasion using the Scheme as an instrument to evade tax and as to what is the demarcating line between tax evasion, on the one hand as sought to be projected in this case by the Income Tax Department and as only tax efficient and beneficial way of structuring the transaction on the other by the Petitioners, with a view



①

to blow the whistle in relation to the former. The said issue came up for consideration before the Division Bench of Hon'ble High Court of Delhi in the matter of Commissioner of Income Tax -vs- Shiv Raj Gupta ITA No.41 of 2002, albeit in proceedings arising out of assessment of income and not directly while considering a Scheme of Amalgamation in its Company Jurisdiction, however, sought to be relied on by the Revenue in support of its contention that the Scheme under consideration itself is nothing but a device of abusive tax avoidance and cannot be considered as a tax planning or mitigation measure, vide its judgement dated 22.12.2014 had brought forth not only the distinction between the two, but their varying shades in between as well after taking into consideration the decision rendered in Vodafone's case as sought to be relied on by the petitioners of which reference will be made in the later part of this order. Paragraphs 42 to paragraphs 47 of the above noted judgement of the Hon'ble Delhi High Court in CIT Vs. Shiv Raj Gupta's case brings out the distinction of which paragraphs are given as hereunder:

42. To appreciate the concept of abusive tax avoidance, it would be appropriate to first delineate with precision the expressions "tax mitigation" and "tax evasion" as their boundaries and confines would enable us to draw lines amongst the four concepts; tax mitigation, tax evasion, acceptable tax avoidance and abusive tax avoidance. Each of the said expressions involves an element of tax planning. It would be hard to conceive of a situation where the assessed does not indulge to some sort of tax planning, be it tax mitigation, acceptable tax avoidance, abusive tax avoidance or tax evasion. "Tax planning", being common to all situations, cannot be the distinguishing feature, but nature and character of the planning and its nexus with the transaction is decisive.

43. Tax mitigation in simple words would refer to a taxpayer taking advantage or benefit of a beneficent provision under



Q

the tax code and complying with the requisites to his lower the tax liability. In the words of Lord Nolan in CIR versus Willoughby [1997] 4 All ER 65, it is:-

The hallmark of tax mitigation, on the other hand, is that the taxpayer takes advantage of a fiscally attractive option afforded to him by the tax legislation and genuinely suffers the economic consequences that Parliament intended to be suffered by those taking advantage of the option.

The aforesaid quote uses the expression "economic consequences that Parliament intended" which as per some, causes confusion and is self-contradictory. However, the said criticism overlooks that if the intention of the Parliament is clear and unambiguous; taking advantage or benefit as envisaged by the provision is a case of tax mitigation. Even in case of debate, when the intention of the Parliament is favourable and adjudication decides the question in favour of the assessee, it would be a case of tax mitigation. Courts are trusted and given the power to determine as to what was the intent of the Parliament while enacting a particular provision. When the court decision interpreting the legislative intent is in favour of the assessee, there is no avoidance of tax because the conduct is consistent with the taxing provision. If there is no tax avoidance, the question of abusive tax avoidance does not arise, for the latter refers to a particular category of transactions that are unacceptable being pejorative, i.e. sham, colourable device or deceitful and is distinct from tax mitigation. Albeit, where the Parliament's intention is to the contrary and the finding negates the assessed's submission, it would be a case of tax avoidance, whether acceptable or abusive is a different and another matter. Thus, the term "tax mitigation" is simple, intelligible and unequivocal. It is a positive term and refers to the assessed taking benefit or advantage of a provision which the tax code intends and wants to confer. Deductions under Chapter VIA, exemptions under Sections 10A, 10AA, 10B etc. of the Act are all provisions relating to tax mitigation. If an assessee takes



Q

benefit or advantage by complying with the stipulated conditions therein to reduce his tax liability, it would be a case of tax mitigation.

44. Tax evasion is illegal and consists of wilful violation or circumvention of applicable tax laws to minimise tax liability. The assessee breaches the relevant law and it involves contumacious behaviour or actual knowledge of wrong doing. This can happen when an assessee deliberately fails to report an item in the income tax return, or knowingly claims a deduction which he is aware he is not entitled to, or consciously omits to supply information even when there is duty to furnish the said details. It can also apply to situations when the assessee fails to clarify a matter, which has been misunderstood by the income tax authorities, and keeps quiet. In these cases, there is element of wilfulness, dishonesty or contemptuous conduct or even absence of honest belief. If the taxpayer cannot show that he had an honest belief that he was not liable to tax or liable to a lower tax, then *prima facie* such conduct would fall within the ambit/scope of tax evasion.

45. Tax avoidance by elimination would mean the residual and surplus, after we exclude cases of tax mitigation and tax evasion. Tax mitigation and tax evasion are two end points. It is easier and more beneficial to follow this discernment to define tax avoidance, for the confines and bounds of tax mitigation and tax evasion are easier to decipher and define legally and also identify with some exactness in practice. (Refer *Tax Avoidance, Tax Evasion & Tax Mitigation by Philip Baker.*)

46. It is equally important to distinguish and differentiate acceptable tax avoidance and abusive tax avoidance. The Supreme Court in *CIT versus Raman (A.) & Co.* [1968] 67 ITR 11, at p.17 had observed:-

“Avoidance of tax liability by so arranging commercial affairs that charge of tax is distributed is not prohibited. A taxpayer may resort to a device to divert the income before it accrues or arises to him. Effectiveness of



the device depends not upon considerations of morality, but on the operation of the Income-tax Act. Legislative injunction in taxing statutes may not, except on peril of penalty, be violated, but it may lawfully be circumvented.”

47. In clear and categorical terms the aforesaid ratio was resonated and approved by the Supreme Court in the **Vodafone’s** case (supra). Thus, the test of ‘devoid of business purpose’ or ‘lack of economic substance’ is not accepted and applied in India as it is too broad and unsatisfactory. The said test, if ardently applied, would contradict and would be irreconcilable with taxpayers’ right to arrange once affairs within the confines of law, which is not prohibited or barred.

18. The above judgement of the Division Bench of the Hon’ble High Court of Delhi in CIT Vs. Shivraj’s case rendered in the context of proceedings arising out of assessment and in the course of appeals arising therefrom, is relevant and referred to for the limited purpose of construing as to what can be considered as ‘tax evasion’ and gives an indicator as to the yard stick which can be adopted for construing the same under a given circumstances while the Tribunal is considering a Scheme for its sanction. As already seen and observed, the role of income tax as compared to that of Central Government or Regional Director is limited when a Scheme is under consideration before this Tribunal under Section 230 to 232 of Companies Act, 2013 and that role is to point out whether the Scheme is made as an instrument for the abject misuse of the provisions of the Companies Act, 2013 for the purpose of evading Income Tax.



19. Learned Counsel for the Petitioners at the time of oral submissions points out that the Scheme has not been undertaken for the purpose of tax evasion and that on the other hand Schemes which contemplates the exercise as envisaged to the Scheme presently under consideration have come up for consideration before other High Courts as well including one before the Bombay High Court and the said Schemes have been approved, instance cited being the decision rendered in **AVM Capital Services Private Limited and other Transferor Companies and Unichem Laboratories Limited (Transferee company) in Company Scheme Petition No.670 of 2011 dated 12th July 2012** and on which decision heavy reliance is placed by the Learned Counsel for the petitioner to canvass his position for approval of the Scheme. Eschewing the narration of facts for the sake of brevity which is similar in all respects, save that the allotment of shares upon implementation of the Scheme was to be made therein to the individual promoters of the listed company being the shareholders of the amalgamating company as well , in the instant case to a family trust of the individual promoters being trustees and they being the beneficiaries along with their lineal descendants, the Scheme therein envisaged the following purpose as extracted in paragraph 23 of the said judgement, namely:-

23. In the present case (AVM's case), as submitted by the Transferee Company, the scheme involves -

- (i) The merger of Transferor Companies with Transferee Company;
- (ii) The consequent cancellation of the shares held by the Transferor Companies in the Transferee Company;



Q

(iii) The consequent reduction in share capital of the Transferee Company;

(iv) issuance of shares of the Transferee Company to the shareholders of the Transferor Companies.

The purpose of the Scheme is to provide long term stability and transparency in the Transferee Company.

20. The opposition to the Scheme therein came from a shareholder of the transferee company who had raised, inter alia, similar objections as raised by the Income Tax Department presently and the objections raised therein and as extracted at paragraphs 3 of the AVM Capital Services Private Limited's case and the contentions of the petitioners therein given at paragraph 6 being similar to the one submitted herein by the petitioners are as hereunder:

3. The first, and the main objection of the Objector is that the Scheme is propounded to avoid capital gains tax that would have arisen if the Transferor Companies would have directly transferred their shares to the Promoters. It is alleged that the object of the Scheme is not to help the Transferee Company, but to transfer these shares to the Promoter Dr. Prakash Modi. According to the Objector, it is not shown how long term stability would be achieved if the shares are transferred in the name of Dr. Mody. According to the Objector, the Scheme is a colourable device to evade tax, since such a transfer could well have been effected through the stock market. The Scheme in question involves pure transfer of shares without any benefit to the Transferee Company. The Objector has submitted that the decision of the Hon'ble Supreme Court in the case of McDowell and Company Limited V/s. Commercial Tax Officer (1977) (SC) squarely applies to the present case. He has relied upon the separate, but concurring Judgment of Justice Chinnappa Reddy, J., delivered in the aforesaid case, in which it is held that "avoidance of tax was



Q

unethical and if a transaction is a device to avoid tax, it should not be permitted". The Objector has pointed out that the learned Judge in this context, also referred to the decision of the Gujarat High Court in the case of Wood Polymer Limited (1977)47 Comp. cases 597 (Guj) in which case, the learned Single Judge of the Gujarat High Court refused to sanction a scheme which was found to be a device to evade tax. The Objector has also submitted that the decision of the Hon'ble Supreme Court in the case of Union of India and Anr., V/s. Azadi Bachao Andolan and Anr. (2004) 10 SCC 1 (SC) is per in curium as it is contrary to the decision of the Constitutional Bench in McDowell's case (supra).

6. The learned Senior Advocate appearing for the Petitioners has submitted that the aforesaid submissions/allegations/contentions of the Objector are untenable and baseless. It is submitted that the correct legal position with regard to tax avoidance/evasion is laid down in the decisions of the Hon'ble Supreme Court in the case of Azadi Bachao Andolan (supra) and more recently in the case of Vodaphone International Holdings V/s. Union of India and Ors. 341 ITR 1 (SC) He submitted that in the case of Azadi BachaoAndolan (Supra), the Hon'ble Supreme Court has in paragraphs 137 to 166 explained the rule in McDowell's case with particular reference to the Judgment of Chinnappa Reddy, J. It is submitted that the Objector has relied upon a sentence in the Judgment of Justice Ranganath Mishra in McDowell's case to the effect that "on this aspect one of us, Chinnappa Reddy, J., has proposed a separate and detailed opinion with which we agree". According to the Objector, by virtue of this sentence, the majority also approved the view of Justice Chinnappa Reddy, J. It is submitted that this very argument was considered by the Hon'ble Supreme Court in the case of Vodaphone International Holdings (Supra). The Supreme Court also considered the interpretation of McDowell's case in Azadi Bachao Andolan (supra) and categorically came to the conclusion that Azadi Bachao Andolan (Supra) was correctly



Q

decided and that the majority in McDowell's case had not approved the observations of Justice Chinnappa Reddy, J. It is submitted that the decision of the Gujarat High Court in Wood Polymer Limited (Supra) is no longer good law, in view of the decisions of the Hon'ble Supreme Court in Aazadi Bachao Andolan and Vodaphone International Holdings (Supra). It is submitted that as far as the decision of the AAR is concerned, the AAR has no jurisdiction to disagree with the decision of the Hon'ble Supreme Court or to hold that any decision of the Hon'ble Supreme Court is not correct law. It is also submitted that the decision of the AAR is not binding on this Court.

21. Taking into consideration the rival submissions, inter alia, made before it as above, the Hon'ble High Court of Bombay proceeded to deal with the same as well as the cases cited in paragraph 10 of its judgement extracted as above as follows:-

10. I have considered the main charge of the objector that the Scheme is a device for avoidance of tax, and have also considered the submissions advanced on behalf of the petitioners in response to this charge. In the case of Azadi Bachao Andolan (supra), the Supreme Court has explained the scheme in McDowell's case. Paragraphs 147 to 149 of the said judgement are relevant and are reproduced hereunder:

147. We may in this connection usefully refer to the judgement of the Madras High Court in M.V.Valliappan V. ITO which has rightly concluded that the decision in McDowell cannot be read as laying down that every attempt at tax planning is illegitimate and must be ignored, or that every transaction or arrangement which is perfectly permissible under law, which has the effect of reducing the tax burden of the assessee, must be looked upon with disfavor. Though, the Madras High Court had occasion to refer to the judgement of the Privy Council in IRC v. Challenge Corpn. Ltd. and did not have the benefit of the House of Lord's pronouncement in Craven the view taken by the Madras High Court



appears to be correct and we are inclined to agree with it.

148. WE may also refer to the judgment of the Gujarat High Court in Banyan and Berry v. CIT where referring to McDowell, the Court observed : (ITR p.850 E-H)

"The Court nowhere said that every action or inaction on the part of the taxpayer which results in reduction of tax liability to which he may be subjected in future, is to be viewed with suspicion and be treated as a device for avoidance of tax irrespective of legitimacy or genuineness of the Act; an inference which unfortunately, in our opinion, the Tribunal apparently appears to have drawn from the enunciation made in McDowell case. The ratio of any decision has to be understood in the context it has been made. The facts and circumstances which lead to McDowell decision leave us in no doubt that the principle enunciated in the above case has not affected the freedom of the citizen to act in a manner according to his requirements, his wishes in the manner of doing any trade, activity or planning his affairs with circumspection, within the framework of law, unless the same fall in the category of colourable device which may properly be called a device or a dubious method or a subterfuge clothed with apparent dignity.

149. This accords with our own view of the matter"

11. It is clear from the aforesaid paragraphs that according to the Hon'ble Supreme Court, the decision in McDowell's case cannot be read as laying down that every attempt at tax planning is illegitimate, or that every transaction or arrangement which is perfectly permissible under the law, but has the effect of reducing the tax burden of the assessee must be looked upon with disfavour.

22. Again at paragraph 19 of the judgement of AVM Capital Services Private Limited case the Bombay High Court after taking into consideration the observations of the Hon'ble Supreme Court in Vodaphone International Holdings



①

V/s. Union of India and Ors (2012) 341 ITR 1 (SC) as well as other decisions cited before it which decisions incidentally were also cited by Learned Sr.Standing Counsel for Income Tax Department at the time of his oral submissions in the present case in order to advance and fortify the opposition to the Scheme by the Income Tax had concluded as follows:

19. In view of the above observations of the Hon'ble Supreme Court in the Vodaphone decision, the submission of the Objector herein that he is fortified by the decision in McDowell's case, and that the decision in Azadi Bachao Andolan is *per in curium* or is contrary to the decision in McDowell's case is rejected. The decision of the Gujarat High Court in the case of Wood Polymer Limited (supra) is no longer good law, in view of the decision of the Supreme Court in the case of Azadi Bachao Andolan and Vodaphone International Holdings (supra). In any event, as submitted on behalf of the Petitioners, that was a case where the Transferor Company was specially incorporated for the purpose of effecting transfer of immovable property to the Transferee Company without payment of tax. This transfer was part of the scheme. The Court thus concluded that this was a clear device to avoid tax and consequently rejected the scheme. The Wood Polymer Limited (supra) case is therefore clearly distinguishable on facts. Infact, in a later case in Ambalal Sarabhai Enterprises [1984] 147 ITR 294 (Guj) the Division Bench of the Gujarat High Court approved the scheme despite the fact that tax was avoided by the scheme and held that the Wood Polymer Limited (supra) was decided on the basis of the peculiar facts of the case. The Gujarat High Court reiterated the principle that a tax payer can always arrange his affairs to avoid tax.

23. Thus the decisions cited by the Income Tax during the course of submissions in the instant case including that of Wood Polymer Private Limited case in order to fortify its contentions is no longer good law and hence cannot be taken note of



by this Tribunal. Again, in relation to objection to valuation as well as the mode of transfer of shares which are transferrable and tradable being listed securities of the Transferee Company through pre-ordained route adopted by the Petitioner companies culminating in the Scheme objected to in the instant case by the Income Tax, a similar objection as raised thereto by the objector had been dealt with in AVM Capital Services Private Limited case referred supra, as under in paragraphs 22 and 29 of the said judgement as under:

22. The Objector has also raised a grievance that the shares of the Transferee Company held by the Transferor Companies which are purely tradable and transferable without any restrictions cannot be transferred through the present Scheme of Arrangement. As submitted on behalf of the Petitioners, the Promoters are not looking for an exit from the Transferee Company through divestment and have adopted one of the available methods for reorganizing their shareholding. In the case of scheme of arrangement between Tata Services Limited and Tatanet Services Limited, wherein a commercial division of Tata Services Limited was proposed to be transferred, the Regional Director had objected that the transfer could be achieved through compliance of the provisions of Section 293(1)(a) of the Companies Act, 1956. This Court dealing with the said objection has held that if the Petitioners have adopted an elaborate route to achieve the objective, they cannot be faulted for the same. A similar view was taken by this Court in the Scheme of Arrangement between Balkrishna Industries Limited (supra).

29. The Objector has next contended that the valuation of the shares of the Transferor Companies which are unlisted was not done as per the rules prescribed under the Wealth Tax Act, but was wrongly done on the basis of value of the shares of the Transferee Company. As pointed out on behalf of the Transferee Company, the provisions of the Wealth Tax Act, does not apply in the



①

instant case. Again, the only assets (apart from cash and bank balance) of the Transferor Companies were the shares held by them in the Transferee Company. As such, it was reasonable and proper to value the Transferor Companies on the basis of the value of their shareholdings in the Transferee Company. Moreover, the Transferee Company has secured a Fairness Opinion of Fedex Securities Ltd, a Category I Merchant Banker on the Valuation Report of N.A.Shah Associates, which Fairness Opinion was secured in terms of Clause 24 of the Listing Agreement. In view thereof, the submission of the Objector that the share valuation is not proper, lacks merit and is rejected.

24. Presently in the instant case too in relation to valuation, the shares of the Transferee Company being the only asset held by the transferor companies, apart from cash and bank balance in the Transferor Companies, the adoption of value of the said shares held in the transferee company for the valuation of shares of the Transferor Companies is only reasonable and proper. In this connection the Valuation Report of M/s.SSPA& Co., Chartered Accountant, a Fairness Opinion of M/s. Fortress Capital Management Services Pvt. Ltd being a Merchant Banker has also been obtained and produced in terms of the relevant clause in the Listing Agreement before this Tribunal and prior to it before SEBI as well, which had approved in principle subject to compliance as already seen of the Scheme coming up for sanction and which was also asserted by the Counsel for SEBI present before the Tribunal during the proceedings.

25. Further even though the Income Tax Department was repeatedly pointing out during the course of oral submissions that the intent of the petitioner companies



0

is manifest from the manner in which the Appointed Date has been fixed in the Scheme as 31.03.2017 in order to beat the dead line as on and from 01.04.2017 there has been a significant change in law by way of amendment to Section 56 dealing with 'Income from other sources' and that the transaction of gift by which the transfer of transferee companies shares have been effected to the transferor companies during Financial Year 2016-17 could be hit by the provisions as the transaction and the attendant transfer of shares have been grossly undervalued at Rs.100/-, however the Income Tax Department has not been able to clearly pin point the specific provisions of the Income Tax Act, 1961 which makes the transaction of gift amenable to the Income Tax Act, 1961 as per the then existing law, apart from merely stating that the said transaction of gift may be amenable to either gift tax or under Section 2(47) as Capital Gains. Despite having granted sufficient opportunity to Income Tax to come forth with clarity about its representation, the Income Tax Department has not been able to come out with clarity apart from repeatedly stressing that the transactions preceding the Scheme and the Scheme per se are calculated only to evade tax. In the absence of Income Tax Department convincingly demonstrating in relation to tax evasion as alleged and in view of the detailed discussions in paragraphs as above we are unable to be persuaded about the aspect of tax evasion in relation to the Scheme.

26. Further in relation to the Appointed Date fixed as 31.03.2017 in the Scheme is concerned, by virtue of Section 232(6) of the Companies Act, 2013 the Scheme



Q

is required to specify the Appointed Date and it cannot be left open by the petitioner companies as the Scheme is to be made effective from the said date specified. Further it is also required to be noted that the Hon'ble National Company Law Appellate Tribunal has held in the matter of MBS IT Institute Pvt Ltd v. ROS Infratech and Housing Pvt Ltd Company Appeal No.194 of 2017 that before the Appointed Date as specified in the Scheme can be postponed to a subsequent date, grounds should be demonstrated for such a change. In light of the provisions of the Act read with the judgement of the Appellate Tribunal as cited, this Tribunal based on the contention of the Income Tax that on and from 01.04.2017 there is a change in law and in the circumstances the appointed date as fixed as 31.03.2017 in the Scheme is only for evading tax cannot be accepted and it also clearly points out that in any case under tax laws up to 31.03.2017 the same was permissible. .

27. During the course of oral submissions Ld. Counsel for the petitioners repeatedly stressed that in relation to the Trust Deeds namely that of Thadani Family Trust (Trustee Vijay Kumar Thadani) and Pawar Family Trust (Trustee Rajendra Singh Pawar) respective Trusts being the proposed acquirers had sought the approval of SEBI under the regulations namely Security and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and SEBI upon a detailed examination of the clauses of the Trust Deeds, sought for the following clarifications by email dated December 6, 2016.



✓

"Based on the recommendation received from SEBI Takeover Panel, you are requested to confirm whether the acquirers are willing to remove the clause related to professional trustees from the Master Trust and Child Trust (Deeds).

to which it is seen that a reply has also been sent dated 12.12.2016 and 16.12.2016 wherein the clauses as pointed out for which SEBI's clarifications were sought, stood revised to the effect that in relation to the payments of the professional trustees, the same stood deleted. Further in relation to the beneficiaries, it is pointed out by Ld. Counsel for the petitioner companies that the original Trust Deed which contained clause 7.4.1 was amended to the effect that the additional beneficiaries that may be added under the Trust, provided that such additional beneficiaries shall always be the lineal descendants of the Founder Trustees and that the trustees shall be only the lineal descendants of the Founder Trustees. It is also further pointed out by Ld. Counsel for the petitioner that amendment to the Trust Deed dated 9.5.2017 based on SEBI's approval dated 7th March 2017 which also contains the following undertaking namely :-

"Notwithstanding anything to the contrary contained in this Trust Deed, subsequent to acquisition of shares of NIIT Limited/NIIT Technologies Limited (whether directly or indirectly) by the Trust.

13.1 Any change in change Trustee(s)/Beneficiary(ies) and any change in ownership or control of shares or voting rights held by the Trust shall be disclosed to the concerned stock exchanges.



Q

13.2 The provisions of the Securities Exchange Board of India Act, 1992("SEBI Act") and the regulations framed there under will apply to the Trust on the basis that the ownership or control of shares or voting rights vests not only directly with the Trustee(s) but also directly with the Beneficiary(ies).

13.3 The provisions of this Trust Deed shall not limit the liability of the Trustee(s)/Beneficiary(ies) in relation to the provisions of the SEBI Act and all regulations framed there under.

13.4 The liabilities and obligations of the individuals Promoters under the SEBI Act and the regulations framed there under will not change or get diluted due to the above transfers to the Trusts."

All of the above clearly brings forth the fact that equity shares of the listed public company i.e. Transferee Company are not proposed to be transferred and shall be held by the existing promoters held by them previously through the Transferor Companies 1 and 2, by virtue of the Scheme through the Irrevocable Family Trust which makes the ratio of AVM Capital Services Limited case as seen exhaustively in the paragraphs above squarely applicable to the instant case as well. The above submissions of Ld. Counsel for the petitioners bears credence. It is seen that based on the queries raised by SEBI as well as subsequent amendments, respective Trust Deeds clearly shows that the shares are sought to be retained within the family as it was done previously as well prior to such transfers and not otherwise as sought to be portrayed by the Income Tax.



Q

28. However, we propose in order to assuage the submissions of the revenue to the effect that if the Tribunal is inclined to sanction the Scheme, then protection be afforded at the very least to the Income Tax in relation to the transactions preceding and subsequent to the sanction and their being no serious objections to it on the part of petitioner companies which is also reflected in the rejoinder filed by them to the reply filed of the Income Tax Department and also taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj) and the same being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutorily dues from the transferor or transferee or any other person who is liable for payment of such tax dues the said protection be afforded is granted.

With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned.

29. However, while approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, and payment in



①

accordance with law or in respect to any permission or compliance with any other requirement which may be specifically required under any law.

THIS TRIBUNAL DO FURTHER ORDER:

- (1) That all the property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vest in the Transferee company for all the estate and interest of the Transferor Companies therein but subject nevertheless to all charges now affecting the same;
- (2) That all the liabilities and duties of the Transferor Companies be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee company;
- (3) That all proceedings now pending by or against the Transferor Companies be continued by or against the Transferee company;
- (4) That all the employees of the Transferor Companies in service on date immediately preceding the date on which the scheme finally take effect shall become the employees of the Transferee company without any break or interruption in their service;
- (5) That the Transferee Company do without further application allot to the persons entitled of the Transferor Companies, as have not given such notice of dissent, the shares in the transferee company to which they are entitled under the SCHEME OF AMALGAMATION;



Q

(6) That Transferor Companies shall within thirty days of the date of the receipt of this order cause a 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 Companies shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Companies and registered with him on the file kept by him in relation to the Transferee company and the files relating to the said both companies shall be consolidated accordingly; Notwithstanding the above, the interest of the Income Tax shall stand protected in terms of paragraph 28 supra.

(7) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

sd
12/11/2018
(Dr. V.K. SUBBURAJ)
MEMBER (TECHNICAL)

sd
12.11.2018
(R. VARADHARAJAN)
MEMBER (JUDICIAL)

UD Mehta
12/11/2018



Rajiv
19/11/2018
वृ.वि.बं. मं. / V.V.B. RAJU
उप पंजीयक / DEPUTY REGISTRAR
राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
Block-3, 6th Floor, CGO COMPLEX
LODHI ROAD, NEW DELHI - 110003

NO 11320
Date of Presentation of application for Copy 12/11/18
No. of Pages 36
Copying Fee 5/-
Registration & Postage Fee
Total ₹ 1000/-
Date of Receipt & Record of Copy
Date of Preparation of Copy 19/11/18
Date of Delivery of Copy 22/11/18

Rajiv
19/11/2018
DD/DR/AR Court Officer
National Company Law Tribunal
New Delhi

CERTIFIED TRUE COPY OF THE RESOLUTION AND THE EXPLANATORY STATEMENT ANNEXED TO THE RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY AT THE ANNUAL GENERAL MEETING HELD ON JULY 7, 2014

ITEM NO.5

SPECIAL RESOLUTION FOR APPROVAL FOR AMENDMENT IN EXISTING ARTICLE 66 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the existing Article 66 the Articles of Association of the Company be and is hereby amended/alterd to read as follows:

The Directors may elect one of themselves to the office of the Chairman of the Board of Directors, and the same person may also be appointed as Managing Director of the Company. The Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of his office.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Articles of Association of the Company does not contain a provision that the position of Chairman may be held by Managing Director. To enable such a provision as required under Section 203 of the Companies Act, 2013, it is proposed to amend the Article No. 66 of the Articles of Association. The proposed amendment in the Articles of Association of the Company requires the approval of the members in the General Meeting. The Board recommends the passing of the resolution as set out in Item 5 as a Special Resolution. A copy of the new Articles of Association is available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting and is also available on the website of the Company at www.niit-tech.com. No Director, Key Managerial Person (KMP) and relative of any Director or KMP may be deemed to be concerned or interested in the resolution.

For **NIIT Technologies Limited**

-Sd-

Onkarnath Banerjee
Company Secretary & Legal Head

Date: July 7, 2014

Place: Noida