
MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

BRIGHTCOM GROUP LIMITED
(Formerly, Lycos Internet Limited)



सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies
2nd Floor, CPWD Building Kendriya Sadan, Hyderabad, Telangana, India, 500195

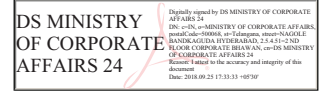
Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): L64203TG1999PLC030996

I hereby certify that the name of the company has been changed from LYCOS INTERNET LIMITED to BRIGHTCOM GROUP LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name LANCO GLOBAL SYSTEMS LIMITED.

Given under my hand at Hyderabad this Twenty fifth day of September two thousand eighteen.



RAMESH CHANDRA MISHRA

Registrar of Companies
RoC - Hyderabad

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

BRIGHTCOM GROUP LIMITED

FLOOR: 5, HOLIDAY INN EXPRESS & SUITES,, ROAD NO. 2, NANAKRAMGUDA,
GACHIBOWLI,, HYDERABAD, Hyderabad, Telangana, India, 500032





GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Hyderabad

2nd Floor , CPWD Building , Kendriya Sadan , Sultan Bazar, Koti Hyderabad - 500195, Telangana, INDIA

**Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]**

Corporate Identification Number (CIN): : L64203TG1999PLC030996

I hereby certify that the name of the company has been changed from YBRANT DIGITAL LIMITED to LYCOS INTERNET LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name LANCO GLOBAL SYSTEMS LIMITED

Given under my hand at Hyderabad this Seventh day of October Two Thousand Fourteen.

SHASHI RAJ DARA
Deputy Registrar of Companies
Registrar of Companies
Hyderabad

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

LYCOS INTERNET LIMITED
PLOT NO. 7A, ROAD NO. 12,, MLA COLONY, BANJARA HILLS,,
HYDERABAD - 500034,
Telangana, INDIA

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

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L64203AP1999PLC030996

मैसर्स LGS GLOBAL LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
LGS GLOBAL LIMITED

जो मूल रूप में दिनांक अठाईस जनवरी उन्नीस सौ नित्यानवे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
LANCO GLOBAL SYSTEMS LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्. आर्. एन्. B41142852 दिनांक 14/06/2012 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
YBRANT DIGITAL LIMITED

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

यह प्रमाण-पत्र हैदराबाद में आज दिनांक चौदह जून दो हजार बारह को जारी किया जाता है।

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

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L64203AP1999PLC030996

In the matter of M/s LGS GLOBAL LIMITED

I hereby certify that LGS GLOBAL LIMITED which was originally incorporated on Twenty Eighth day of January Nineteen Hundred Ninety Nine under the Companies Act, 1956 (No. 1 of 1956) as LANCO GLOBAL SYSTEMS LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B41142852 dated 14/06/2012 the name of the said company is this day changed to YBRANT DIGITAL LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Hyderabad this Fourteenth day of June Two Thousand Twelve.

Registrar of Companies, Andhra Pradesh

कम्पनी रजिस्ट्रार, आंध्र प्रदेश

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

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

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

YBRANT DIGITAL LIMITED
8-2-293/82/A/796/B, ROAD NO.36, JUBILEE HILLS,,
HYDERABAD - 500033,
Andhra Pradesh, INDIA



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

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L64203AP1999PLC030996

मैसर्स LANCO GLOBAL SYSTEMS LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
LANCO GLOBAL SYSTEMS LIMITED

जो मूल रूप में दिनांक अठारह जनवरी उन्नीस सौ नित्यानवे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
LANCO GLOBAL SYSTEMS LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस.आर.एन. A47481502 दिनांक 05/11/2008 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
LGS GLOBAL LIMITED

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

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा हैदराबाद में आज दिनांक पांच नवम्बर दो हजार आठ को जारी किया जाता है।

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

Fresh Certificate of Incorporation Consequent upon Change of Name

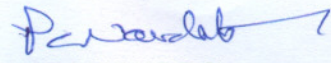
Corporate Identity Number : L64203AP1999PLC030996

In the matter of M/s LANCO GLOBAL SYSTEMS LIMITED

I hereby certify that LANCO GLOBAL SYSTEMS LIMITED which was originally incorporated on Twenty Eighth day of January Nineteen Hundred Ninety Nine under the Companies Act, 1956 (No. 1 of 1956) as LANCO GLOBAL SYSTEMS LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A47481502 dated 05/11/2008 the name of the said company is this day changed to LGS GLOBAL LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Hyderabad this Fifth day of November Two Thousand Eight.




(NANDA KUMAR P C)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

आंध्र प्रदेश

Andhra Pradesh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

LGS GLOBAL LIMITED
8-2-293/82/A/796/B, ROAD NO.36, JUBILEE HILLS.,
HYDERABAD - 500033,
Andhra Pradesh, INDIA

Company No. 01-30996



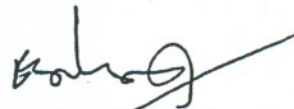
Certificate of Commencement of Bussiness.
Pursuant of section 149(3) of the Companies Act, 1956.

I hereby certify that the LANCO GLOBAL SYSTEMS LIMITED

which was incorporated under the Companies Act, 1956, on the TWENTY EIGHTH
day of JANUARY, 1999 and which has this day filed a duly verified
declaration in this prescribed form that the conditions of section 149 (1) (a) to
(d)/149 (2) (a) to (c) of the said Act, have been complied with is entitled to
commence business.

Given under my hand at Hyderabad this TENTH day of FEBRUARY
one thousand nine hundred and NINETY NINE




(E. SELVARAJ)
REGISTRAR OF COMPANIES
ANDHRA PRADESH, HYDERABAD



प्रारूप आई आर

Form I

[See Regulation 16(1)]

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता...01-.....का सं.....
30996 98-99

No...01-..... of 19.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम, 1956 के अधीन निगमित की गई है यह कम्पनी परिसीमित है ।

I hereby certify thatLANCO GLOBAL SYSTEMS LIMITED.....

is this day incorporated under the Companies Act, 1950 * (and that the Company is limited.)

मेरे हस्ताक्षर से आज ता.....को दिया गया ।

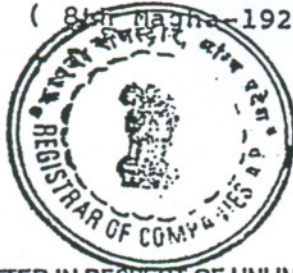
Given under my hand at.....HYDERABAD.....this.....TWENTY EIGHTH

JANUARY

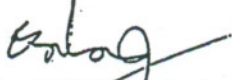
day ofOne thousand nine hundred and.....NINETY NINE

(8th Magma - 1920 Saka)

Seal
जे.एस.सी.-1
J.S.C-1



* TO BE OMITTED IN RESPECT OF UNLIMITED COMPANY


(E. SELVARAJ)
कम्पनियो का रजिस्टर
Registrar of Companies
Andhra Pradesh
Hyderabad

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

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L64203AP1999PLC030996

मैसर्स YBRANT DIGITAL LIMITED

के अंशधारकों ने दिनांक 17/08/2012 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परिवर्तित संगम-ज्ञापन के साथ, आज पंजीकृत कर ली गई है।

हैदराबाद में यह प्रमाण-पत्र, आज दिनांक छह सितम्बर दो हजार बारह को जारी किया जाता है।

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

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956

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

Corporate Identity Number : L64203AP1999PLC030996

The share holders of M/s YBRANT DIGITAL LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 17/08/2012 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given at Hyderabad this Sixth day of September Two Thousand Twelve.

Registrar of Companies, Andhra Pradesh

कम्पनी रजिस्ट्रार , आंध्र प्रदेश

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

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

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

YBRANT DIGITAL LIMITED
PLOT NO. 7A, ROAD NO. 12,, MLA COLONY, BANJARA HILLS,,
HYDERABAD - 500034,
Andhra Pradesh, INDIA



The name of the Company changed from "LYCOS INTERNET LIMITED" to "BRIGHTCOM GROUP LIMITED" vide Special Resolution passed by the members of Company through postal ballot/ e-voting process conducted as per the provisions of the Companies Act, 2013 and completed on 08th September, 2018.

INCORPORATED
UNDER THE COMPANIES ACT 1956
(1 OF 1956)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
BRIGHTCOM GROUP LIMITED

- i.** The name of the Company is **BRIGHTCOM GROUP LIMITED.**
- ii.** The Registered Office of the Company will be situated in the state of Telangana.
- iii.** The objects of the Company for which the Company is established are:
 - (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
 - 1.** To carry on business to Design, Develop, Acquire, Accept, Arrange, Assemble, Manufacture, Produce, Fabricate, Generate, Equip, Obtain, Provide, Erect, Construct, Install, Set Up, Supervise, Implement, Support, Assign, Engineer, Give Consultancy, Advise, Train, Process, Assist, Use, Distribute, Transmit, Repair, Maintain, Improve, Extend, Manage, Modify, Alter, Convert, Enfranchise, Explore, Establish, Insure, Undertake, Conduct, Perform, Sponsor, Participate, Protect, Act, Patent, Value add and Resell, Lease or Hire, Sell on Hire Purchase or on Installment System or Entering into Contract, to act as an Authorized Representative, Reseller, Agent, Stockist, Distributor, Dealer, Clearing and Forwarding Agent, Franchise Holder, Counsellor, Broker, Consultant, Advisor, Retainer, Licensee, Trainer, to acquire technical know-how to provide technical services, to perform Benchmark tests, to undertake Turnkey projects, to conduct Operation Research, to provide Management Information Processing applications and to conduct Operation Research, to provide Management and Marketing services in the fields of Software Development, Computer Software CAD/CAM Books, systems, teaching aids, servers, parallel computers, mini and micro computers, all types of network computers, micro processors, pentium drives, disks, modem, monitors, Information Technology, virtual training & animation software, internet, intranet, web technologies and any such product or things which may be considered either as an integral part of a computer system or in related fields and supplement thereto. Also in the fields of Micro Processors, Electromagnetic and Mechanical, Electrical and Electronic equipments, expert systems, photo setters, digital equipments/imaging, process control and real time systems, engineering work systems, electronics circuits, projects and cameras, time relay and telecommunications equipments, cellular phones, paging systems, optical fibres, telephone

machines, audio and video equipments, establishing earth station, satellite communications, software technology parks, internet and E-Mail Services, Generators, uninterrupted power supply system, all other allied fields and integral parts, items and components intended to use in Electrical, Electronic, Telecommunications, Satellite communications and Internet service industry.

2. To carry on business and to undertake consultancy, research, designing, conducting test, implementation, supervising and to give support services for the development of software, systems and programming either for own use for other users, for sale in India or export outside India. To send staff and students within and outside India for implementation of projects, for doing research and advanced studies, to set up information management services like data processing, data entry works, Desk top Publishing, word processing, hiring out machine time, supervise and advise to other companies in info processing aspects to undertake turn key projects, conducting feasibility studies, operations research in complete hardware and software solutions and to undertake the data processing and programming relating to issue of securities and to act as registrars and transfer agents, to digitize and make drawings, maps, pictures, photographs, CAD works, deal in Animation, Multimedia, to design and fabricate integrated and other electronic circuits and to render all kinds of job work relating to Information Technology.
3. To carry on business to render higher education consultancy within and outside India, to provide computer education, teaching and training in software, hardware, networking and all other related fields in Information Technology by setting up training centers at various places within and outside India, either through own efforts or through franchising, and to publish books, journals, bulletins, study materials, magazines, brochures, pamphlets, periodicals, circulations, news letters, news papers and to own and maintain stores for imparting and spreading the knowledge of computer programming and in general about information technology, to conduct, sponsor, grant, aid, subsidise, send for advanced studies or otherwise participate in training programmes, courses, seminars and conferences to improve the overall knowledge in computer field or Information Technology.
4. To develop software for Computer Systems for data processing, data acquisition, data transmission, Tele data entry and industrial instrumentation and process control and to act as Computer and Electronic Data Processing consultants and Agents. To provide comprehensive end-to-end digital marketing services to direct marketers, brand advertisers and marketing agencies in India and abroad and also internet and mobile marketing services, support services and software tools for Online Marketing. To provide global internet and mobile advertising network and focus on delivering graphical and contextual banners to users from around the world. To target users by using advanced geo-targeting technology to reach users in their native languages.
5. To carry the business of and to establish, develop, formulate, structure, offer service and/or otherwise deal in all types of information and communication, telephone, telex, fax, radio television, computers, satellite communication and other type of communications job works/contract to design and develop various information technologies, software and hardware property rights in the above fields. And to carry on the business of and to render consultancy services and services in the field of Software development, Software export, information and data processing, computer systems, communications, research and technical services including commercial exploitation, export, import, and to act as dealers authorized representatives of the same. To depot personnel to design and develop software in India and abroad and to start Technology Parks in India and abroad. To set up offices, labs, development centers, factories, works and also to enter into joint venture collaboration or otherwise with parties, companies, entities India or abroad or acquire, merge, amalgamate or takeover the business of any other company or entity for the purpose of development of software. To establish, purchase, take on lease or hire or otherwise acquire and maintain, and to sell, give on lease or hire studios, laboratories, cinemas, picture places, halls, multiplex theatres, I-max theatres etc., for production, processing and printing of films and to carry on the business of exhibiting and distributing cinematographic films, television films video films and acquiring or selling rights therein. And do the business of Media communication, entertainment, and production of films in digital or non-digital film distribution, Event management,

and Event co-ordination and acquire rights of national & international films of digital or non-digital. And acquire rights for Satellite Channels, TV Channels.

6. To carry on the business of research and development, design, production, creation, manufacturing, marketing, trading, providing, transferring exporting, importing, buying and selling all types of Computer Software including, applications software, development software, computer programs, algorithms, statements, source codes, packages etc., in areas like e-commerce, web page design and development, web enabled applications, Internet services, Intranet, Enterprise Wide Resource Planning (ERP), Data Base Management Systems, Operating Systems, Distributed Computing, Open Systems, Multi Media, Computer Aided Designing (CAD), Computer Aided Manufacturing (CAM, Computer Graphics, Computer Animation, Document Management Systems, Management Information Systems and all such areas relevant to Scientific, Financial, Industrial, Telecommunications, Satellite Communications, Domestic, Administrative, Agricultural, Medical and all other applications. And to set up, establish and run In-bound and out-bound Call Center business in India and abroad, via e-mail, voice or Web Chat or any other mode of communication to provide client service such as Order processing, Reservations, Lead generation, tele-Marketing, cross selling, customer acquisition and activation, customer interface, medical transcription work processing and such other services required by the clients along with providing technical support.

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

1. To arrange, secure and make available to its subsidiary and other concerned organizations such facilities, resources, inputs and services as may be required.
2. To enter into any arrangement with the Government of India or with any other government or State or any local or State Government or with authorities, national, local, municipal, or otherwise or with any person for the purpose of directly or indirectly carrying out the objects or furthering the interests of the Company or its members and to obtain from any such government, State authority or person any charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, privileges, licenses or concessions whatsoever (whether statutory or otherwise) which the company may think it desirable to obtain and carry out, exercise and comply with the same.
3. To borrow money or to receive money or deposits for the purpose of financing the business of the Company either with security or mortgage or other security charged on the undertaking on all or any of the assets of the Company (both present or future) including uncalled capital to increase, reduce or pay off any such securities.
4. To acquire by purchase, lease, exchange, hire or otherwise, or to construct and maintain factories, works, buildings and conveniences of all kinds, lands, buildings, apartments, plants, machinery, hereditaments of any tenure or descriptions, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated and turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.
5.
 - a) To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill, rights and liabilities of any person, firm, society, association, corporation or company carrying on any business which the Company is authorized to carry on.
 - b) To procure the incorporation, registration or other recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business.
 - c) To undertake, carryout, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social responsibilities of the Company to the public or

any section of the public as also any activity to promote national, welfare or social, economic upliftment of the public or any section of the public.

6. To obtain, apply for arrange for the issue or enactment of order or Act of legislature or Act of Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or application or any other endeavors, steps or measures which may seem calculated directly or indirectly to prejudice the Company's interests.
7. To pay out of the funds of the Company all costs, charges and expenses which the Company may lawfully pay with respect to the promotion, formation and registration of any Company promoted by the Company or any Company in which this is or may contemplate being interested and/or the issue of the Capital or which the Company shall consider to be preliminary, including therein the cost of advertising, printing and stationery and commission for obtaining application for taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company and expenses attendant upon the formation of agencies, branches and local boards.
8. Subject to the provisions of Section 293A of the Companies Act 1956 to make donations to such person or persons either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or is otherwise expedient, and to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious, benevolent, national public or other institutions or any exhibition or for any public, general or other objects and to establish and support or aid in establishment of associations, institutions, funds, trusts and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependents, relatives or connection of such persons and particular friends or other benefit societies and to grant allowances, gratuities and bonus either by way of annual payment or a lumpsum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.
9. To apply for purchase or otherwise acquire any trademarks, patents, inventions, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
10.
 - a) To establish, provide, maintain and conduct or otherwise subsidies laboratories and experimental workshops for scientific, technical or research experiments and to undertake and carry out directly or in collaboration with other agencies scientific and technical research experiments and tests of all kinds and to process, improve and invent new products and their techniques of manufacture and to promote, encourage reward in every manner studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, import substitution or any business which the company is authorized to carry on.
 - b) To establish, maintain and operate technical training institutions and hostels for Engineers of all types and all other technical staff and artisans and mechanics of all types and kinds and accountants and other in India or in any part of the world; to make such other arrangements as may expedient for the training of all categories of officers, workers, clerks, store keepers and other personnel likely to be useful to assist in any business which the Company is authorized to carry on.
11. To improve, manage, develop, exchange, loan, lease or let, under lease, sub-let, mortgage, dispose of, deal with in any manner, turn to account or otherwise deal with any rights or property of the Company.

12. To accumulate funds and to invest or otherwise employ moneys belonging to or with the company and not immediately required in the purchase or acquisition of any shares, securities or other investments whatsoever whether movable or immovable upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the Company may think fit.
13. Subject to provisions of Section 58A and rules made there under to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures, or debenture-stock (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 property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company, or any other person or company as the case may be.
14.
 - a) To lend and advance money or to give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money or by such persons or companies and generally to give guarantee and indemnities.
 - b) To guarantee the payment of money, unsecured or secured or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments and securities of any Company or any authority, supreme, municipal local or otherwise or of any persons and generally to give guarantees or indemnities or become sureties.
 - c) To indemnify Officers, Directors, Secretaries, Agents and servants of the Company against proceedings, causes, damages, claims and demands in respect of anything done or ordered to be done by them or and in the interest of the Company or for any loss, damages or misfortunes whatsoever, which shall happen in the execution of duties of their office or in relation the reef.
15. To enter into partnership or into any arrangement for joint working, sharing or pooling profits, amalgamation, union of interests, co-operation, joint-venture, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction which the Company is authorized to carry on or engage in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.
16.
 - a) To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the wives, families, dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other Associations, Institutions, Funds or Trusts or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.
 - b) To give any officer, servants or employees of the Company any share or interest in the profits of the Company's business or any branch thereof, and whether carried on by means or through the agency of any subsidiary company or not, and for the purpose to enter into any arrangements the Company may think fit.

- c) To train or pay for the training in India or abroad any of the company's employees or any candidate in the interest of or for furtherance of the Company's objects.
- 17.** To dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other association, Corporation or Company, to promote or aid in the promotion of any other Company or partnership for the purpose of acquiring all or any of the properties, rights or liabilities of the Company or for any other purposes which may seem directly or indirectly calculated to benefit the Company.
- 18.** a) To enter into agreements and contracts with foreign individuals, companies or other organisations for purchase of equipments and for technical, financial or any other assistance, for carrying out all or any of the objects of the Company.
- b) To enter into any agreement with any Government or authorities (Municipal, local or otherwise) or any Corporations, Companies or persons which may seem conducive to the Company's objects and to obtain from any such government authorities, corporations, companies or persons any contract, right, privilege and concessions which the company may think desirable and to carry out, exercise and comply with any such contracts, rights, privileges and concessions.
- c) Enter into contracts of indemnity and guarantee.
- 19.** To establish and maintain agencies, branch places and local registers to procure registrations or recognition of the Company and to carry on business in any part of the world and to take such steps as may be the world as are possessed by local companies or partnership or as may be thought desirable.
- 20.** To subscribe for, underwrite purchase or otherwise acquire and to hold, dispose of a deal with the shares, stocks, securities and evidences of indebtedness or the right to participate in profits or other similar documents issued by the Government authority, Corporation or body or by the company, body of persons and any option or right in respect thereof.
- 21.** a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise vest any real or personal property, rights or interest acquired by or belonging to the Company and with or without any declared trust in favour of the Company and to accept gifts and give gifts and donations, to create trust for any deserving objects and to act as trustees.
- b) To aid, pecuniarily or otherwise, any association body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
- 22.** To create any depreciation fund, sinking fund, insurance fund or any other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company, or redeemable preference shares or for any other purposes whatsoever conducive to the interests of the Company.

23. a) To open an account or accounts with any individual, firm or company or with the Bank and to pay into and withdraw money from such account or accounts.
b) To draw, make, accept, endorse, discount, execute, retire, discharge, negotiate, issue and honour bills of exchange, cheques, promissory notes, bills of lading, dock and warehouse, warrants, rail receipts, air and motor way-bills and other negotiable, semi-negotiable or transferable instruments or securities subject to the Banking Regulations Act, 1949.
24. To pay for any rights, privileges or property acquired or to be acquired by the Company and to remunerate any person or company for services rendered or to be rendered to the Company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
25. To establish branches, sub-offices, manufacturing units, etc., in India or outside India for the purpose of the business of the Company.
26. To appoint Agents in India or outside India for carrying on the objectives of the Company and to regulate and discontinue the same.
27. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
28. To acquire shares, stocks or securities in or of any company carrying on any business which this company is entitled to carry on or of any other company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advance the interests of or be advantageous or beneficial to the Company and to sell or dispose of or transfer any such shares, stocks or securities.
29. To promote, organise or carry on the business of consultancy services in any field of activity in which it is engaged in.
30. To promote or concur in the promotion of any company the promotion of which shall be considered desirable in furtherance of the object of any objects of the company.
31. Generally to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them and to carry on any business which may seem to the Company capable of being conveniently carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
32. In the case of disputes to refer to arbitration and to institute, defend, compromise, withdraw or abandon any legal or other proceeding and claims by or against the Company, by or its Officers or otherwise concerning the affairs of the Company.
33. To amalgamate, enter into partnership or make any arrangement for sharing profits, union of interests, co-operation, joint venture on reciprocal concessions or for limiting competition with any individual, person or company.
34. To open current and/or other accounts with any banks or merchants to pay money into and draw money from such accounts.
35. To distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property of the Company in the event of winding up.

(C) OTHER OBJECTS:

1. To carry on business as manufacturers, processors, re-rollers, refiners, smelters, converters, producers, exporters, importers, traders, dealers, distributors, stockists, buyers, sellers, agents or merchants, in all kinds and forms of ferrous and non-ferrous metals, ferro alloys, iron and steel including mild high carbon, spring, high speed tool, alloy, stainless and special steel, iron, metals and alloys, ingots, billets, bars, joists, rods, squares, structurals, tubes, poles, pipes, sheets, castings, wires, rails, rolling materials, rollers, semi-manufactured and other materials made wholly or partly of iron, steel, alloys and metals required in or used for industrial, defense, agricultural, transport, commercial, domestic, building, power transmission and / or other purposes.
2. To carry on business as iron-masters, iron founders, iron workers, steel makers, electric and blast furnace proprietors, brass founders and metal makers, refiners and workers generally as iron and steel converters, smiths, tin plate makers, manufacturers of industrial, agricultural and other fittings, parts and all kinds of machinery, tools and implements, boiler and steam generating plant makers and metallurgists.
3. To carry on business as producers, manufacturers, processors, converters, refiners, makers, bottlers, stockists, dealers, importers, exporters, traders, retailers, agents, buyers or sellers of oxygen, acetylene, ammonia, nitrogen, hydrogen, L. P. Gas, coal gas, natural gas, helium and other types of kinds of gases.
4. To carry on the business of placement services, body shopping, training of students, deputees and others in the field of computer software and hardware.
- IV. The liability of the members of the Company is limited.
- V. **The Authorised Share Capital of the Company is ₹ 300,00,00,000/- (Rupees Three Hundred Crore only) divided into 150,00,00,000 (One Hundred and Fifty Crore only) Equity Shares of ₹ 2/- (Rupees Two only) each. ***

The Company shall have the power to increase or reduce the share capital to issue any shares with special rights or privileges as to voting, dividends, repayment of capital or otherwise or to subject the same to any restriction, limitations and conditions and to vary, modify or abrogate any such right, privileges, restrictions or conditions. The rights of the holders of any class of shares for the time being forming part of the capital of the company may be modified, affected, varied, extended or surrendered.

*Altered by passing resolutions on 28-01-1999; 10-11-1999; 23-08-2002; 12-10-2006; 15-07-2011; 11-04-2012 and 05-08-2021.

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

SI. No.	Name, Address, Description and Occupation of the subscriber with their signature	No. of equity shares taken by each Subscriber	Name, Address, Description Occupation and signature of witness to signature
1.	Y. HARISCHANDRA PRASAD S/o. Y. Sreeramulu 126, Srinagar Colony, Hyderabad – 500073. Occupation : Industrialist Age: 39 Years	100 One Hundred	Sd/- S. GANAPATHI RAO S/o. S. Srirama Murthy 206, Sneha Enclave, 1144, Srinagar Colony, Hyderabad – 500073. Occupation: Service
2.	L. MADHUSUDHAN RAO S/o. L. V. Rama Naidu Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation : Industrialist Age : 33 Years	100 One Hundred	
3.	L. SRIDHAR S/o. L. V. Rama Naidu C-4, Film Nagar, Co-operative Housing Society, Road No. 8, Jubilee Hills, Hyderabad – 500034 Occupation: Industrialist Age: 32 Years	100 One Hundred	
4.	G. BHASKARA RAO S/o. G. V. Rama Naidu Plot # 42, Road # 6, Film Nagar, Hyderabad – 500034. Occupation: Industrialist Age: 45 Years	100 One Hundred	
5.	Smt. L. PADMA W/o. L. Rajagopal Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation : House Wife Age : 33 Years	100 One Hundred	
6.	Smt. G. PADMAVATHI W/o. G. Bhaskara Rao Plot # 42, Road # 6, Film Nagar, Hyderabad – 500034. Occupation: House Wife	100 One Hundred	
7.	Smt. L. RAJALAXMI W/o. L. Madhusudhan Rao Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation : House Wife Age : 31 Years	100 One Hundred	
	Total No. of shares taken	700 (Seven Hundred only)	

Place: Hyderabad

Date: 22-01-1999

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

**ARTICLES OF ASSOCIATION
 OF
 BRIGHTCOM GROUP LIMITED¹**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on Tuesday, September 30, 2014, in substitution for, and to the entire exclusion of the earlier regulation comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

- | | | |
|--------|--|--|
| 1. (1) | The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table 'F' not to apply |
| (2) | The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

Interpretation

- | | | |
|--------|--|--|
| 2. (1) | In these Articles — | |
| (a) | "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | "Act" |
| (b) | "Articles" means these articles of association of the Company or as altered from time to time. | "Articles" |
| (c) | "Board of Directors" or "Board", means the collective body of the directors of the Company. | "Board of Directors" or "Board" |
| (d) | "Company" means BRIGHTCOM GROUP LIMITED. | "Company" |
| (e) | "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. | "Rules" |
| (f) | "Seal" means the Common Seal of the Company. | "Seal" |
| (2) | Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. | "Number" and "Gender" |
| (3) | Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. | Expressions in the Articles to bear the same meaning as in the Act |

Share capital and variation of rights

Authorised Share Capital	3.	The Authorized Share Capital of the Company shall be as specified under Clause V of the Memorandum of Association of the Company.
Shares under control of Board	4.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
Directors may allot shares otherwise than for cash	5.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
Kinds of Share Capital	6.	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: <ul style="list-style-type: none"> (a) Equity share capital: <ul style="list-style-type: none"> (i) with voting rights and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules and (b) Preference share capital.
Issue of certificate	7.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive share certificate within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission.
Certificate to bear seal	(2)	Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One certificate for shares held jointly	(3)	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
	*(4)	The issue of share certificates and duplicates and the issue of new share certificates on consolidation or sub-division or in replacement of share certificates which are surrendered for cancellation due to their being defaced, torn, old or worn out or the cages for recording the transfer have been fully utilized or share certificates which are lost or destroyed, shall be in accordance with the provisions of the Act.
Option to receive share certificate or hold shares with depository	8.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share(s) to enable the depository to enter in its records the name of such person as the beneficial owner of that share(s).

**Inserted by passing special resolution at the 16th Annual General Meeting held on 28th September, 2015.*

- | | | |
|---------|--|---|
| 9. | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. | Issue of new certificate in place of one defaced, lost or destroyed |
| 10. | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. | Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc. |
| 11. (1) | The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. | Power to pay commission in connection with securities issued |
| (2) | The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. | Rate of commission in accordance with Rules |
| (3) | The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. | Mode of payment of commission |
| 12. (1) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. | Variation of members' rights |
| (2) | To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply. | Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting |
| 13. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith. | Issue of further shares not to affect rights of existing members |
| 14. | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. | Power to issue redeemable preference shares |

- | | |
|---------------------------------|---|
| Further issue of share capital | 15. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - |
| | (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person or |
| | (b) employees under any scheme of employees' stock option or |
| | (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. |
| Mode of further issue of shares | (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. |

Lien

- | | |
|--|--|
| Company's lien on shares | 16. (1) The Company shall have a first and paramount lien - |
| | (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and |
| | (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company. |
| | Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. |
| Lien to extend to dividends, etc. | (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. |
| Waiver of lien in case of registration | (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. |
| As to enforcing lien by sale | 17. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
Provided that no sale shall be made— |
| | (a) unless a sum in respect of which the lien exists is presently payable or |
| | (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. |
| Validity of sale | 18. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. |
| Purchaser to be registered holder | (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. |

- | | | |
|---------|---|--|
| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. | Purchaser not affected |
| 19. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. | Application of proceeds of sale |
| (2) | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 20. | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |
| 21. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

Calls on shares

- | | | |
|---------|--|---|
| 22. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls |
| (2) | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of call |
| (3) | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. | Board may extend time for payment |
| (4) | A call may be revoked or postponed at the discretion of the Board. | Revocation or postponement of call |
| 23. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. | Call to take effect from date of resolution |
| 24. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders of shares |

When interest on call or instalment payable	25. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	26. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	27.	The Board - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.
Instalments on shares to be duly paid	28.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	29.	All calls shall be made on a uniform basis on all shares falling under the same class. <i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.
Partial payment not to preclude forfeiture	30.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	31.	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Transfer of shares

32. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
33. The Board may, subject to the right of appeal conferred by the Act decline to register - Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve or
- (b) any transfer of shares on which the Company has a lien.
34. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - Board may decline to recognise instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act.
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and
- (c) the instrument of transfer is in respect of only one class of shares.
35. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
36. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

Transmission of shares

37. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable
38. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either - Transmission Clause
- (a) to be registered himself as holder of the share or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected	(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Indemnity to the Company	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	39. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
Manner of testifying election	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice	(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Claimant to be entitled to same advantage	40. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	41. The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Forfeiture of shares

If call or instalment not paid notice must be given	42. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
---	---

- | | | |
|---------|--|---|
| 43. | The notice aforesaid shall: | Form of notice |
| | (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and | |
| | (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. | |
| 44. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. | In default of payment of shares to be forfeited |
| 45. | Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. | Receipt of part amount or grant of indulgence not to affect forfeiture |
| 46. | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. | Entry of forfeiture in register of members |
| 47. | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. | Effect of forfeiture |
| 48. (1) | A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. | Forfeited shares may be sold, etc. |
| | (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. | Cancellation of forfeiture |
| 49. (1) | A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. | Members still liable to pay money owing at the time of forfeiture |
| | (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. | Member still liable to pay money owing at time of forfeiture and interest |

Cesser of liability	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	50. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
Title of purchaser and transferee of forfeited shares	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
Transferee to be registered as holder	(3)	The transferee shall thereupon be registered as the holder of the share and
Transferee not affected	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	51.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	52.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
Surrender of share certificates	53.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
Sums deemed to be calls	54.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	55.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Alteration of capital

56. Subject to the provisions of the Act, the Company may, Power to alter share capital
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient.
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act.
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum.
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
57. Where shares are converted into stock: Shares may be converted into stock
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.
58. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital
- (a) its share capital and/or
 - (b) any capital redemption reserve account and/or
 - (c) any securities premium account and/or
 - (d) any other reserve in the nature of share capital.

Joint Holders

- Joint-holders 59. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
- Liability of Joint-holders (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
- Death of one or more joint-holders (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
- Receipt of one sufficient (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- Delivery of certificate and giving of notice to first named holder (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- Vote of joint-holders (e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
- Executors or administrators as joint holders (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc. (f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

60. (1) The Company in general meeting may, upon the recommendation of the Board, resolve —
- Capitalisation
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- Sum how applied
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively.
 - (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid.
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
61. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- Powers of the Board
for capitalisation
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any, and
 - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- Board's power to issue fractional certificate/coupon etc.
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.
- Agreement binding on members

Buy-back of shares

- Buy-back of shares 62. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

- Extraordinary general meeting 63. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- Powers of Board to call extraordinary general meeting 64. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

- Presence of Quorum 65. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- Business confined to election of Chairperson whilst chair vacant (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- Quorum for general meeting (3) The quorum for a general meeting shall be as provided in the Act.
- Chairperson of the meetings 66. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
- Directors to elect a Chairperson 67. If there is no such Chairperson, the directors present shall elect one of their members to be Chairperson of the meeting.
- Members to elect a Chairperson 68. If at any meeting no director is willing to act as Chairperson, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
- Casting vote of Chairperson at general meeting 69. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- Minutes of proceedings of meetings and resolutions passed by postal ballot 70. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

- | | |
|--|--|
| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person or</p> <p>(b) is irrelevant or immaterial to the proceedings or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p> | <p>Certain matters not to be included in Minutes</p> <p>Discretion of Chairperson in relation to Minutes</p> <p>Minutes to be evidence</p> |
| <p>71. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company and</p> <p>(b) be open to inspection by any member without charge on all working days.</p> | <p>Inspection of minute books of general meeting</p> |
| <p>(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p> | <p>Members may obtain copy of minutes</p> |
| <p>72. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p> | <p>Powers to arrange security at meetings</p> |

Adjournment of meeting

- | | |
|--|---|
| <p>73. (1) The Chairperson may, <i>suo motu</i>, adjourn the meeting from time to time and from place to place.</p> | <p>Chairperson may adjourn the meeting</p> |
| <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> | <p>Business at adjourned meeting</p> |
| <p>(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> | <p>Notice of adjourned meeting</p> |
| <p>(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <p>Notice of adjourned meeting not required</p> |

Voting rights

Entitlement to vote on show of hands and on poll	74.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	75.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	76. (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Seniority of names	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members <i>non compos mentis</i> and minor may vote	77.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	78.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	79.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	80.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	81.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	82.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

83. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. Member may vote in person or otherwise
- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
84. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Form of proxy
85. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Proxy to be valid notwithstanding death of the principal
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

86. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). Board of Directors
87. (1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. Directors not liable to retire by rotation
- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. Same individual may be Chairperson and Managing Director/ Chief Executive Officer
88. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration of directors
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act. Remuneration to require members' consent

Travelling and other expenses	<p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or</p> <p>(b) in connection with the business of the Company.</p>
Execution of negotiable instruments	<p>89. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>
Appointment of additional directors	<p>90. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p>
Duration of office of additional director	<p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>
Appointment of alternate director	<p>91. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p>
Duration of office of alternate director	<p>(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p>
Re-appointment provisions applicable to Original Director	<p>(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
Appointment of director to fill a casual vacancy	<p>92. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p>
Duration of office of Director appointed to fill casual vacancy	<p>(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>

93. Notwithstanding anything to the contrary contained in the Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), ICICI Ltd, Life Insurance Corporation of India (LIC), Unit Trust of India (UTI) and National Thermal Power Corporation Ltd., (NTPC) or to any other Finance Corporation or Credit Corporation or any other International Finance Corporation or Institution including Asian Development Bank or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, UTI and NTPC or any other financing corporation or Credit Corporation or any other financing Company or Body is hereinafter in this Article referred to as "the Corporation continue to hold debentures in the Company as a result of underwriting or direct subscription or private placement or so long as the Corporation holds shares Company as a result of underwriting or direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company arising out of any guarantee furnished by the Corporation on behalf of the Board remains outstanding, the Corporation shall have a right to appoint from time to time any person/persons as a Director or Directors, whole time or non whole time director (which director or directors is / are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or person in his or their place/s.

Nominee Director

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to Corporation or so long as the Corporation holds Debentures in the Company as result of underwriting or direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or if the Corporation ceasing to hold debentures / shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and Meetings of the Committee of which the Nominee Director/s is/are Member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys

and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation of such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Borrowing Powers

Acceptance of Deposits and
/or borrowing money

94 (1). Subject to the provisions of Sections 179 and 180 of the Act and to these Articles, the Board may from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company, provided however, where the money to be borrowed together with the moneys already borrowed (Apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserve (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the company in General Meeting.

Security for the Borrowing

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

Issue of Debentures

(3). Any debentures may be issued at premium otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise Debentures with the right to conversion in to or allotment of shares shall be issued only in accordance with the provisions of the Act.

Register of Mortgages,
Debentures

(4).The Board shall cause a proper register to be kept in accordance with the provisions of the Act of all mortgages, debentures and charges specifically affecting the property of the company.

Register of Debentureholder

(5). The company shall, if at any time has issued debentures keep a register and index of debenture holder in accordance with the provisions of the Act.

Powers of Board

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

Proceedings of the Board

96. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. When meeting to be convened
- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. Who may summon Board meeting
- (3) The quorum for a Board meeting shall be as provided in the Act. Quorum for Board meetings
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Board meetings
- (5) If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting. Adjournment of meeting for want of quorum
97. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Questions at Board meeting how decided
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting
98. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. Directors not to act when number falls below minimum
99. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. Directors to elect a Chairperson

Delegation of powers	100. (1)	The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations	(2)	Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	(3)	The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairperson of Committee	101. (1)	A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee	(2)	If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	102. (1)	A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2)	Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson at Committee meeting	(3)	In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	103.	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	104.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary
and Chief Financial Officer**

105. (a) Subject to the provisions of the Act,—
A Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board. The Board may appoint one or more Chief Executive Officers for its multiple businesses.
- Chief Executive Officer, etc.
- (b) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- Director may be Chief Executive Officer, etc.

Registers

106. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Statutory registers
107. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

The Seal

108. (1) The Board of Directors shall provide a Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal for the time being and the Seal shall not be used except by authority of Board of Directors and / or a Committee of the Board of Directors previously given.
- The seal, its custody and Affixation
- (2) Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted Attorney, be affixed in the presence of one Director who shall sign the same in token thereof and shall be countersigned by the Company Secretary or some other person appointed by the Board for the purpose.

Dividends and Reserves

- | | | |
|---|----------|--|
| Company in general meeting may declare dividends | 109. | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend. |
| Interim dividends | 110. | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit. |
| Dividends only to be paid out of profits | 111. (1) | The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. |
| Carry forward of profits | (2) | The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. |
| Division of profits | 112. (1) | Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. |
| Payments in advance | (2) | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. |
| Dividends to be apportioned | (3) | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. |
| No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom | 113. (1) | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. |
| Retention of dividends | (2) | The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares. |

- | | | |
|----------|---|----------------------------------|
| 114. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 115. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share | Receipt of one holder sufficient |
| 116. | No dividend shall bear interest against the Company. | No interest on dividends |
| 117. | The waiver in whole or in part of any dividend on any share By any document (whether or not under seal) shall be Effective only if such document is signed by the member (or the person entitled to the share in consequence of the Death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |
| *117A. | There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law. | |

AUDIT

- 118.(1). Auditors shall be appointed and their rights and duties regulated in accordance with provisions of the Act and the other provisions of these Articles.
- (2). Every account of the company when audited and approved in a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. When any such error is discovered within that period the account shall forthwith be corrected and henceforth shall be conclusive.

SERVICE OF DOCUMENTS

- 119.(1). A notice or other document may be given by the company to its members in such modes as permissible under the Act.
- (2). A document or notice may be served or given by the company on any Member either personally or by sending it by post to him to his registered address or if he does not have a registered address in India, to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

**Inserted by passing special resolution at the 16th Annual General Meeting held on 28th September, 2015.*

Books of Accounts

Place of keeping of Books of Accounts 120.(1). Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place.

Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner prescribed under the Act.

Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of aforesaid article, if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office.

Inspection directors by (2). The books of account and other books and papers maintained by the company within India shall be open for inspection at the registered office of the company or at such other place in India by any director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to such conditions as may be prescribed.

Inspection Members by (3). The Board may from time to time determine whether and to what extent and at which times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except with the authorization of the Board.

AUTHENTICATION OF DOCUMENTS

121.(1). Save as otherwise provided in the act any director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the company and any resolutions passed by the company or the board and any books, records, documents and accounts relating to the business of the company and to certify copies thereof or extract there from as true copies or extracts and where any books, records, documents or accounts are kept elsewhere than at the office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by Board as aforesaid.

A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board.

Winding up

122. Subject to applicable provisions of the Act and the Rules made thereunder-

Winding up of the Company

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

Indemnity and Insurance

123.(a). Subject to the provisions of the Act, every Director, Managing Director, Whole-Time Director, Manager, Company Secretary and other Officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Company Secretary and Officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Company Secretary or Officer or in any way in the discharge of his duties in such capacity including expenses.

Directors and Officers Right to indemnity

(b). Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary or other Officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c). The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Insurance

GENERAL POWER

General Power 124. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Sl. No.	Name, Address, Description and Occupation of the subscriber with their signature	Name, Address, Description Occupation and signature of witness to signature
1.	Y. HARISCHANDRA PRASAD S/o. Y. Sreeramulu 126, Srinagar Colony, Hyderabad – 500073. Occupation: Industrialist; Age: 39 Years	<p style="text-align: center;">Sd/- S. GANAPATHI RAO S/o. S. Srirama Murthy 206, Sneha Enclave, 1144, Srinagar Colony, Hyderabad – 500073. Occupation: Service</p>
2.	L. MADHUSUDHAN RAO S/o. L. V. Rama Naidu Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation: Industrialist; Age : 33 Years	
3.	L. SRIDHAR S/o. L. V. Rama Naidu C-4, Film Nagar, Co-operative Housing Society, Road No. 8, Jubilee Hills, Hyderabad – 500034. Occupation: Industrialist; Age: 32 Years	
4.	G. BHASKARA RAO S/o. G. V. Rama Naidu Plot # 42, Road # 6, Film Nagar, Hyderabad – 500034. Occupation: Industrialist; Age: 45 Years	
5.	Smt. L. PADMA W/o. L. Rajagopal Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation: House Wife; Age : 33 Years	
6.	Smt. G. PADMAVATHI W/o. G. Bhaskara Rao Plot # 42, Road # 6, Film Nagar, Hyderabad – 500034. Occupation: House Wife	
7.	Smt. L. RAJALAXMI W/o. L. Madhusudhan Rao Plot # 600, Road # 32, Jubilee Hills, Hyderabad – 500034. Occupation: House Wife; Age: 31 Years	

Place: Hyderabad
 Date: 22-01-1999



IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(ORDINARY ORIGINAL/CIVIL JURISDICTION)

WEDNESDAY, THE ELEVENTH DAY OF APRIL
TWO THOUSAND AND TWELVE

PRESENT
THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

COMPANY PETITION NOS. 33 AND 34 of 2012
CONNECTED WITH
COMPANY APPLICATION NOS. 1687 AND 1688 of 2011

C.P.No.33/2012 connected with C.A.No.1687/2011:

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND
IN THE MATTER OF SECTIONS 391 AND 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S.YBRANT DIGITAL LIMITED
AND
IN THE MATTER OF M/S. LGS GLOBAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

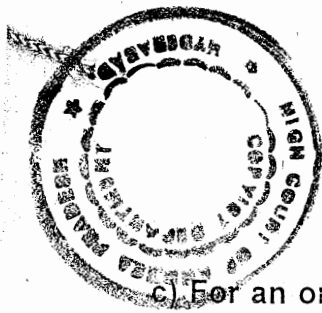
M/s. Ybrant Digital Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at Plot No.7A, Road No.12, MLA Colony, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, Represented by its Chairman and Managing Director Shri Muthukuru Suresh Kumar Reddy

..... PETITIONER/TRANSFEROR COMPANY

Petition to Sanction the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956, praying that this High Court may be pleased to an order

a) That the scheme of amalgamation as consented by the share holders of the petitioner company and the transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble Court so as to binding on all the members, unsecured creditors and employees of the petitioner company and all concerned.

b) For an order that the petitioner/Transferor company be dissolved without going through the process of winding up.



c) For an order under section 394 of the Companies Act that the petitioner company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the petitioner company and also dissolution of the transferor company without going through the process of winding up.

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

C.P.No.34/2012 connected with C.A.No.1688/2011:

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND
IN THE MATTER OF SECTIONS 391 AND 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S. LGS GLOBAL LIMITED
AND
IN THE MATTER OF M/S.YBRANT DIGITAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

M/s. LGS Global Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at 8-2-293/82/A/796/B, Road No.36, Jubilee Hills, Hyderabad - 500 033, Andhra Pradesh, Rep. by its Managing Director Sri K.Venkata Subba Rao

..... PETITIONER/TRANSFEE COMPANY

Petition to Sanction the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956, praying that this High Court may be pleased to an order

a) That the scheme of amalgamation as consented by the share holders of the petitioner company and the transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble Court so as to binding on all the members, unsecured creditors and employees of the petitioner company and all concerned.

b) For an order under section 394 of the Companies Act that the petitioner company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or



such date as this Hon'ble Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the petitioner company;

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

These Petitions coming on for orders upon reading the Company Petitions and the affidavits dated 23-01-2012 and filed by Mr.Muthukuru Suresh Kumar Reddy, Chairman and Managing Director of the Applicant Company herein in C.P.No.33/2012 and Sri K.Venkata Subba Rao, Managing Director of the Applicant Company herein in C.P.No.34/2012 in support of these Petitions and upon hearing the arguments of Sri V.S.Raju, Advocate for the Petitioner in both Company Petition.

THE COURT MADE THE FOLLOWING: ORDER



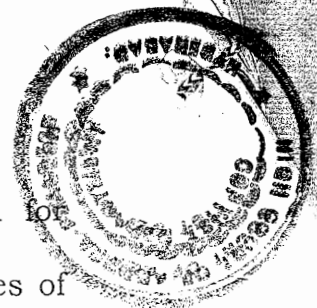
THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

COMPANY PETITION NO.33 OF 2012
AND
COMPANY PETITION NO.34 OF 2012

COMMON ORDER:

These two Company Petitions are filed by the transferor and transferee companies, under Sections 391 and 394 of the Companies Act, 1956 (the Act), for sanction of the scheme of amalgamation.

The petitioner in C.P.No.33 of 2012 is the transferor company. It was originally incorporated, in the State of Andhra Pradesh on 28.03.2000, under the name and style of M/s.USA Greetings (India) Private Limited. Consequent on its change of name to M/s.Ybrant Technologies (India) Private Limited, a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 07.11.2000. The petitioner converted itself into a public limited company, and was issued a fresh certificate of incorporation on 23.08.2005. The petitioner later changed its name to M/s.Ybrant Technologies Limited, and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 21.02.2006. The petitioner once again changed its name to M/s. Ybrant Digital Limited, and was issued a fresh certificate of incorporation by the Registrar of Companies, Hyderabad on 15.04.2008. The registered office of the transferor company is situated at Hyderabad. Its authorized capital is Rs.135.00 crores divided into 12,00,00,000/- equity shares of Rs.10/- for Rs.120.00

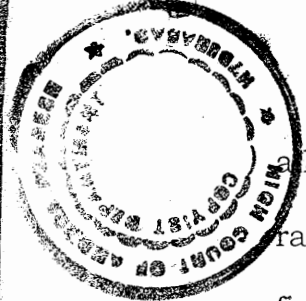


crores and 1,50,00,000 preference shares of Rs.10/- each for Rs.15.00 crores. As on 01.08.2011, the outstanding securities of the petitioner-company were as under:

Sl.No.	Outstanding securities of transferor company	No. of equity shares upon conversion
1.	1,20,76,810 compulsorily convertible preference shares of Rs.10/- each	1,19,02,712 of Rs.10/- each
2.	10,00,000 convertible warrants	30,00,000 of Rs.10/- each
3.	15,00,000 Employees Stock Option Scheme (ESOS)	15,00,000 of Rs.10/- each

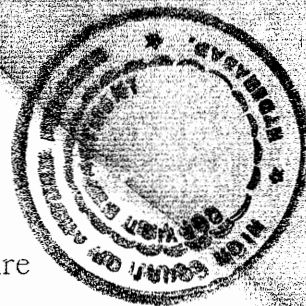
These convertible securities were converted into equity shares on 02.09.2011, 09.09.2011 and 23.12.2011, as a result of which the paid-up share capital of the transferor company, as on the date filing of this company petition, was Rs. 75,13,79,720/- divided into 7,51,37,972 equity shares of Rs.10/- each fully paid-up.

The main objects of the transferor company is (i) to develop software for computer systems, data processing, data acquisition, data transmission, tele-data entry, industrial instrumentation, process control, to act as computer and electronic data processing consultants and agents; (ii) to provide comprehensive end-to-end digital marketing services to direct marketers, brand advertisers and marketing agencies in India and abroad and also internet and mobile marketing services, support services and software tools for online markets; and to carry on the business of and to establish, develop, formulate, structure, offer service and or otherwise deal in



all types of information and communication, telephone, telex, fax, radio, television, computers, satellite communication etc. For the financial year ending 31.03.2011, the transferor company made a profit before tax of Rs.4,46,25,955/-, and its profit after tax in the said year was Rs.3,02,80,581/-.

The Transferee company was originally incorporated as a public limited company, in the State of Andhra Pradesh on 28.01.1999, under the name and style of M/s.Lanco Global Systems Limited. It changed its name to M/s.LGS Global Limited, and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 05.11.2008. Its registered office is situated at Hyderabad. Its authorized capital as at 01.08.2011 was Rs.60,00,00,000/- divided into 6,00,00,000 equity shares of Rs.10/- each. Its paid-up share capital is Rs.25,42,36,670/- divided into 2,54,23,667 equity shares of Rs.10/- each. The main objects of the transferee company is (i) to design, develop, acquire, accept, arrange, assemble, manufacture, produce, fabricate, generate, equip, obtain, provide, erect, construct, install, set up, supervise, implement, support, assign, undertake turn-key projects, to conduct operation research, to provide management information processing applications in the fields of software development, micro processors, electromagnetic and mechanical, electrical and electronic equipments, digital equipments/imaging, engineering work systems, electronic circuits etc; (ii) to carry on the business and to undertake consultancy, research, designing, conducting test, implementation, supervising



and to give support services for the development of software systems and programming either for own use or for other users for sale in India or export outside India; and to send staff and students within and outside India for implementation of projects, for doing research and advanced studies, to set up information management services like data processing, data entry works, desktop publishing, word processing etc. and (iii) to carry on business to render higher education consultancy within and outside India, to provide computer education, teaching and training in software, hardware, networking and all other related fields in Information Technology by setting up training centers or through franchising, publish books, journals, bulletins, study material, magazines, brochures, pamphlets, periodicals etc. For the financial year ending 31.03.2011, the audited financial statement of the transferee company shows that it made a profit before tax of Rs.25,02,95,663/-, and its profit after tax was Rs.22,50,48,389/-.

Before sanctioning a scheme of arrangement, the Court must be satisfied that the statutory provisions are complied with; in case a meeting of the members or a class of members or of the creditors or a class of creditors is called for, the class is fairly well represented; and the scheme of arrangement is such as a man of business would reasonably approve. It is the commercial wisdom of the parties to the scheme, who have taken an informed decision about the usefulness and propriety of the scheme supporting it by the requisite majority vote, that has to be kept in view by the



Court. The Court would not act as a court of appeal and sit in judgment over the informed view of the parties to the compromise as it has neither the expertise nor the jurisdiction to delve deep into the commercial wisdom exercised by the creditors and the members of the company who have ratified the scheme by the requisite majority. The company court's jurisdiction to that extent is peripheral and supervisory and not appellate. The supervisor cannot ever be treated as the author or the policy-maker. The propriety and the merits of the compromise or arrangement has to be judged by the parties who, as *sui juris* with their eyes open and fully informed about the pros and cons of the scheme, arrive at their own reasoned judgment and agree to be bound by such a compromise or arrangement. The Court cannot scrutinise the scheme to find out whether a better scheme could have been adopted by the parties. (**Miheer H. Mafatlal Vs. Mafatlal Industries Ltd¹**).

The scheme of amalgamation is an arrangement between the company and its members. Under Section 391 of the Act, where a compromise or arrangement is proposed between a Company and its members, the Court may, on the application of the company or of any creditor or member of the company, order a meeting of the creditors or class of creditors, or of the members or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs. Sub-section (2) provides that, if a majority in number representing three-fourths in value of the

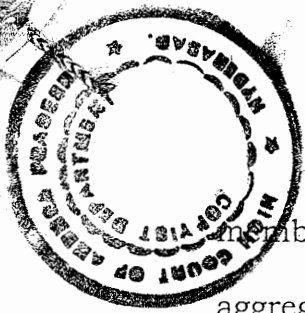
¹ 1997(1) SCC 579



creditors, or class of creditors or members or class of members of the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the said compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors and all the members of the Company.

Pursuant to the order of this Court, in C.A. No.1687 of 2011 dated 17.11.2011, the meeting of the shareholders of the transferor company was convened on 24.12.2011, and the chairperson filed his report on 06.01.2012. The report of the chairperson would show that notices were issued to all the shareholders, and also by advertisement in newspapers; the meeting was attended by members in person holding shares valued at Rs.27,02,15,600/- and 13 members by proxies holding shares valued at Rs.12,64,04,070/- aggregating to Rs.39,66,19,670/-. It is evident from the report of the chairperson that a unanimous resolution was passed in the said meeting approving the scheme of amalgamation.

Pursuant to the order of this Court, in C.A. No.1688 of 2011 dated 17.11.2011, the meeting of the shareholders of the transferee company was convened on 24.12.2011, and the chairperson submitted his report to this Court on 06.01.2012. The report of the chairperson would show that notices were issued to all the shareholders individually, and also by advertisement in newspapers. The report records that the meeting was attended by 117 members in person, and 55 by proxies; among the members present, persons holding shares valued at Rs.17,44,98,950/-, and



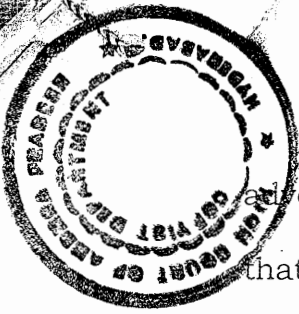
Members voting by proxies holding shares of Rs.1,07,27,240/-, aggregating to Rs.18,52,26,190/-, had unanimously resolved that the scheme of amalgamation be approved.

Section 391(1) enables the Court, on the application of a company or a creditor or a member of the company, to order a meeting of the creditors/or the members "*as the case may be*" to be held and conducted in such a manner as the Court directs. Under Section 391(2), if a majority representing 3/4th in value of the creditors or members agree, in the meeting, to approve the compromise or arrangement, the scheme, on its sanction by the Court, would be binding on all the creditors/members "*as the case may be*" and also on the company. The expression "*as the case may be*" finds place both in sub-sections (1) and (2) of Section 391. If the words "*as the case may be*" in Section 391(1) is construed as requiring the Court to order the meeting of only the members, in a Scheme of arrangement between the Company and its members, and only a meeting of the Creditors in a Scheme of arrangement between the Company and its Creditors, then should the expression "*as the case may be*" in Section 391(2) not be read as to bind only the members where a meeting of the members is held, and the creditors where a meeting of the creditors is held? The safeguard in the provision, of 3/4th members or creditors in value voting in the meeting to approve the scheme, is that the wishes of a majority of the class should prevail, and the dissenting minority of 1/4th or less of the class should not be permitted to derail the scheme of arrangement unless, of course, the Court, on examining the scheme, finds that



the objection of the minority is justified. If no meeting of the creditors is required to be held, in a Scheme of arrangement between the Company and its members, then, in the absence of ascertaining whether 3/4th in value of the creditors approve the scheme or not, would the Court be justified in statutorily imposing such a Scheme of arrangement on the creditors, even though their consent has not been obtained or their wishes ascertained? If it were held that not holding the meeting, and ascertaining the wishes of the creditors, would result in the Scheme of arrangement not to bind them, would the very purpose of sanctioning the Scheme by the Court not be defeated, and approval of the Scheme not be an exercise in futility? If, on the other hand, the view, that a meeting of the creditors/members must necessarily be held in all cases irrespective of whether the Scheme of arrangement is between the Company and its members or the creditors, is accepted would that not render the words "*as the case may be*" in Section 391(1) mere surplusage? These are several questions which need answers.

On these questions one view is that the creditors are not entitled, as of right, to participate in the process of consideration of sanction of the Scheme, as the Companies Act does not contain a specific provision for notice being given to the creditors at any stage either prior to the making of the order or subsequent thereto, except in so far as the creditors may have notice of it by public



advertisement, (**Union of India Vs. Asia Udyog Pvt. Ltd**²), and that the legislature has cast a duty on the Court to ascertain whether the Scheme affects the interests of the creditors to such an extent that holding of their meeting is essential and, if the Court were of the view that the interest of the creditors were adversely affected, it could refuse to sanction the scheme unless their consent has been obtained. (**Ansal Properties and Industries Ltd., In re**³).

Another facet of this view is that, under Section 391 of the Act, a compromise or arrangement is either between a company and its creditors or between a company and its members. An arrangement, in the nature of amalgamation, is the result of an agreement between the amalgamating company and its members, as well as a corresponding agreement between the transferee company and its members, and there is, therefore, no provision for the participation of persons other than the members of the two companies to vote on an arrangement of amalgamation proposed between a company and its members. (**Nava Bharat Ferro Alloys In re**⁴; **Mafatlal Industries Ltd., In re**⁵; **Coimbatore Cotton Mills Ltd and Lakshmi Mills Co. Ltd., In re**⁶; and **Telesound India Ltd., In re**⁷).

² (1974) Vol.44 Com. Cases 359 (Delhi)

³ (1978) 48 Comp Cas 184 (Delhi)

⁴ (A.P.) Vol. 89 (1997) CC 285

⁵ (1995) 84 Comp Cas 231 (Guj)

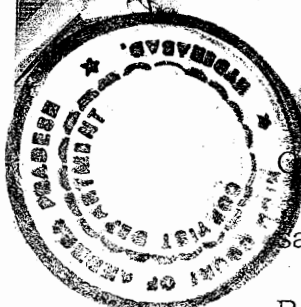
⁶ (1980) 50 Comp Cas 623 (Madras)

⁷ (1983) 53 Comp Cas 927 (Delhi)

However, a different view was taken by the Bombay High Court, **In Re ICICI Bank Limited**⁸, and it was held that Section 391(1) gives a discretion to the Court to convene a meeting of the creditors or any class of them; the Court would exercise the discretion by convening a meeting of creditors, if the creditors are likely to be adversely affected by an arrangement between the Company and its members; attending the meeting and voting are steps of participation in the process of consideration of the Scheme; if the creditors have no right of hearing, at the time of hearing of the petition under Section 391, the only way of ascertaining whether the creditors are affected or not would be through the wishes of the creditors which may be expressed by them in a meeting which the Court is entitled to convene under Sub-section (1) of Section 391; and, therefore, the Court would exercise discretion as a matter of course to convene a meeting of the creditors of the Company under sub-section (1) of Section 391 unless the Court is, prima facie, satisfied that the interests of the creditors are not likely to be adversely affected by the scheme.

A perusal of the Balance Sheet of the transferor company would show that its secured loans as at 31.3.2011 was for Rs.30.00 Crores. The secured loans, in its entirety, is a term loan given by ICICI Bank Limited which has, by its letter dated 01.01.2012, given its consent to the proposed scheme of amalgamation subject to the conditions (i) the debts, liabilities including contingent liabilities and obligations of the Transferor

⁸ (2002) 104 BomLR 399



Company with respect to the Foreign Currency Term Loan sanctioned to Ybrant Media Acquisition Inc, and the term loan of Rs.3.00 Crores sanctioned to the Transferor by ICICI Bank should be transferred to and vested in the transferee company on the same terms and conditions as were applicable to the transferor company before the implementation of the scheme; (ii) the existing securities, contractual comfort, mortgages and charges created/provided by the transferor company and other security/comfort provider in favour of ICICI Bank for the above facilities shall remain unaffected, and shall continue to attach to such assets over which such security was created by the transferor company and other security providers; and (iii) under no circumstances should the rights of ICICI Bank as a secured lender to the transferor company be adversely affected by the scheme.

Sri V.S. Raju, Learned Counsel for the petitioner, would draw attention of this Court to the scheme of amalgamation which provides, under clause 5.4, for all debts, liabilities, contingent liabilities, duties and obligations of the transferor company, with effect from the appointed date and pursuant to the orders of the High Court under Section 394 and other applicable provisions of the Act and without further act or deed, to be transferred or deemed to be transferred to and vested in the transferee company so as to become, as from the appointed date, the debts, liabilities, contingent liabilities, duties and obligations of the transferee company on the terms and conditions as were applicable to the transferor company. It is evident, therefore, that the proposed



scheme of amalgamation stipulates that all the debts and liabilities of the transferor shall be transferred to and vest in the transferee company as has been stipulated by ICICI Bank while giving its consent to the proposed scheme of amalgamation.

The audited Balance Sheet dated 31.03.2011 shows the "unsecured loans" of the transferor company of Rs.114,07,93,799/- to be the loan from subsidiaries. In the affidavit dated 04.04.2012 a break up of the unsecured loans as at 31.03.2011 is furnished as under:

Particulars	Amount Rs.
Unsecured Funds	
Online Media Solutions Limited, Israel	65,385,560
Frontier Data Management Inc, USA	58,708,407
International Expressions Inc, USA	47,474,460
Ybrant Media Acquisitions Inc, USA	902,759,329
Max Interactive Pte Ltd., Australia	35,057,043
Dream Ad, Chile	17,948,000
Dream Ad, Panama	13,461,000

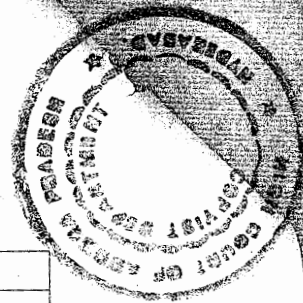
As letters of consent has been obtained from all the abovementioned creditors under the class of "unsecured loans", holding of the meeting of such creditors of the transferor is wholly unnecessary.

Under the head "current liabilities and provisions" in the Balance Sheet of the transferor company as at 31.03.2011, include sundry creditors. In the affidavit dated 04.04.2012, the break up of these current liabilities is shown in the form of a tabular statement. A



Perusal thereof would show that, from out of the total current liabilities of Rs.82,648,855/-, more than 90.36% thereof have either been paid their dues after 31.03.2011, or their letters of consent to the proposed scheme of amalgamation obtained. Among the letters of consent obtained from the sundry creditors under the head current liabilities are from Monster Com for Rs.58,500, from Andres Laniado for Rs.4,46,50,000/- and from Domnic Elfer for Rs.3,72,08,363/-. Likewise, from out of the total provisions for Rs.1,34,82,823/-, the provision for outstanding expenses for Rs.88,94,176/- was also paid in instalments on 15th June, 2010, 15th March, 2011, 30th March, 2011 and 29th September, 2011. It is evident, therefore, that more than 90% of the creditors under the head "*current liabilities*" have either been paid their dues after 31.03.2011, or their letters of consent obtained. Even in a Scheme of arrangement between a company and its creditors all that Section 391 (2) requires is for a majority in number representing 3/4th in the value of the class of creditors agree to the compromise or arrangement. Since more than 90% of the sundry creditors under the head "*current liabilities*" have either been paid their dues, or have consented to the proposed Scheme of amalgamation, it cannot be said that Section 391(2) of the Companies Act (even if it is held to be applicable) has been violated.

A perusal of the Balance Sheet of the transferee company would show that its "*secured loans*" as at 31.03.2011 was for Rs.93,29,93,772/-. The break up of the "*secured loans*" is as under:



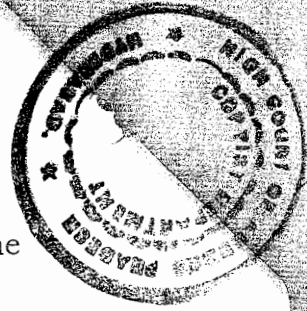
Particulars	Amount as on 31.3.2011 - Rs.
Secured Loans	
Axis Bank - working capital	455,409,347
SBI Global Factors Ltd - working capital	122,028,851
State Bank of India - working capital	302,808,714
Axis Bank - term loan	16,600,839
State Bank of India - term loan	36,056,107
Axis Bank - car loan	89,914
Tota (A)	932,993,772

Letters of consent have been obtained for the term loan and working capital loan from Axis Bank Limited, and the term loan and working capital loan from SBI Global Factors Ltd. In the affidavit dated 04.04.2012 the Managing Director of the Transferee company has stated that the working capital loan from SBI Global Factors Limited for Rs.12,20,28,851/- was subsequently repaid by them. While consent letters of M/s. Axis Bank is only for the working capital loan, and the term loan given by it, a sum of Rs.89,914/- is shown as due towards the car loan obtained from the Axis Bank Limited. Sri V.S. Raju, Learned Counsel for the petitioner, would state that this loan was not included by M/s Axis Bank in their letter of consent by oversight, and the very fact that they have referred to the term loan and working capital loan which together exceed Rs.46.00 Crores would itself show that they could not have had any objection to the proposed scheme of amalgamation for an insignificant loan of Rs.89,914/-. I see no reason to delve on this aspect any further since the car loan of Rs.89,914/- forms less than 1% of the total secured loan of the

transferee company; and since either letters of consent have been obtained or the secured loan repaid for a substantial part of the "secured loans", failure to obtain a letter of consent for the car loan of Rs.89,914/- is of little significance. The creditors, under the head "unsecured loan" of the transferee company as at 30.03.2011, is for Rs.19,74,82,348/-. The break up of the unsecured loans, as given in the affidavit filed by the Managing Director of the transferee company dated 04.04.2012, is as under:

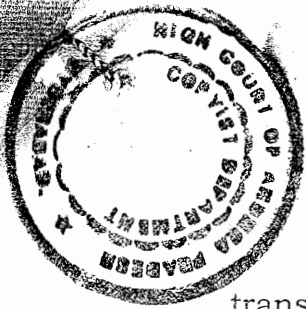
Particulars	Amount as on 31.03.2011 - Rs.
Unsecured Loans	
Apnaghar Housing Development and Finanf4	5,000,000
Classic Labour advisory Services Pvt Ltd	2,500,000
Rama Pulp & Paper Ltd	5,000,000
Do	
Do	
Do	
Do	
Do	
Do	
S.E. Investments Ltd	45,451,348
Infinite India Pvt Ltd	1,116,000
Venkateswara Rao Kadiyala	80,370,000
K.Venkata Subba Rao	58,045,000
TOTAL (A)	197,482,348

While the unsecured loans from Apnaghar Housing Development, Classing Advisory Services Pvt Ltd, and Rama Pulp & Paper Ltd were paid in the month of May, 2011, letters of consent, to the proposed scheme of amalgamation, have been obtained from M/s. S.E. Investments Ltd, Infinite India Pvt. Ltd, Venkateswara Rao Kadiyala and Sri K. Venkata Subba Rao. It is, therefore, evident that all the creditors under the head "unsecured



loans” have either been repaid, or have given their consent to the proposed scheme of amalgamation. As such holding of the meeting of this class of creditors of the transferee company is wholly unnecessary. The Balance sheet of the transferee company as at 31.03.2011 also discloses that the creditors, under the head “*current liabilities and provisions*”, are for Rs.141,66,24,648/-. In the affidavit dated 4.4.2011, a tabular statement is furnished giving a break of all these sundry creditors and provisions. The petitioner has either obtained letters of consent, or has re-paid the debt, of these sundry creditors under the head “*current liabilities*” to an extent of 88.63% of the total sundry creditors under this head. The provision for dividend, gratuity, leave encashment and other provisions are also stated, in the affidavit dated 04.04.2012, to have been repaid. Since more than 88.63% of the sundry creditors, under the head “*current liabilities*”, have either been repaid or have given their consent to the proposed scheme of amalgamation, holding of the meeting of this class of sundry creditors is wholly unnecessary.

Under the first proviso to Section 391(2), no order sanctioning any compromise or arrangement shall be made by the Court unless it is satisfied that the company has disclosed to the Court, by affidavit or otherwise, all material facts relating to the company such as the latest financial position of the company, the latest auditors report on the accounts of the company, pendency of any investigation proceedings in relation to the company under Sections 235 to 251 and the like.



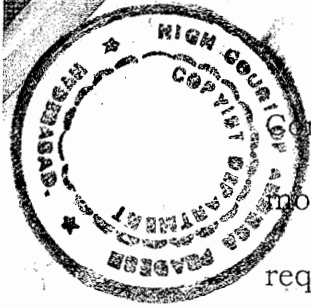
The Balance Sheet and Profit and Loss account of both the transferor and transferee companies as at 31.03.2011 is filed along with the auditor's report thereon. As the financial year ending 31.03.2012 has just been completed, the latest financial position of both the transferor and the transferee companies can only be the audited Balance Sheet and Profit and Loss account as at 31.03.2011. In the petition filed before this Court, both the transferor and transferee companies assert that no investigation or proceedings are pending under Section 235, 237 or other provisions of the Companies Act or under any Act against transferor company or the transferee company. The requirement of the proviso to Section 391(2) of the Companies Act is, therefore, satisfied.

The second proviso to Section 394(1), and Section 394-A, of the Companies Act require the Official Liquidator and the Central Government to be put on notice to enable them to submit their report/representation with regards the proposed scheme of amalgamation. In his report dated 26.03.2012, the Official Liquidator states that he had, vide letter dated 02.03.2012, called for the statutory books and other relevant information from the transferor; and the petitioner had furnished the information/documents called for on 19.03.2012. After referring to various provisions of the scheme of amalgamation, the Official Liquidator would submit that the transferor company has not furnished letters of consent in respect of the unsecured loans; and there was a deferred tax liability of Rs.66,07,838/-. Since letters of



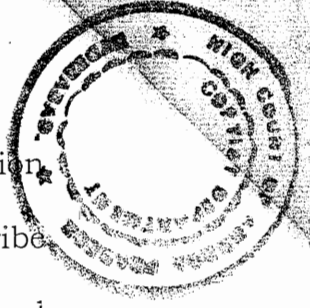
consent have been obtained from all the creditors under the head “*unsecured loans*” for around Rs.114 crores, this objection raised by the Official Liquidator would no longer survive. With regards the deferred tax liability, a perusal of the notes forming part of the accounts, annexed as Schedule 13 to the Balance Sheet, would show that the deferred tax liability is dealt with at para 21 and 28 thereof. Under para 21, it is stated that, as per accounting standard -22 issued by the Institute of Chartered Accounts of India, the transferor company has deferred the income tax during the year towards depreciation and gratuity which arises on account of timing differences in depreciation and gratuity for the year ending 31.03.2011. A statement is furnished giving particulars of the deferred tax liability as per which the opening balance of deferred tax as on 01.04.2010 was Rs.15,43,90,870/-; to this opening balance was added the deferred tax liability during the year of Rs.54,51,198/-; and the deferred tax prior period adjustment of Rs.15,32,34,230/- was deducted therefrom; resulting in the balance, as at 31.03.2011, of Rs.66,07,838/-. It is evident, therefore, that the deferred tax liability amount of Rs.60,07,838/- has been satisfactorily explained and cannot, therefore, result in its being treated as a ground not to accord sanction to the proposed scheme of amalgamation.

Clause 24(f) of the listing agreement stipulates that the company, which has listed its shares on the stock exchange, agrees that it shall file, the scheme of amalgamation proposed to be filed before any Court under Sections 391 and 394 of the



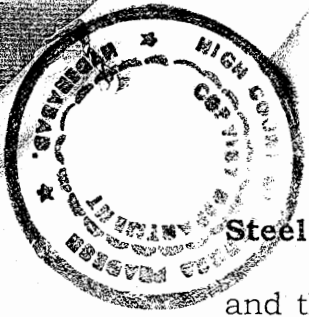
Companies Act, with the stock exchange for its approval atleast a month before it is presented to the Court. In compliance with the requirement of clause 24(f), letters of consent from both the Madras Stock Exchange, and the Bombay Stock Exchange, have been obtained and filed by the transferee company whose shares are said to be listed in the said stock exchanges. It is stated by Sri V.S. Raju, Learned Counsel for the petitioner, that the shares of the transferee are listed only in these two stock exchanges alone, and that letters of consent from the said stock exchanges are sufficient compliance with the requirement of clause 24(f) of the listing agreement.

A report has been filed, on behalf of the Central Government, by the Regional Director, Ministry of Company Affairs wherein the only objection taken, to the proposed scheme of amalgamation, is that the transferor and the transferee companies have to furnish no objection certificates from the secured creditors and they should pay stamp duty in accordance with the provisions of the Indian Stamp Act, 1899 upon sanction of the scheme of amalgamation. In so far as the secured creditors of both these companies are concerned, as has been stated hereinabove, either the amounts due to them have been repaid or their letters of consent, to proposed scheme of amalgamation, has been obtained. With regards the objection that stamp duty is to be paid, Sri V.S. Raju, Learned Counsel for the petitioner, would submit that, once a scheme is sanctioned, the Registrar of Companies would only accept the certified copy of the order of this Court if it is



accompanied by proof of payment of stamp duty as consideration for the said scheme. It would suffice if this Court were to prescribe payment of stamp duty as a condition for grant of sanction, and this objection need not result in rejection of the proposed Scheme of amalgamation.

The only question which remains to be examined is whether the Scheme of amalgamation is in public interest. The Court cannot abdicate its duty simply because the statutory majority has approved it and there is no opposition to the Scheme of amalgamation in Court. It must scrutinize the scheme to find out whether it is an arrangement which can, by reasonable people conversant with the subject, be regarded as beneficial to those who are likely to be affected by it. In pursuit of such an enquiry the Court is not tied down by any rigid principles or strait-jacket formulae. No enumeration contained in judicial decisions of the factors which can be taken into account, howsoever precise, can be treated as exhaustive so as to limit the scope of the inquiry which, having regard to varying circumstances, might differ from case to case. The burden lies on the petitioner-company to show that the Scheme of amalgamation is fair, reasonable, workable and is such that a man of business would reasonably approve. The Court would, of course, take into account the fact that it has been approved by a big majority vote, but it would not shirk its duty to scrutinize the Scheme. **(Bank of Baroda Ltd. v. Mahindra Uginie**

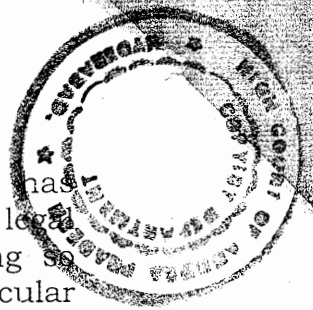


Steel Co. Ltd.⁹). Sections 391 to 396 constitute a complete code and the provisions are in a way derogatory to the law of contract. When it exercises the power, conferred on it by Section 391(2), to sanction the scheme of compromise or arrangement the Court, by its act, is imposing the Scheme on the dissenting members of that class. Before taking such an action, it would be open to the Court to examine the Scheme before imposing it on the unwilling/dissenting members of the class. Even if all the statutory formalities are duly carried out, the Court has still the discretion either to sanction or refuse to sanction the Scheme. (**Bank of Baroda Ltd.**⁹ and **Bengal Hotels P. Ltd. In re**¹⁰). The amalgamation must fulfil some felt need, some purpose, some object and that must have some co-relation with public interest. The Court is charged with a duty to ascertain whether the affairs, of both the transferor and the transferee, have been carried on not only in a manner not prejudicial to its members but also that it is not against public interest. The expression "public interest" must take its colour and content from the context in which it is used. (**Union of India v. Ambalal Sarabhai Enterprises Ltd**¹¹). The Indian law, a departure from the English law, enjoins a duty on the Court to examine objectively whether the merger is, or is not, violative of public interest. What would be in public interest cannot be put in a strait-jacket. It is a dynamic concept which keeps on changing. It has been explained in *Black's Law Dictionary* as:-

⁹ (1976) 46 Com Cas 227

¹⁰ (1977) 47 comp Cas 597 (Guj)

¹¹ (1984) 55 Com.Cas.623



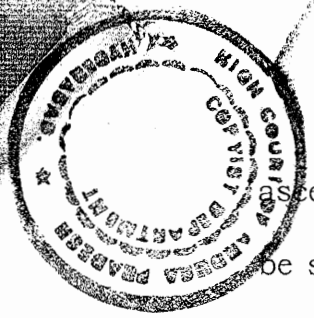
“Something in which the public, the community at large, has some pecuniary interest, or some interest by which their legal rights or liabilities are affected. It does not mean anything so narrow as mere curiosity, or as the interests of the particular locality which may be affected by the matters in question. Interest shared by citizens generally in affairs of local, State or national Government.”

It is an expression of wide amplitude. A Scheme, valid and good, may yet be bad if it is against public interest. The basic principle of the satisfaction, that the Scheme is not contrary to public interest, is none other than the broad and general principles inherent in any compromise or settlement entered into between the parties that it should not be unfair or contrary to public policy or unconscionable. In amalgamation of companies the Courts have evolved the principle of “prudent business management test” or that the Scheme should not be a device to evade the law. (**Hindustan Lever Employees' Union v. Hindustan Lever Ltd.**,¹²).

No court of law would ever countenance any Scheme of compromise or arrangement if it finds that it is an illegal Scheme or is otherwise unfair or unjust to the class of shareholders or creditors for whom it is meant. The fairness of the Scheme, qua the disputing minority shareholders or creditors, also has to be kept in view by the High Court while putting its seal of approval on the Scheme.

The High Court should examine whether the proposed Scheme of compromise and arrangement is violative of any provision of law and is not contrary to public policy. For

¹² (1995) 83 Comp Cas 30 (SC)

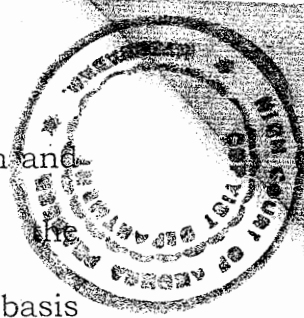


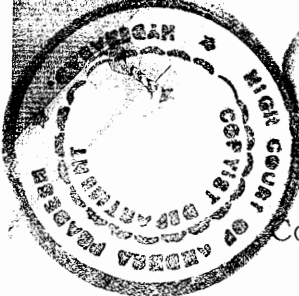
ascertaining the real purpose underlying the Scheme with a view to be satisfied on this aspect the Court, if necessary, can pierce the veil of apparent corporate purpose underlying the scheme and can judiciously x-ray the same. The High Court has also to satisfy itself that the members or class of members or the creditors or class of creditors, as the case may be, were acting bonafide and in good faith and were not coercing the minority in order to promote any interest adverse to them. It must also ensure that the Scheme as a whole is also just, fair and reasonable from the point of view of prudent men of business taking a commercial decision beneficial to the class represented by them for whom the Scheme is meant. (**Miheer H. Mafatlal**¹³). Unless the Scheme is shown to be contrary to any law or is such as to shock the conscience of the court or is patently unfair to the members or creditors or any class of them, or is against public interest or against public policy, the court should not come in the way of business by rejecting a bonafide Scheme under Section 391. (**Zee Interactive Multimedia Ltd., In re**¹³).

A perusal of the proposed Scheme of amalgamation would show that it provides for the transfer of assets and liabilities of the transferor, and its vesting in the transferee under clause 5 thereof. The consideration for the scheme is stipulated in clause 6. Clause 7 prescribes the accounting treatment. Clause 8, which relates to staff, workmen & employees of the transferor company including its subsidiary companies in service on the effective date, provides

¹³ (2002) 3 Com.Cas 733 (Bomb)

that they shall be deemed to have become the staff, workmen and employees of the transferee company with effect from the appointed date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the transferee company shall not be less favourable than those applicable to them in the transferor company on the effective date; under clause 8.2, the equitable interest in accounts/funds of the employees, staff and workmen whose services are transferred to the transferee company, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective trusts/funds of the transferee company, and such employees shall be deemed to have become members of such trusts/funds of transferee company. Clause 14, in part IV of the Scheme, relates to reorganisation of equity share capital of LGS and provides for cancellation of Rs.8/- of every equity share of Rs.10/- fully paid up, and the equity shares to be treated as Rs.2/- each fully paid up, and the difference of Rs.8/- per equity share to be credited to the share premium amount of the transferee company. The share exchange ratio, as prescribed in the scheme, is six equity shares of Rs.10/- each of the transferor company to be issued for every one equity share of Rs.10/- held by the shareholders of the transferee company to be issued and allotted to the equity shareholders of the transferor company in the same proportion as to their holding in the transferor company. Clause 17 makes the scheme conditional on approvals/sanctions subject to the requisite orders of the High





Court being obtained and the certified copy of the High Court order, sanctioning the Scheme, being filed before the Registrar of Companies, A.P. Hyderabad, and such other sanctions and approvals as may be required by law in respect of the scheme being obtained.

The rationale of the Scheme as is evident from para 12 of the petition, is that the transferor company is in the business of providing digital marketing solutions to business, agencies, and on-line publishers worldwide; it connects advertisers with their audience across any form of digital media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant digital channels; the transferee company is engaged in the business of providing IT service and solutions to diverse enterprises through its onsite consulting expertise and offshore development experience; the transferor and the transferee companies business and facilities are complementary to each other; this will enable the amalgamated entity to derive benefits of vertical and horizontal integration and benefits of synergy which would ultimately contribute to the future of the business, and profitability of the amalgamated company; the proposed Scheme of amalgamation was in line with the global trends to achieve size, integration and greater financial strength with a view to enhancing customer relationships, and thereby shareholders wealth; the Scheme of amalgamation would have the following benefits (i) it would help in creation of a highly competitive Digital Marketing Solutions Company; the combination of the operations will create a

unique level of integration and will enable substantial savings in cost and will enhance the value to the customers; (ii) It would also enhance the scale of operations thereby providing significant impetus to the growth of both the companies, since they are engaged in lines of business that could draw upon synergies of both the companies; and (iii) further the amalgamation would also result in improved shareholders value for both the companies by way of improved financial structure, cash flows, increased assets base, consolidated revenues and profitability; and the proposed amalgamation would not only benefit both the companies but also its shareholders, employees and their creditors. It cannot, therefore, be said that the Scheme of amalgamation, if approved, would be against public interest.

I consider it appropriate, therefore, to sanction the Scheme of amalgamation on condition that the prescribed stamp duty is paid, and proof of payment furnished, along with a certified copy of the order of this Court, which shall be filed with the Registrar of Companies, A.P. Hyderabad for its registration within thirty days from the date of the order.

Sd/- P.V.RADHA KRISHNA RAO
JOINT REGISTRAR

// TRUE COPY //

SECTION OFFICER

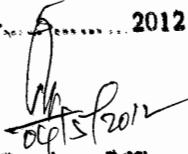
To

1. Shri Muthukuru Suresh Kumar Reddy, Chairman and Managing Director, M/s. Ybrant Digital Limited, Registered Office at Plot No.7A, Road No.12, MLA Colony, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh.
2. Sri K.Venkata Subba Rao, Managing Director, M/s. LGS Global Limited, Registered Office at 8-2-293/82/A/796/B, Road No.36, Jubilee Hills, Hyderabad - 500 033, Andhra Pradesh.
3. The Official Liquidator, High Court of A.P., Hyderabad, Office at 5-4-400, Gagan Vihar, Opp. Gandhi Bhavan, Nampally, Hyderabad.
4. The Registrar of Companies, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
5. The Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, office at II Floor, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
6. 2 C.D. Copies
7. 2 CCs to Sri V.S.Raju, Advocate (OPUC)
8. The Section Officer, O.S. Section, High Court Buildings, Hyderabad.

04/05/2012
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A. P.
HYDERABAD.

THE HIGH COURT OF ANDHRA PRADESH
HYDERABAD.

CD No. 258 2012
Application made 12.4 2012
Application returned 2012
Application represented 2012
Stamps called for D.S. 2012
Stamps deposited D.S. 2012
Addl. Stamps called for 2012
Addl. Stamps deposited 2012
Copy ready G.F. 2012


Section Officer



IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(ORDINARY ORIGINAL/CIVIL JURISDICTION)

WEDNESDAY, THE ELEVENTH DAY OF APRIL
TWO THOUSAND AND TWELVE

PRESENT
THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

COMPANY PETITION NOS. 33 AND 34 of 2012
CONNECTED WITH
COMPANY APPLICATION NOS. 1687 AND 1688 of 2011

C.P.No.33/2012 connected with C.A.No.1687/2011:

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND
IN THE MATTER OF SECTIONS 391 AND 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S.YBRANT DIGITAL LIMITED
AND
IN THE MATTER OF M/S. LGS GLOBAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

M/s. Ybrant Digital Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at Plot No.7A, Road No.12, MLA Colony, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, Represented by its Chairman and Managing Director Shri Muthukuru Suresh Kumar Reddy

..... PETITIONER/TRANSFEROR COMPANY

Petition to Sanction the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956, praying that this High Court may be pleased to an order

a) That the scheme of amalgamation as consented by the share holders of the petitioner company and the transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble Court so as to binding on all the members, unsecured creditors and employees of the petitioner company and all concerned.



b) For an order that the petitioner/Transferor company be dissolved without going through the process of winding up.

c) For an order under section 394 of the Companies Act that the petitioner company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the petitioner company and also dissolution of the transferor company without going through the process of winding up.

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

C.P.No.34/2012 connected with C.A.No.1688/2011:

IN THE MATTER OF THE COMPANIES ACT (1 of 1956)
AND
IN THE MATTER OF SECTIONS 391 AND 394 OF THE SAID ACT
AND
IN THE MATTER OF M/S. LGS GLOBAL LIMITED
AND
IN THE MATTER OF M/S.YBRANT DIGITAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

M/s. LGS Global Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at 8-2-293/82/A/796/B, Road No.36, Jubilee Hills, Hyderabad - 500 033, Andhra Pradesh, Rep. by its Managing Director Sri K.Venkata Subba Rao

..... PETITIONER/TRANSFEE COMPANY

Petition to Sanction the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956, praying that this High Court may be pleased to an order

a) That the scheme of amalgamation as consented by the share holders of the petitioner company and the transferee company a copy of which is filed hereto as Annexure A-5, be sanctioned and confirmed by this Hon'ble Court so as to binding on all the members, unsecured creditors and employees of the petitioner company and all concerned.

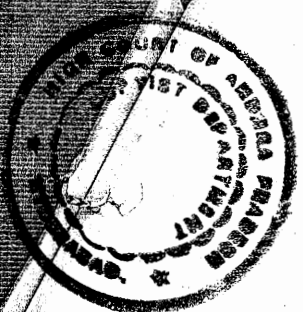
Order under Section 394

Upon the above petition coming on for further hearing on 11/01/2012
Upon reading etc., and Upon hearing, etc



THIS COURT DOETH ORDER

1. That this court doth hereby sanction the scheme of amalgamation as consented by the shareholders of the petitioner transferor, company and the transferee company, a copy is filed here to as annexure A-5, be and hereby is sanctioned and confirmed and doth hereby declare the same to be binding on all the numbers, unsecured creditors and employees of the petitioner company and all concerned the transferor company and the transferee company viz., M/s. Ybrant Digital Ltd., (Transferor Company with LGS Global Ltd., (Transferee company)
2. That all the property, rights and powers of transferor company specified in the first, second and third fourth and fifth parts of the scheme hereto and all other property, rights and powers of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to section 394(2) of the companies 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.
3. That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities of the transferee company ; and
4. That all proceedings now pending by or against the transferor company be continued by or against the transferee company ; and
5. That the transferee company do without further application issue and allot to such members of the transferor company as have not given such notice of dissent as is required by clause 3 (b) II part of the Scheme herein the shares in the transferee company to which they are entitled the said, and
6. That the Transferee company do pay the stamp duty in accordance with the provisions of the Indian Stamps Act 1899 and proof of payment furnished along with a certified copy of the order of this Court within 30 days from the date 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 company shall be dissolved without going through the process of winding up and the Registrar of Companies shall place all documents relating to the transferor company, and Registered with him on the file kept by him in relation to the transferee company and files relating to the said two companies shall be consolidated accordingly;
7. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary in regard to the carrying out the scheme of amalgamation.



b) For an order under section 394 of the Companies Act that the petitioner company do within 30 days after the date of the orders, cause a certified copy to be delivered to the Registrar of Companies, Andhra Pradesh, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble Court may deem fit, the Registrar of Companies, Andhra Pradesh, Hyderabad shall take all necessary consequential action in respect of the petitioner company;

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

These Petitions coming on for orders upon reading the Company Petitions and the affidavits dated 23-01-2012 and filed by Mr.Muthukuru Suresh Kumar Reddy, Chairman and Managing Director of the Applicant Company herein in C.P.No.33/2012 and Sri K.Venkata Subba Rao, Managing Director of the Applicant Company herein in C.P.No.34/2012 in support of these Petitions and upon hearing the arguments of Sri V.S.Raju, Advocate for the Petitioner in both Company Petition

SCHEDULE

The Scheme of amalgamation is divided into the following parts.



PART – I

Deals with the definitions of the terms and interpretation used in this scheme.

PART – II

Deals with incorporation, main objects and the share capital of Ybrant Digital Ltd., and LGS Global Ltd.,

PART – III

Deals with the amalgamation of Ybrant Digital Ltd., with LGS Global Ltd.,

PART – IV

Deals with reorganization of share capital of LGS Global Ltd.,

PART – V

Deals with the General Terms and Conditions

Dated this the 11th day of April 2012.

(By the Court)

Note : (The Scheme of Amalgamation enclosed herewith)

Sd/- P.V.RADHA KRISHNA RAO
JOINT REGISTRAR

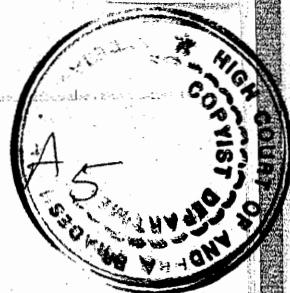
// TRUE COPY //

SECTION OFFICER

- To
- 1.The Official Liquidator, High Court of A.P., Hyderabad, Office at 5-4-400, Gagan Vihar, Opp. Gandhi Bhavan, Nampally, Hyderabad.
 - 2.The Registrar of Companies, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
 - 3.The Regional Director, South Eastern Region, Ministry of Corporate Affairs, Hyderabad, office at II Floor, 3-5-398, C.P.W.D. Buildings, Kendriya Sadan, Sultan Bazar, Koti, Hyderabad.
 4. 2 C.D.Copies

Handwritten signature

SUPERINTENDENT
COPIST DEPARTMENT
High Court of A. P.
HYDERABAD.



Annexure

148

1

**SCHEME OF AMALGAMATION
OF
YBRANT DIGITAL LIMITED
WITH
LGS GLOBAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

PREAMBLE

This Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the transfer and merger of Ybrant Digital Limited (YDL) with LGS Global Limited (LGS).

RATIONAL OF THE SCHEME

Ybrant Digital Limited (Transferor Company) is in the business of providing digital marketing solutions to businesses, agencies, and online publishers worldwide. It connects advertisers with their audience across any form of digital media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant digital channels.

LGS Global Limited (Transferee Company) is engaged in the business of providing IT service and solutions to diverse enterprises through its onsite consulting expertise and offshore development experience. The Transferee Company is a listed company listed on The Bombay Stock Exchange Limited and the Madras Stock Exchange Limited.

The Transferor and the Transferee Companies' businesses and facilities are complementary to each other. This will enable the amalgamated entity to derive benefits of vertical and horizontal integration and benefits of synergy which would ultimately contribute to the future of the business and profitability of the amalgamated Company.

The proposed Amalgamation of YDL with LGS is in line with the global trends to achieve size, integration and greater financial strength with a view to enhancing customer relationships and thereby shareholders' wealth.

The amalgamation of YDL with LGS would, inter alia, have the following benefits:

- i) The Amalgamation will help in creation of a highly competitive Digital Marketing Solutions Company. The combination of the operations will create a unique level of integration and will enable substantial savings in cost and will enhance the value to customers.

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director



ii) It will also enhance the scale of operations thereby providing significant impetus to the growth of both the companies, since they are engaged in lines of business that could draw upon synergies of both the companies.

iii) Further, the amalgamation will also result in improved shareholders' value for both companies by way of improved financial structure, cash flows, increased assets base, consolidated revenues and profitability.

After extensive discussions and deliberations, the Board of Directors of both the companies have decided to amalgamate Ybrant Digital Limited with LGS Global Limited with effect from April 1, 2011 which not only benefits both the companies but also its shareholders, employees and their creditors.

This Scheme of Amalgamation is divided into the following parts:-

- Part I** deals with the definitions of the terms and Interpretation used in this Scheme
- Part II** deals with incorporation, main objects and the Share Capital of Ybrant Digital Limited and LGS Global Limited.
- Part III** deals with the Amalgamation of Ybrant Digital Limited with LGS Global Limited.
- Part IV** deals with the reorganization of share capital of LGS Global Limited.
- Part V** deals with the General Terms and Conditions

For YBRANT DIGITAL LIMITED


M. SURESH REDDY
Chairman & Managing Director



PART I - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meanings:

- 1.1. "Act" means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof for the time being in force.
- 1.2. "Appointed Date" For the purpose of this Scheme and for Income tax Act, 1961, the "Appointed Date" means 01 April, 2011.
- 1.3. "Board" means the Board of Directors of the Transferor Company / Transferee Company or any committee thereof duly constituted or appointed by the Board for this purpose
- 1.4. "Effective Date" means the date on which the authenticated/certified copies of the Order of the High Court of Judicature at Hyderabad, Andhra Pradesh sanctioning the Scheme and filed with the Registrar of Companies at Hyderabad, Andhra Pradesh.
- 1.5. "High Court" means the High Court of Judicature at Hyderabad and shall include the National Company Law Tribunal, if applicable.
- 1.6. "YDL" or "Transferor Company" means Ybrant Digital Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 7A, Road No.12, MLA Colony, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, -
- 1.7. "Undertaking of the Transferor Company" shall mean and include
 - 1.7.1. any and all immovable property, including land, buildings, movable assets including, 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 its business together with all present and future liabilities including contingent liabilities and debts appertaining to its business, as per the records of YDL;
 - 1.7.2. any other property or assets, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, owned, held, used or otherwise enjoyed by YDL ;
 - 1.7.3. any and all permits, quotas, rights, approvals, consents, entitlements, licences, approvals obtained from Central/State/Quasi Government/Agencies and in all agreements of all tax reliefs including sales tax deferment benefits if any, tenancies, trademarks, patents, copyrights, service marks, trade names, descriptions, trading style, franchise, labels, label designs, color schemes, utility models, holograms, bar codes, designs, privileges and benefits of all contracts, agreements and all other rights, whether available as on date or vested in future, including, lease rights, licences, approvals, exemptions, tax benefits, concessions, subsidies and other beneficial



- interests, powers and facilities of every kind and description of whatsoever nature, appertaining to its business, as per the records of YDL;
- 1.7.4. any and all debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the business, as per the records of YDL;
- 1.7.5. any and all permanent, temporary daily rated casual, and contractual employees of YDL engaged in or in relation to its business at their respective offices branches, factories, depots or otherwise at their current terms and conditions as per the records of YDL;
- 1.7.6. any and all earnest monies and / or security deposits, or other entitlements in connection with or relating to its business, as per the records of YDL;
- 1.7.7. any and all investments including the investments by the transferor company in its subsidiaries, current assets, funds, and loans and advances including accrued interest, in connection with or relating to its business, as per the records of YDL; and
- 1.7.8. all records, files, papers, documents, process information, computer programs, manuals, data, catalogues, quotations, internal control information / material, technical knowhow, present and prospective list of customers and suppliers, customer credit information, customer pricing information, books of accounts and other supporting data, documents, invoices etc. and all other records whether in physical or electronic form, pertaining to the business of YDL.
- 1.8. "Record Date" means the date to be fixed by the Board of Directors of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme as specified in Clause 1.4 of this Scheme.
- 1.9. "LGS" or "Transferee Company" means LGS Global Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 8-2-293/82/A/796/B, Road No.36, Jubilee Hills, Hyderabad – 500 033.
- 1.10. "Scheme" or "the Scheme" means this Scheme of Amalgamation in its present form submitted to the High Court or any other appropriate authority.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or in terms of this Scheme, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

For YBRANT DIGITAL LIMITED


 M. SURESH REDDY
 Chairman & Managing Director

**Part II - INCORPORATION, MAIN OBJECTS AND THE SHARE CAPITAL.****3. Transferor Company / YDL****a) Incorporation:**

Ybrant Digital Limited / transferor Company was originally incorporated as a private Limited company under the name and style of USA Greetings (India) Private Limited in the State of Andhra Pradesh on 28th March, 2000 under the Certificate of Incorporation No. 01-34055 of 1999-2000. Later on the Company had changed its name to M/s. Ybrant Technologies (India) Private Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 7th November, 2000. Later on the Company had converted itself into a public Limited Company and a fresh certificate of Incorporation consequent on conversion under section 31/44 of the Companies Act, 1956 was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 23rd August, 2005. Later on the Company had changed its name to M/s. Ybrant Technologies Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 21st February, 2006. Later on the name of the Company was changed to its present name i.e. M/s. Ybrant Digital Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 15th April, 2008 after complying with the necessary formalities under the Companies Act, 1956.

b) Share Capital**i) The Share Capital of YDL (Transferor company) as on 01/08/2011 is as under:**

Particulars	Amount in Rupees
<i>Authorized</i>	
12,00,00,000 Equity Shares of Rs 10/- each	120,00,00,000
1,50,00,000 Preference Shares of Rs.10/- each	15,00,00,000
Total	135,00,00,000
<i>Issued, Subscribed and Paid-up:</i>	
5,87,35,260 Equity Shares of Rs 10/- each fully paid-up	58,73,52,600
1,20,76,810 Compulsory Convertible Preference Shares of Rs. 10/- each	12,07,68,100
Total	70,81,20,700

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director



Further the following capital which is still outstanding and yet to be converted into equity capital of YDL.

Sl No.	Outstanding securities of YDL	No of equity shares upon conversion
1.	1,20,76,810 Compulsorily Convertible Preference shares of Rs. 10/- each	1,19,02,712 of Rs.10/- each
2.	10,00,000 convertible warrants	30,00,000 of Rs.10/- each
3.	15,00,000 Employees Stock Option Scheme (ESOS)	15,00,000 of Rs.10/- each

c) **Main Objects**

The Main Objects of the Transferor Company presently enables it to carry on the business of:

- i) To develop software for Computer Systems for data processing, data acquisition, data transmission, Tele data entry and industrial instrumentation and process control and to act as Computer and Electronic Data Processing consultants and Agents.
- ii) To provide comprehensive end-to-end digital marketing services to direct marketers, brand advertisers and marketing agencies in India and Abroad and also internet and mobile marketing services, support services and software tools for Online Marketing. To provide global internet and mobile advertising network and focus on delivering graphical and contextual banners to users from around the world. To target users by using advanced geotargeting technology to reach users in their native languages.
- iii) To carry the business of and to establish, develop, formulate, structure, offer service and/or otherwise deal in all types of information and communication, telephone, telex, fax, radio television, computers, satellite communication and other type of communications job works/contract to design and develop various information technologies, software and hardware property rights in the above fields. And to carry on the business of and to render consultancy services and services in the field of Software development, Software export, information and data processing, computer systems, communications, research and technical services including commercial exploitation, export, import, and to act as dealers authorized representatives of the same. To depot personnel to design and develop software in India and abroad and to start Technology Parks in India and abroad. To set up offices, labs, development centers, factories, works and also to enter into joint venture collaboration or otherwise with parties, companies, entities India or abroad or acquire, merge, amalgamate or takeover the business of any other company or entity for the purpose of development of software.
- iv) To carry on the business of research and development, design, production, creation, manufacturing, marketing, trading, providing, transferring exporting, importing, buying and selling all types of Computer Software including, applications software, development software, computer programs, algorithms, statements, source codes, packages etc., in areas like ecommerce, web page design and development, web enabled applications, Internet services, Intranet, Enterprise Wide Resource Planning (ERP), Data Base Management Systems, Operating Systems, Distributed Computing, Open Systems, Multi Media, Computer Aided Designing (CAD), Computer Aided Manufacturing (CAM, Computer Graphics, Computer Animation, Document Management Systems, Management Information Systems and all such areas relevant to Scientific, Financial, Industrial, Telecommunications, Satellite Communications, Domestic, Administrative, Agricultural, Medical and all other

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director



154

7

applications. And to set up, establish and run In-bound and out-bound Call Center business in India and abroad, via e-mail, voice or Web Chart or any other mode of communication to provide client service such as Order processing, Reservations, Lead generation, tele-Marketing, cross selling, customer acquisition and activation, customer interface, medical transcription work processing and such other services required by the clients along with providing technical support.

4. **Transferee Company (LGS)**

a) **Incorporation:**

LGS Global Limited / transferee Company was originally incorporated as a public Limited company under the name and style of Lanco Global Systems Limited in the State of Andhra Pradesh on 28th January, 1999 under the Certificate of Incorporation no.01-30996 of 1998-1999. Later on the Company had changed its name to its present name i.e .M/s. LGS Global Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 5th November, 2008 after complying with the necessary formalities under the Companies Act, 1956.

b) **Share Capital**

i) The Share Capital of LGS as on 01/08/2011 is as under:

Particulars	Amount in Rupees
Authorized	
6,00,00,000 Equity Shares of Rs 10/- each	60,00,00,000
Issued, Subscribed and Paid-up:	
25,423,667 Equity Shares of Rs 10/- each fully paid-up	25,42,36,670

ii) Further the following capital which is still outstanding and yet to be converted into equity capital of LGS.

Outstanding securities of LGS	No of equity shares upon conversion
3,00,00,000 Convertible Warrants, convertible within 18 months	3,00,00,000 of Rs. 10/- each

c) **Main Objects**

The Main Objects of the Transferee Company presently enables it to carry on the business of:

- i) To carry on business to Design, Develop, Acquire, Accept, Arrange, Assemble, Manufacture, Produce, Fabricate, Generate, Equip, Obtain, Provide, Erect, Construct, Install, Set Up, Supervise, Implement, Support, Assign, Engineer, Give Consultancy, Advise, Train, Process, Assist, Use, Distribute, Transmit, Repair, Maintain, Improve, Extend, Manage, Modify, Alter, Convert, Enfranchise, Explore, Establish, Insure, Undertake, Conduct, Perform, Sponsor, Participate, Protect, Act, Patent, Value add and Resell, Lease or Hire, Sell on Hire Purchase or on Installment System or Entering into Contract, to act as an Authorized Representative, Reseller, Agent, Stockiest, Distributor, Dealer, Clearing and Forwarding Agent,

Franchise Holder, Counsellor, Broker, Consultant /Advisor, Retainer, Licensee, Trainer, to acquire technical know-how to provide technical services, to perform benchmark tests, to undertake turnkey projects, to conduct operation research, to provide management information processing applications and to conduct operation research to provide management and marketing services, in the fields of software Devotement, Computer software CAD/CAM Books, Systems, Teaching aids, Servers, Parallel Computers, Mini and Micro Computers, all types of Network Computers, microprocessors Pentium drives, disks, modem, monitors, information teehnology, virtual training & animation software internet, Internet, Web technologies and any such product or things which may be considered either as an integral part of a computer system or in related fields and supplement thereto. Also in the fields of Micro processors, Electromagnetic and Mechanical, Electrical and Electronic Equipments, Expert Systems, Photo setters, Digital Equipments/imaging, process Control and Real time systems, Engineering work systems, Electronic Circuits, Projects and cameras, time relay and telecommunications equipment, Cellular phones, paging systems, optical fibers, Telephone machines, Audio and Video equipments, Establishing earth station, Satellite communications, Software Technology parks, Internet and E-Mail Services, Generators, Uninterrupted power supply system, all other allied fields and integral parts, items and components intended to use used in Electrical, Electronic, Telecommunications, satellite communications and Internet service industry.

- ii) To carry on business and to undertake consultancy, research, designing, conducting test, implementation, supervising and to give support services for the development of software, systems and programming either for own use for other users, for sale in India or export outside India. To send staff and students within and outside India for implementation of projects, for doing research and advanced studies, to set up information management services like data processing, data entry works, Desk top Publishing, word processing, hiring out machine time, supervise and advise to other companies in info processing aspects to undertake turn key projects, conducting feasibility studies, operations research in complete Hardware and software solutions and to undertake the data processing and programming' relating to issue of securities and to act as registrars and transfer agents, to digitize and make drawings, maps, pictures, photographs, CAD works, deal in Animation, Multimedia, to design and fabricate integrated and other electronic circuits and to render all-kinds of job work relating to information Technology.
- iii) To carry on business to render higher education consultancy within and outside India, to provide computer education, teaching and training in software, hardware, networking and all other related fields in Information Technology by setting up training centers at various places within and outside India, either through own efforts or through franchising, and to publish books, journals, bulletins, study materials, magazines, brochures, pamphlets, periodicals, circulations, newsletters, news papers and to own and maintain stores for imparting and spreading the knowledge of computer programming and in general about information Technology, to conduct, sponsor, grant, aid, subsidize, send for advanced studies or otherwise participate in training programmes, courses, seminars and conferences to improve the overall knowledge in computer field or information Technology.

For YBRANT DIGITAL LIMITED



M. SURESH REDDY

Chairman & Managing Director

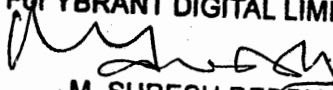


PART III - AMALGAMATION OF YDL WITH LGS



5. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY

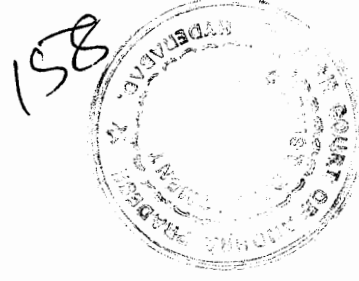
- 5.1 With effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Company including all its immovable properties and assets, whether moveable or immovable, tangible or intangible, balance in bank, cash or investments, in equity shares and/ or other instruments including the investments by the transferor company in its subsidiaries, and other assets of whatsoever nature such as licenses, permits, approvals, obtained from Central/State/Quasi Government/Agencies and in all agreements of all tax reliefs including sales tax deferment benefits if any, lease, tenancy rights, if any, tenancies, trademarks, patents, copyrights, service marks, trade names, descriptions, trading style, franchise, labels, label designs, color schemes, utility models, holograms, bar codes, designs, privileges and benefits of all contracts, agreements and all other rights letter of intents, permissions, income tax and/or any other statutes, incentives if any and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, shall, under the provisions of Sections 391 to 394 of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 5.2 All the movable assets of the Transferor Company or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.
- 5.3 In respect of movable assets, other than those specified in sub-clause 5.2 above, the same shall, without further act, instrument or deed, be transferred and/ or deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and the Transferor Company shall give notice in such form as it deems fit to such persons, that pursuant to the Order of the High Court, the said asset would be paid or made good to or held on account of, the Transferee Company, and the rights of the Transferor Company will vest with the Transferee Company upon this Scheme becoming effective.

For YBRANT DIGITAL LIMITED

 M. SURESH REDDY
 Chairman & Managing Director

- 5.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the Effective Date, shall, pursuant to the Orders of the High Court or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act and without any further act or deed, be transferred or deemed to be transferred to and vested in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 5.5 The Transferee Company, may, anytime after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favor of secured creditors of the Transferor Company, or in favor of any other party with which the Transferor Company has a contract or arrangement, or give any such writings, as may be necessary, to give effect to the above.
- 5.6 It is hereby clarified that all assets and liabilities of the Transferor Company shall be transferred at values appearing in the books of account of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Company as of the close of business hours on the date immediately preceding the Appointed Date.
- 5.7 Part IV of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modifications will however, not affect the other parts of the Scheme.
- 5.8 The transfer and vesting of the assets comprised in the Transferor Company to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- 5.9 The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Transferor Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Transferor Company or any part thereof transferred to the Transferee Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets, of the Transferee Company.

For YBRANT DIGITAL LIMITED


M. SURESH REDDY
Chairman & Managing Director



- 5.10 Subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, approvals deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 5.11 The entitlement to various benefits under incentive schemes and policies in relation to the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company. The Transferee Company shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.
- 5.12 Any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/regulations dealing with taxes/ duties/ levies (herein referred to as 'Tax Laws') allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company. Any surplus in the provision for taxation/ duties / levies account including advance income tax and Tax Deducted at Source ('TDS') as on the Appointed Date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director

5.13 Any refund/ credit under Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

5.14 All taxes (including income tax, sales tax, excise duty, service tax, VAT etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business before the Appointed Date shall be on account of the Transferor Company and in so far as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operations of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

5.15 Without prejudice to the generality of the forgoing,

5.15.1 On and from the Appointed Date, if any certificate for Tax Deducted at Source or any other tax credit certificate relating to the Transferor Company is received in the name of the Transferor Company, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.

5.15.2 On and from the Appointed Date, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Transferor Company, if any, shall stand transferred to and vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of the Transferor Company as on the Appointed Date shall stand transferred to and vested in the Transferee Company save otherwise in respect of the liabilities which were met by the Transferor Company during the period between Appointed Date and Effective Date, which shall be construed to have been met by the Transferee Company as if the transaction giving rise to the said liability was a transaction carried out by the Transferee Company.

6. CONSIDERATION

6.1 Upon the scheme coming into effect, all the outstanding securities / warrants pertaining to the transferor Company shall be first converted into equity shares as mentioned in Clause no's 3 (b) (ii).

For YBRANT DIGITAL LIMITED

 M. SURESH REDDY
 Chairman & Managing Director



6.2 The Transferee Company shall, upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the entire undertaking of the Transferor Company, issue and allot, to the members of the Transferor Company, whose names appear in the Register of Members as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as may be recognized by the Board of Directors, in the following manner:

(a) 6 equity shares of Rs. 10/- each of the Transferee Company would be issued for every 1 equity share of Rs. 10/- each held by shareholders of Transferor Company. Accordingly, 45,08,27,832 fully paid-up Equity Shares of Rs. 10 (Rupees Ten Only) each of the Transferee Company shall be issued and allotted to the equity shareholders of the Transferor Company in the same proportion as to their shareholding in the Transferor Company. Fractions, if any shall be rounded off to nearest integer; and

6.3 The Equity Shares in the Transferee Company to be issued to the members of the Transferor Company pursuant to Clause 6.2 (a) above shall be subject to the Memorandum and Articles of Association of the Transferee Company. The Equity Shares so issued shall rank pari passu in all respects with the existing shares and equity shares to be issued upon exercise of pending warrants and options in the Transferee Company.

6.4 The Equity shares, upon receipt of requisite approvals as may be required, will be issued in dematerialized / physical form, to the members of the Transferor Company, who shall have account with a depository participant and, shall provide details thereof and such other confirmations as may be required. It is only thereupon, that the Transferee Company shall issue and directly credit the demat securities account with the Shares as stated in Clause 6.2 (a) above.

6.5 The new shares to be allotted on approving the scheme of amalgamation by the transferee Company shall be listed or admitted on the stock exchanges wherever the shares of the transferee company are listed and further the Transferee Company shall comply with Clause 40A of the Listing Agreement.

6.6 The issue and allotment of Equity Shares in the Transferee Company, by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

7 ACCOUNTING TREATMENT

7.1 The Transferee Company shall account for the amalgamation of Transferor Company as per the Accounting Standard 14 – Accounting for Amalgamations (AS14) as stated in the Companies (Accounting Standards) Rules, 2006 and any amendments thereto. On the Scheme becoming effective, the accounting for merger will be done in accordance with the

Purchase method referred to in Accounting Standard 14 – Accounting for Amalgamation (AS-14).

- 7.2 All assets, liabilities and reserves of the Transferor Company would to be transferred to the Transferee Company under this Scheme and shall be recorded in the books of account of the Transferee Company at the values as appearing in the Books of Account of the Transferor Company.
- 7.3 Intercompany deposits, loans, share application money and other balances and investments, if any, shall be cancelled and there shall be no further obligation/ outstanding in that respect.
- 7.4 The difference if any, being the excess or shortfall between the assets, liabilities and reserves of the Transferor Company as transferred to the Transferee Company accounted as per clause 5.1 above, (after making adjustments for clause 6.2 above), and the consideration discharged as per clause 6.2 (a) above, shall be adjusted against / transferred to Share Premium Account of the Transferee Company.
- 7.5 In case of any difference in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Share Premium Account and / or Reserves & Surplus Account of the Transferee Company to ensure that the Financial Statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy, with effect from the Appointed Date.
- 7.6 The application and reduction of Share Premium Account and/ or Reserves & Surplus Account if any effected under Clause 7.3 and Clause 7.4 above, shall be effected as an integral part of the Scheme in accordance with the provisions of section 100-103 of the Act, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholders of paid-up share capital and the Order of the High Courts sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act for confirming the reduction and no separate procedure shall be following under the Act.

8 STAFF, WORKMEN & EMPLOYEES

- 8.1 On the scheme becoming operative, all permanent staff, workmen and employees of the Transferor Company including its subsidiary companies in service on the effective date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favorable than those applicable to them in the Transferor Company on the effective date.
- 8.2 The equitable interest in accounts/funds of the employees, staff and workmen whose services are transferred to the Transferee Company, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective trusts/funds of

For YBRANT DIGITAL LIMITED

 M. SURESH REDDY
 Chairman & Managing Director





Transferee Company and such employees shall be deemed to have become members of such trusts/funds of Transferee Company. Until such time, the Transferee Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Company to the relevant funds of Transferor Company.

- 8.3 The Transferee Company, at any time after the Scheme becoming effective 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 Transferor Company to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

9 LEGAL PROCEEDINGS

- 9.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 9.2 On and from the Effective Date, Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

10 BUSINESS AND PROPERTY IN TRUST FOR THE TRANSFEEE COMPANY

With effect from the Appointed Date and up to and including the Effective Date:

- 10.1 The Transferor Company shall carry on and be deemed to have carried on all their business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of and in trust for, the Transferee Company;
- 10.2 All profits and cash accruing to the Transferor Company, or expenditure or losses arising or incurred by it (including the effect of taxes if any thereon), shall for all purposes, be treated as the profits/ cash; taxes or losses, as the case may be, of the Transferee Company;
- 10.3 All accretions and depletions to the Transferor Company shall be for and on account of the Transferee Company.
- 10.4 The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose, without the prior written consent of the Transferee Company.

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director

- 10.5 Upon the scheme becoming effective, all the subsidiaries of the transferor Company shall become the subsidiaries of the transferee Company and consequently the investments made by the transferor company in its subsidiaries shall be deemed to be the investments of that of the transferee company.

11 CONDUCT OF BUSINESS

- 11.1 The Transferor Company will, from the Appointed Date upto and including the Effective Date, preserve and carry on the business with reasonable diligence and prudence and agrees that it will not, without the prior written consent of Transferee Company, alienate, charge or otherwise deal with or dispose of the business or any part thereof or recruit new employees or vary or alter the terms and conditions of employment of any of its employees (in each case except in the ordinary course of business), without the prior written consent of the Transferee Company.
- 11.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.
- 11.3 With effect from the Effective Date, Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Company.

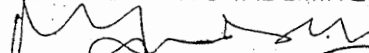
12 SAVING OF CONCLUDED TRANSACTION

The transfer of the entire business and undertakings of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.

13 WINDING UP

On the Scheme becoming effective, the Transferor Company shall be dissolved without going through the process of winding up and without further acts by parties.

For YBRANT DIGITAL LIMITED


M. SURESH REDDY
Chairman & Managing Director



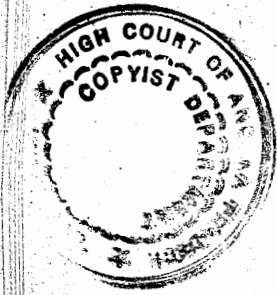
PART IV

14. REORGANISATION OF EQUITY SHARE CAPITAL OF LGS

- 14.1 The Issued, Subscribed and Paid-up Capital (including outstanding convertible equity warrants) of LGS is Rs. 55,42,36,670 (Rupees Fifty Five Crores and Fourty Two Lakhs Thirty Six Thousand Six Hundred and Seventy only) divided into 5,54,23,667 (Five Crores Fifty Four Lakhs and Twenty Three Thousand Six Hundred and Sixty Seven only) equity shares of Rs. 10 each fully paid-up. Pursuant to the merger of YDL with LGS under Part III of this Scheme, the share capital of LGS will be Rs. 506,25,14,990 (Rupees Five hundred and Six Crores Twenty Five Lakhs Fourteen Thousand Nine Hundred and Ninety only) divided into 50,62,51,499 (Fifty Crores and Sixty Two lakhs Fifty One Thousand Four Hundred and Ninety Nine) equity shares of Rs. 10 each fully paid-up (as per Clause 6.2 (a)).
- 14.2 With effect from the Appointed Date, the Issued, Subscribed and Paid-up capital of LGS shall be reorganized from Rs. 506,25,14,990 (Rupees Five hundred and Six Crores Twenty Five Lakhs Fourteen thousand Nine hundred and Ninety) divided into 50,62,51,499 (Fifty Crores and Sixty Two lakhs Fifty one thousand Four hundred and Ninety Nine) equity shares of Rs. 10 each fully paid-up to Rs. 101,25,02,998 (Rupees One Hundred and one Crores Twenty Five lakhs Two Thousand Nine hundred and Ninety Eight only) divided into 50,62,51,499 (Fifty Crores and Sixty Two lakhs Fifty One Thousand Four Hundred and Ninety Nine) equity shares of Rs. 2 each fully paid-up as follows:-
- 14.2.1 The equity share capital of LGS shall be reorganized by cancellation of Rs.8 of every equity share of Rs. 10 fully paid-up, i.e. issued, subscribed and paid-up capital of Rs. 506,25,14,990 (Rupees Five hundred and Six Crores Twenty Five Lakhs fourteen thousand nine hundred and ninety) divided into 50,62,51,499 (Fifty Crores and Sixty Two lakhs Fifty one thousand four hundred and ninety nine) equity shares of Rs. 10 each fully paid-up to Rs. 101,25,02,998 (Rupees One Hundred and one Crores twenty five lakhs two thousand nine hundred and ninety eight only) divided into 50,62,51,499 (Fifty Crores and Sixty Two Lakhs Fifty One Thousand Four Hundred and Ninety Nine) equity shares of Rs. 2 each fully.
- 14.2.2 Difference of Rs.8/- per equity share i.e Rs. 405,00,11,992 arising on account of reorganization of LGS's equity share capital, pursuant to the Scheme as referred to in clause 14.2, shall be credited to the Share Premium Account of LGS.
- 14.3 The board of directors of LGS shall consolidate all fractional entitlements, if any, arising due to the aforesaid reorganization of equity share capital of LGS under Clauses 14.2 shall be rounded to nearest integer.

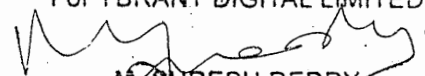
For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director



- 14.4 The reduction of share capital of LGS as provided in Clause 14.2.1 shall be effected a part of the Scheme upon the Scheme becoming effective on the Effective Date, and the order of the High Court of Andhra Pradesh sanctioning the Scheme shall be deemed to be an order under Sections 78, 100 to 102 of the Act confirming such reduction of equity share capital of LGS.
- 14.5 The application and consequential reduction of the face value of each share of LGS as stated above, shall be effected as an integral part of the Scheme, upon which the share capital of LGS shall be deemed to be reduced to the extent as the case may be and the Order of the High Court of Andhra Pradesh sanctioning the Scheme shall be deemed to be an order under Sections 78, 100- 102 of the Act confirming the reduction.
- 14.6 Upon the scheme becoming effective, LGS shall deemed to have complied with the necessary formalities under Sections 78, 100, 101 to 104 and all other applicable provisions of the Act. Further as an integral part of the scheme, LGS shall not pass a Special Resolution pursuant to Section 100 of the Companies Act, 1956 and shall be deemed to have been passed for reduction of the share capital, and the Transferee Company shall not be required to add the words "and reduced", as a suffix to its name.
- 14.7 Upon the Scheme being finally effective, the Authorised Capital of Transferor Company will get merged with that of the Transferee Company without payment of additional fees and duties as the said fees have already been paid and the Authorised Capital of the Transferee Company will be increased to that effect by just filing requisite forms. The preference share capital of the transferor company appearing under authorised share capital be reclassified as equity share capital and shall appear as equity share under the authorized capital of the transferee company. The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of the Transferee Company under Section 94 and 97 other applicable provisions of the Act. The Clause V of the Memorandum of Association of the Transferee Company relating to the Authorised Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause: -
- V *"The Authorised Share Capital of the Company is Rs. 195,00,00,000/- (Rupees One hundred and Ninety Five Crores Only) divided into 97,50,00,000 (Ninety Seven Crores and fifty lakhs Only) Equity Shares of Rs.2/- (Rupees Two only) each.*
- 14.8 On the Scheme becoming effective, the name of the Transferee Company shall stand changed to "Ybrant Digital Limited" and the same shall be substituted for the existing name

For YBRANT DIGITAL LIMITED


M. SURESH REDDY
Chairman & Managing Director



19

wherever it appears in the Memorandum and Articles of Association of the Transferee Company.

- 14.9 The approval of this Scheme by the shareholders of the Transferee Company and by the Hon'ble High Court of Andhra Pradesh shall be deemed to be due compliance of the provision of Section 21 and other relevant and applicable provision of the Act for the change in name of the Transferee Company, as provided in this Scheme.
- 14.10 Upon the Scheme becoming effective and upon receiving intimation / notice of the Record Date fixed, the shareholders of LGS shall present their share certificates of the existing series of shares of LGS as on the Appointed Date, for enabling endorsement of the reduction in paid up value of the shares, and reorganization of such capital of LGS in accordance with the provisions of this Scheme. It is clarified that the number of shares held in the dematerialized form will be reduced / increased automatically on such reorganization of capital.
- 14.11 Upon the Scheme coming into effect, the share capital of the transferee company post amalgamation shall be as follows:-

Particulars	Amount in Rupees
Authorised:	
97,50,00,000 Equity Shares of Rs 2/- each fully paid-up	195,00,00,000
Issued, Subscribed and Paid-up:	
50,62,51,499 Equity Shares of Rs 2/- each fully paid-up	101,25,02,998

For YBRANT DIGITAL LIMITED
For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director

PART V - GENERAL TERMS AND CONDITIONS

APPLICATION TO HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications/petitions, under Sections 391 and 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

16.1 The Transferor Company and the Transferee Company by their respective Board may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

16.2 In the event of any of the conditions that may be imposed by the High Court or other authorities which the Transferor Company and/or the Transferee Company may find unacceptable for any reason, in whole or in part of the Scheme, then Transferor Company and/or the Transferee Company are at liberty to withdraw the Scheme in whole or such part thereof and such withdrawal of a part of the Scheme will however no affect the other parts of the Scheme.

17. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to:

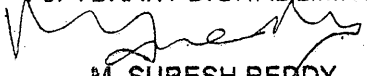
17.1 The approval by the respective requisite majorities of the members and/or creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;

17.2 The certified copy of the High Court order sanctioning the Scheme being filed with the Registrar of Companies, Andhra Pradesh at Hyderabad; and such other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

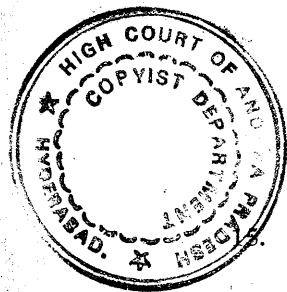
18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the

For YBRANT DIGITAL LIMITED



M. SURESH REDDY
Chairman & Managing Director





Board of Directors of the Transferor and the Transferee Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme. Further, in the case of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Company or the Transferee Companies or their shareholders or creditors or employees or any other person.

19. **BINDING EFFECT**

Upon the Scheme becoming effective, the same shall be binding on the Transferee Company and all concerned parties without any further act, deed, matter or thing.

20. **COSTS**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

For YBRANT DIGITAL LIMITED

M. SURESH REDDY
Chairman & Managing Director

04/5/2012
SUPERINTENDENT
COPYIST DEPARTMENT
High Court of A. P.
HYDERABAD

106

Office of the District Registrar,
Hyderabad (South)
S-3-166/5/2, 2nd Floor
Naveen Estate
Adj. To Bata Show Room
Err. gadda, Hyderabad - 500 018.

Endorsement under section 42
of Act II of 1899 of I.S.Act.

File No.2671/ MV/2012
Dt: 04/06/2012.

I hereby certify that the proper Stamp Duty of Rs.1,80,33,113/- (Rupees One Crore Eighty Lakhs Thirty Three Thousand One Hundred and Thirteen Only) levied in respect of the Instrument which is remitted vide Challan No 900196 Dated 01/04/2012 at SBH SR Nagar Hyderabad on the value of the instrument of Rs.90,16,55,664/- and paid by M/s. Ybrant Digital Limited & LGS Global Limited, Hyderabad as per the Scheme of Amalgamation vide Order in C.P.No. 33 and 34 of 2012 by the Hon'ble High Court of Andhra Pradesh, vide dated 11-04-2012.

Date: 04-06-2012
Place: Hyderabad

District Registrar And
Collector under Section 42 of I.S.Act
Hyderabad (South)



THE HIGH COURT OF ANDHRA PRADESH HYDERABAD.	
C.P. No.....	258/2012 2012
Application made.....	11.6 2012
Application returned.....	2012
Application re-proposed.....	2012
Stamps called for.....	3.5 2012
Stamps deposited.....	2.2 2012
Addl. Stamps called for.....	2012
Addl. Stamps deposited.....	2012
Copy ready.....	4.5 2012

Section Officer

C.P. 258/2012

C.P. 33/34/2012

V.S. Raju

(10 call)

10/10 2012