

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
ORIGINAL COMPANY JURISDICTION

ANNEXURE No....**5**.....

I N

COMPANY APPLICATION No..... OF 2009  
[Under Section 391 read with Section 394 of the Companies Act]

IN THE MATTER OF AMALGAMATION OF :

JAYPEE HOTELS LIMITED  
JAYPEE CEMENT LIMITED [  
JAIPRAKASH ENTERPRISES LIMITED  
GUJARAT ANJAN CEMENT LIMITED

WITH

JAIPRAKASH ASSOCIATES LIMITED

DISTRICT : GAUTAM BUDDHA NAGAR

1. JAIPRAKASH ASSOCIATES LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP). ..... Transferee Company
2. JAYPEE HOTELS LIMITED  
having its registered office at  
Hotel Jaypee Palace, Fatehabad Road,  
Agra, Uttar Pradesh. ....Transferor Company No. 1
3. JAYPEE CEMENT LIMITED  
having its registered office at  
5 Park Road, Hazratganj,  
Lucknow 226 001 .....Transferor Company No. 2
4. JAIPRAKASH ENTERPRISES LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP). .... Transferor Company No. 3
5. GUJARAT ANJAN CEMENT LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP) .....Transferor Company No. 4

..... **APPLICANTS**

ANx-5

250

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**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
JAYPEE HOTELS LIMITED**

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*Munna*

COMPANY No. 11175

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT OF CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES DELHI & HARYANA  
(Under the Companies Act, 1956 (I of 1956))

IN THE MATTER OF M/S. **SIDDHARTH INTER-CONTINENTAL  
HOTELS (INDIA) LIMITED**

I hereby certify that **SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED** which was originally incorporated on TWENTY NINTH day of DECEMBER One Thousand Nine Hundred and EIGHTY under the Companies Act, 1956 and under the Name **SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED** having duly passed the necessary resolution in terms of section 21 of Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in the Ministry of Industry, Department of Company Affairs, Office of the Registrar of Companies, Delhi & Haryana, New Delhi vide their letter No. ROC/Approval/21/11175/18319 Dated 26.6.87 the name of the said Company is this way changed to **JAYPEE HOTELS LIMITED** and this Certificate is issue pursuant to section 23(1) of the said Act.

Given under my hand at NEW DELHI this TWENTY SIXTH day of JUNE One Thousand Nine Hundred EIGHTY SEVEN.



Sd/-  
( N. S. GUPTA )

ADDITIONAL REGISTRAR OF COMPANIES  
DELHI & HARYANA  
NEW DELHI.



प्रारूप० आई० आर०  
Form I. R.

## निगमन का प्रमाण-पत्र Certificate of Incorporation

सं० 11175 शक 1902  
No. 11175 of 1980-81

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज सिद्धार्थ इन्टर-कॉन्टीनेंटल होटल्स (इण्डिया) लिमिटेड कम्पनी अधिनियम 1956 (1956 का 1) अधीन नियमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED is this day Incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता० 8 पौष, 1902 को दिया गया।

Given under my hand at NEW DELHI this TWENTY - NINTH day of DECEMBER One thousand nine hundred and EIGHTY.

Seal of the Office  
of the Registrar of  
Companies Delhi &  
Haryana

ह०/-  
(सूरज कपूर)  
कम्पनी रजिस्ट्रार  
Registrar of Companies  
DELHI & HARYANA

CO. NO. 11175



सत्यमेव जयते

## Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the **SIDDHARTH INTER-CONTINENTAL  
HOTELS ( INDIA ) LIMITED**

मैं एतद द्वारा प्रमाणित करता हूँ कि सिद्धार्थ इन्टर कॉन्टीनेन्टल होटल्स (इण्डिया) लिमिटेड  
which was incorporated under the Companies Act. 1956 on  
जो कि कम्पनी अधिनियम के अन्तर्गत पंजीकृत की गई थी दिनांक 8 पौष, 1902  
the **TWENTY-NINTH** day of **DECEMBER** 1980

and which has filed duly verified declaration in the  
और जिस ने कि आय निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत  
prescribed form that the conditions of section  
कर दिया है कि उसने धारा १४९ (२) (क) से (ग) तक  
149 (2) (a) to (c) of the said Act, have been complied with is entitled  
को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार आरम्भ करने की  
to commence business.  
अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक ४, फाल्गुन, १९०२

this **TWENTY -THIRD** day of

**FEBRUARY**

One thousand nine hundred and **EIGHTY ONE**

को जारी किया गया ।



*(Signature)*

Sd/-  
(SOORAJ KAPOOR)  
Registrar of Companies  
कम्पनी रजिस्ट्रार  
दिल्ली एवं हरियाणा



प्रारूप० आई० आर०  
Form I. R.

## निगमन का प्रमाण-पत्र Certificate of Incorporation

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No. 11175 of 1980-81

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I hereby certify that SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED is this day Incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता० 8 पौष, 1902 को दिया गया।

Given under my hand at NEW DELHI this TWENTY - NINTH day of DECEMBER One thousand nine hundred and EIGHTY.

Seal of the Office  
of the Registrar of  
Companies Delhi &  
Haryana

ह०/-  
(सूरज कपूर)  
कम्पनी रजिस्ट्रार  
Registrar of Companies  
DELHI & HARYANA

IN THE HIGH COURT OF DELHI AT NEW DELHI

( ORIGINAL JURISDICTION )

IN THE MATTER OF COMPANIES ACT, 1956.

AND

IN THE MATTER OF JAIPRAKASH ENTERPRISES LTD.

COMPANY PETITION NO. 21 OF 1984

CONNECTED WITH

COMPANY APPLICATION NO. 723 OF 1983.

**JAIPRAKASH ENTERPRISES LIMITED**

44, COMMUNITY CENTRE, BASANT LOK, VASANT VIHAR,  
NEW DELHI.

AND

COMPANY PETITION NO. 22 OF 1984

CONNECTED WITH

COMPANY APPLICATION NO. 724 OF 1983

**SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED**

44, COMMUNITY CENTRE, BASANT LOK, NEW DELHI.

..... PETITIONERS

Before Hon'ble Mr. JUSTICE D. R. KHANNA

DATED THE 5TH DAY OF APRIL, 1984.

ORDER UNDER SECTION 391, 392 AND 394

Upon the above petitions coming on for hearing on 5.4.1984, upon reading the said petitions; the order dated 6th December, 1983/12th December, 1983 whereby Jaiprakash Enterprises Ltd. (hereinafter referred to as transferor company) and Siddharth Inter-Continental Hotels (India) Ltd. (hereinafter referred to as transferee company) were each ordered to convene separate meetings of their shareholders and creditors for the purpose of considering and if thought fit, approving with or without modification the scheme of amalgamation of Jaiprakash Enterprises Ltd. with Siddharth Inter-Continental Hotels (India) Ltd. and annexed to the affidavits of Sh. S. D. Nailwal and Sh. P. N. Kumar filed in C. A. No. 723 of 1983 and C. A. No. 724 of 1983 respectively on 2.12.1983, the Indian Express dated 28.12.1983 and the Nav Bharat Times dated 28.12.1983 in respect of the shareholders and the aforesaid papers dated 29.12.1983 in respect of creditors relating to C. A. No. 723/1983 and the Indian Express and the Nav Bharat Times dated 26.12.1983 in respect of the shareholders and the aforesaid papers dated 27.12.1983 in respect of the creditors relating to C. A. No. 724/1983 each containing the advertisement of notices convening the said meetings directed to be held by the said order dated 12.12.1983, the Reports of the respective Chairmen dated 20.1.1984 showing the publication and despatch of the notices convening the said meetings and notice of the petition 21/84 and 22/84 under section 394 having been published in the Indian Express and Nav Bharat Times dated 19.3.1984 and upon hearing Sh. U. L. Watwani, counsel for the Central

Government and Sh. N. S. Gupta for the Registrar of Companies stating that they have not to file any reply, the report dated 28.3.1984 of the Official Liquidator to the effect that the affairs of Jaiprakash Enterprises Ltd. have not been conducted in a manner prejudicial to its members and creditors and upon hearing Sh. K. M. Sharma, Advocate, counsel for the petitioners and it appearing from the reports of the Chairmen that the proposed scheme of amalgamation has been approved unanimously by the shareholders and the creditors of the said two companies present and voting in person or proxy and no objection having been filed by any third party or member either, **THIS COURT DOTH HEREBY SANCTION** the scheme of amalgamation set forth in para 6 of the petitions and **SCHEDULE I** annexed hereto and **DOTH** hereby declare the same to be binding with effect from the 5th day of April in the year One Thousand Nine Hundred and Eighty Four upon all the classes of share-holders and creditors of both the companies as also on the said two companies.

**AND THIS COURT DOTH FURTHER ORDER :**

1. That all the properties, rights and powers of the transferor company specified in the first, second and third parts of the Schedule II hereto and all other properties, 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; and
2. That all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
4. That the Transferee Company do without further application allot to all such members of the Transferor Company as is required by Clause 6 (a) of the Scheme of amalgamation herein, the shares in the transferee Company to which they are entitled under the said scheme; and
5. That the Transferor Company shall be treated dissolved with effect from 30th April, 1984 without formal winding up.
6. That the Transferee Company do comply within 30 days with the requirements of Section 394 (3) of the Companies Act, 1956 by causing a certified copy of this order to be delivered to the Registrar of Companies for registration and the transferor Company shall stand dissolved with effect from 30.4.1984 and the Registrar of Companies shall place all documents relating to the Transferor Company and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly; and
7. That the books and papers of the Transferor Company shall not be disposed off without the prior approval of the Central Government in terms of Section 396-A of the Companies Act, 1956; and
8. That any person interested shall be at liberty to apply to this Court in the above matter for any directions that may be necessary.

.....Contd. - 3



## SCHEDULE I

SCHEME OF AMALGAMATION  
OF**JAIPRAKASH ENTERPRISES LIMITED**

WITH

**SIDDHARTH INTER-CONTINENTAL HOTELS (INDIA) LIMITED**

## PRELIMINARY

- (A) In this Scheme unless repugnant to the context. "Transferor Company" means Jaiprakash Enterprises Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 44, Community Centre, Basant Lok, Vasant Vihar, New Delhi.

"Transferee Company" means Siddharth Inter-Continental Hotels (India) Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 44, Community Centre, Basant Lok, Vasant Vihar, New Delhi. "The Act" means the Companies Act, 1956. "The Transfer Date" means 1st August, 1983 (or such other date as the High Court of Delhi at New Delhi may direct) from which all the moveable, immoveable and other properties of whatsoever nature including all rights, powers, privileges of every kind, nature and description of the Transferor Company shall be transferred or deemed to be transferred without any further act or deed to the Transferee Company.

"The Effective Date" means the date on which the transfer and vesting of the undertaking of the Transferor Company shall take effect i.e. the day on which the last approvals specified in clause-11 of the Scheme shall have been obtained and certified copies of the Order of the High court of Delhi at New Delhi have been filed with the Registrar of Companies, Delhi & Haryana, New Delhi.

- (B) The Authorised Share Capital of the Transferor Company is Rs. 2,00,00,000/- divided into 15,00,000 Equity Shares of Rs. 10/- each and 50,000 Unclassified Shares of Rs. 100/- each out of which 14,40,000 Equity Shares of Rs. 10/- each have been issued and subscribed for cash fully paid up at par.
- (C) The Authorised Share Capital of the Transferee Company is Rs. 5,00,00,000/- divided into 45,00,000 Equity Shares of Rs. 10/- each and 50,000 Redeemable Cumulative Preference Shares of Rs. 100/- each out of which 38,00,000 Equity Shares of Rs. 10/- each have been issued and subscribed for cash fully paid up at par.

## THE SCHEME

1. The undertaking of the Transferor Company shall with effect from the Transfer Date, without further act or deed be transferred to and be vested in or deemed to be transferred to and vested in the Transferee Company, pursuant to Section 394 of the Act and for all the estate and interest of the Transferor Company but subject nevertheless to all charges, if any, then effecting the undertaking of the Transferor Company or any part thereof and on the Transfer Date, the Transferor Company shall be deemed to have been amalgamated in the Transferee company as aforesaid.
  2. (a) For the purposes of this Scheme the undertaking of the Transferor Company shall include :
    - (i) All the properties moveable or immoveable, rights, licences and privileges of the Transferor Company as on the Transfer Date;
    - (ii) All the liabilities of the Transferor Company as on the Transfer Date.
  - (b) Without prejudice to the generally of sub clause (a) hereof, the undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, moveable or immoveable, real, corporal or incorporeal in Possession of reversion, present or contingent of whatsoever nature and wheresoever situate including in particular all licences and privileges, patents, trade marks, logos and import Quotas and licences held by the Transferor Company or to which the Transferor Company is entitled to and all debts, liabilities and duties of the Transferor Company and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment. PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise.
- Provided further that the right of conversion of loans into Equity Shares of the Transferor Company vested in the financial institutions under various loan agreements between the Transferor Company and such financial institutions shall be subject of negotiations between the Transferee Company and the financial institutions and shall stand modified to the extent as may be mutually agreed upon between the Transferee Company and such financial institutions.
3. If any suit, appeal or other proceedings of whatever nature (hereinafter call "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of any thing contained in this Scheme but the proceeding may be continued prosecuted and enforced by or against the 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.

4. (a) The transfer and vesting of the property and liabilities under Clause 1 and 2, and the continuance of the proceedings by the Transferee Company under Clause 3 hereof shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Transfer Date to the end, and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed by the Transferor Company.
- (b) Until the completion of such transfer of the Transferor Company, the Transferor Company shall stand possessed of all its properties, so to be transferred to the Transferee Company and shall carry on its business for and on behalf of and in trust for the Transferee Company and the Transferor Company shall account for the same accordingly. Between the Transfer Date and the Effective Date, the Transferor Company shall not, without the concurrence of the Transferee Company alienate, charge or otherwise deal with any of the said assets except in the ordinary course of business.
- (c) Any income or profit accruing to the Transferor Company and all costs, charges and expenses incurred or loss arising or incurred by it after 1st August, 1983 shall for all purposes be treated as the income, profit, costs, charges and expenses or loss as the case may be of the Transferee Company.
- (d) Until the effective date, neither the Transferor Company nor the Transferee Company shall issue or allot any Rights Shares or Bonus Shares out of their respective Share Capital for the time being.
5. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Company is a party subsisting or having effect from immediately before the amalgamation, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto.
6. (a) Upon the Scheme being approved by the members of the respective companies and sanctioned by the High Court of Delhi at New Delhi and the transfer of the undertaking of the Transferor Company pursuant to Clause 1 hereof and the amalgamation becoming effective in terms of this Scheme the consideration in respect of such transfer shall subject to the provisions of this Scheme be paid and satisfied by the Transferee Company as follows :
  - (i) The Transferee Company shall issue at par and allot to the Transferor Company Shareholders in the proportion of three Equity Shares of Rs. 10/- each in the Transferee Company credited as fully paid up for every one fully paid up Equity Share of Rs. 10/- in the Transferor Company held by him in the Transferor Company on such date after the effective Date as the Board of Directors of the Transferee Company may determine. For the purpose of such allotment, fractional entitlements, if any, shall be ignored, but the shares representing fractional entitlement shall be allotted

to two nominees of the Transferee Company upon trust to sell the shares representing such fractions; and to distribute the sale proceeds (less expenses) to those Transferor Company Shareholders who are entitled to such fractions in the proportions to which they are so entitled.

(ii) The said Equity Shares in the Transferee Company to be issued and allotted to the Transferor Company Shareholders shall rank *pari passu* in all respect with the existing Equity Shares in the Transferee Company.

(iii) All the members whose names shall appear in the Register of Members of the Transferor Company on such dates (after the Effective Date) as the Board of Directors of the Transferee Company may determine shall surrender their certificates for cancellation thereof to the Transferee Company. In default, upon the new shares in the Transferee Company being issued and allotted by it to the Transferor Company Shareholders whose names shall appear on the Register of Members of the Transferor Company on such date as aforesaid, the Share Certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled.

(iv) The Transferee Company shall make the allotments pursuant hereto to every Shareholder of the Transferor Company without further application, the number of Equity Shares in the Transferee Company to which he may be entitled under this Scheme.

(b) On this Scheme finally taking effect as aforesaid, Hotel Siddharth shall continue to function as a unit of the Transferee Company and all agreements entered into by Hotel Siddharth with its bankers, suppliers, shop keepers, agents etc. shall continue to be in full force and effect and may be enforced as fully and effectively as if instead of Transferor Company, Hotel Siddharth had been a party thereof.

7. (a) The Transferee Company shall take necessary steps for suitable alterations in its Memorandum of Associations so as to enable it to implement this Scheme.

(b) The Transferee Company shall cause a Special Resolution to be passed pursuant to Section 81 (1 A) of the Act for the offer and allotment of Equity Shares in the Transferee Company to the Transferor Company Shareholders in accordance with and subject to the provisions of this Scheme.

8. Subject to the Scheme being sanctioned and an order being made by the High Court of Delhi at New Delhi under Section 394 of the Act, the Transferor Company shall be dissolved without winding up on the Effective Date.

9. All employees of the Transferor Company who are in employment of the Transferor Company on the Effective Date in terms of this Scheme shall as from such date become the employees of the Transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the Transferor Company in the Transferee Company under the Scheme and that the terms and conditions of service applicable to them on the effective date as aforesaid will not in any way be less favourable to them than those applicable to them immediately before the Effective Date as aforesaid.

10. The Board of Directors of the Transferor Company and the Transferee Company acting jointly or any person or persons duly authorised by them respectively may consent on behalf of all concerned to any modification of or addition to this Scheme or agree to any conditions which the High Court of Delhi at New Delhi may think fit to impose and may do all acts, deeds, matters and things necessary or usual for carrying this Scheme into effect. After the dissolution of Transferor Company, the Transferee Company by its Directors be and is hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters connected therewith or to carry the same into effect.
11. The Scheme is conditional upon the following approvals and the amalgamation shall be deemed to be effective on the date on which the last of such approval shall have been obtained.
  - (a) Approval of the Controller of Capital Issue under the Capital Issue Control Act, 1947 to the issue and allotment of shares in the Transferee Company to the Transferor Company shareholders in terms of this scheme.
  - (b) Approval to the issue and Allotment of Equity Shares in the Transferee Company to the Transferor Company shareholders in accordance with and subject to the provisions of this Scheme by a special resolution of the Transferee Company pursuant to Section 81 (1-A) of the Act.
  - (c) The sanction of the Scheme by the High Court of Delhi at New Delhi under Section 391 of the Act and appropriate orders being made by the said High Court pursuant to Section 394 of the Act for the amalgamation under this Scheme and for the implementation thereof.
12. The Transferor Company and/or the Transferee Company shall also obtain such other consent or approval as may be required under any statute or contract not specifically referred to in this Scheme including the consent of the Industrial Finance Corporation of India, Industrial Development Bank of India, and Industrial Credit and Investments Corporation of India Ltd. the lenders to the Transferor Company and the Industrial Finance Corporation of India, Industrial Development Bank of India, Industrial Credit and Investment Corporation of India Limited, Indian Overseas Bank and Oriental Bank of Commerce, the lenders to the Transferee Company.
13. All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading upto the scheme and of carrying out and completing the terms and provisions of this Scheme and of or incidental to the completion of amalgamation and merger of the undertaking of the Transferor Company in prusuanace of this Scheme shall be borne and paid by the Transferee Company.
14. In case the Scheme is not sanctioned by the High Court of Delhi at New Delhi for any reason whatsoever or for any other reason this Scheme cannot be implemented before 31st day of July, 1984 or within such further period or periods as may be agreed upon between the Transferor

Company (by its Directors) and the Transferee Company (by its Directors), this Scheme will become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se to the parties in terms of the Scheme.

15. Notwithstanding any thing contained hereinabove, the Scheme shall also become effective in terms of and upon fulfilling requirements of any other law that may be brought into force in this behalf before this Scheme otherwise becomes effective as hereinbefore provided.

## SCHEDULE II

### SCHEDULE OF PROPERTIES

#### PART I

Short description of freehold property of the Transferor Company (Jaiprakash Enterprises Limited).

The Company is having a first class hotel building at 3, Rajendra Place, New Delhi namely Hotel Siddharth, Plant & Machinery, Sanitary installations, electrical installations, airconditioning installations, lifts, furniture & Fixtures and other fixed assets thereat.

#### PART II

Short description of the leasehold property of the Transferor Company (Jaiprakash Enterprises Limited).

The Company is having a leasehold plot of land measuring 4472.8 sq. mtrs. (1.1. acre) at 3, Rajendra Place, New Delhi on which land the Hotel building referred to in Part I above has been constructed.

#### PART III

Short description of stocks, shares and other choses in action of the Transferor Company (Jaiprakash Enterprises Limited).

The Transferor Company is having sundry debtors, loans & advances, margin monies, security deposits, stocks & stores, licences, permits, privileges, other actionable claims and cash and bank balances.

Dated this the 5th day of April, 1984

REGISTRAR

THE COMPANIES ACT, 1956

PUBLIC COMPANY LIMITED BY SHARES

# **Memorandum of Association of JAYPEE HOTELS LIMITED**

- I. The name of the company is JAYPEE HOTELS LIMITED
- II. The Registered Office of the Company will be situated in the State of Uttar Pradesh.
- III. The objects for which the company is established are :—

**(A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :—**

1. To acquire by purchase, lease, exchange or otherwise land, buildings and hereditaments of any tenure or description in the Indian Union or abroad and any estate or interest therein, and any rights over or connected with land and to turn the same to account as may seem expedient and in particular by preparing building sites and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, restaurants, offices, flats, houses, shops, factories, ware-houses, wharves, building, works and conveniences of all kinds and by consolidating or connecting or sub-dividing properties and by leasing and disposing of the same.
2. To carry on the business of hotel, restaurant, cafe, tavern, beer house, restaurant room and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, malsters, distillers and manufacturer of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusement or entertainment generally, coach, cab, carriage and motor car proprietors, livery, stable and garage keepers, perfumers, job-masters, farmers, dairymen, importers and brokers of food, live and dead stock, colonial and foreign produce of all descriptions, hair dressers, perfumers, chemists, proprietors of clubs, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusements, recreation, sport, tennis courts, swimming pools, entertainment and instructions of all kinds, tobacco and cigar merchants, agents for railways, airlines and shipping companies, and carriers, theatrical and

opera box office proprietors and general agents, and to manage land, building, and other properties, whether belonging to Company or not and to collect rents and income and to supply tenants and occupiers and others,

3. To carry on business of builders, civil, machanical and electrical contractors, of ali typcs and descriptions, to layout, develop, construct, build erect, demolish, alter, repair or remodel or do any other work in connection with canals, drainages, dams, bridges, roads, tunnels, buildings or building schemes, springs, power plants, ports, raservoirs, embankments, railways, barrages, irrigation, reclamations, sanitary, water, gas, electric light and power supply works or any other structural or architectural works of any kind whatsoever and for such purpose to prepare estimates, designs, plans and specification or models in connection with the main business of the Company.

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

1. To establish and carry on and to promote the estbalishment and carrying on, and to acquire and take over any business or undertaking carried on, or property in which the company is interested or becomes intersted or in any business which may be conveniently carried on, upon or in connection with such land, building or property, and the establishment of which may seem calcuated to enhance the value of companys interest in such property and to carry on the same or to dispose off, remove, put an end to or otherwise deal with the same as may seem expedient.
2. To take, accept and secure agencies of all kinds of machineries, tools, equipments, accessories from other manufacturers of machinery, tools and equipment—whether of Indian or foreign origin that are or may be required in connection with the hotel and contractors business.
3. To apply for, purchase or otherwise acquire any patents, brevets, d'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 heing used for any of the purpose 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 to be acquired.
4. To manufacture, maintain, buy, sell, exhibit, alter, import, manipulate, deal in all kinds of plant, machinery, apparatus, tools, utensils, crokery, cutlery, chinawares and other materials which is necessary and convenient for carrying on the main business of the company.
5. To establish agencies or branch or branches in India or abroad and to undertake the management of company or companies having objects altogether or in part similar to those of this company.
6. To enter into financial collaboration, partnership or any arrangement for joint working, sharing or pooling profits, union of interest, co-operation, joint venture, reciprocal concession assistance, subsidy or otherwise or amalgamation 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 authorised to carry on or enaage in.



7. To obtain and, also to give technical and other services, knowhow from and to others who are engaged in any of the businesses that are mentioned in Clause (A) relating to Main Objects on such terms, conditions and arrangements as to the servicing fees, royalties and sharing of profits that may be deemed fit and in the best interest of the company.
8. To negotiate with Indian or foreign business organisations, firms, companies or institutions and to procure sole, exclusive or any other agency, distributorship, selling representation or other rights, concessions or privileges and to enter into agreements, to hold, organise, regulate, conduct, transact, transfer or abandon such rights, concessions or privileges with such terms, conditions and stipulations as to duration, emoluments or otherwise and to vary terms or conditions as and when necessary, expedient or otherwise.
9. To borrow or raise money on any terms without security or on the security of land, building, factories, machinery, tools, bills of exchange, promissory notes, bonds, bills of lading, warrants, stocks, shares, debentures, book debts, undertaking of the Company and properties of every description or any one or more of them.
10. To lend money either with or without security and generally to such persons and upon such terms and conditions as the company may think fit.
11. To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined.
12. To create, execute, grant or issue any mortgage, or bonds either at par, premium or discount and either redeemable or irredeemable secured upon all or any of the undertaking, rights and properties of the Company present and future including uncalled capital or the unpaid calls of the Company.
13. To amalgamate with any other company having objects altogether or in part similar to those of this Company.
14. To promote and aid in promoting, constitute, form or organise companies, syndicates or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of the Company or of advancing directly or indirectly objects thereof, or for any other purpose for which the Company may think expedient.
15. To carry on business of manufacturers of and dealers in biscuits, bread, chocolates and other sweets of every description, and to buy, sell, manipulate or deal with wholesale and retail, grains, seeds, pulses and commodities which can conveniently be dealt in by the company in connection with any of its objects herein and to construct, acquire, hire, hold, work, let and sell mills, factories, bake house, shops, workshop, buildings, machinery and appliances, suitable for such manufacturing and dealing.
16. To initiate, organise, conduct, and manage the business or trades of general distillers, compounders and processors, rectifiers, merchants, exporters, importers,

brokers, bottlers, sales agents, commission agents, and general traders in relation to the advertising, marketing and distributing in India and abroad, spirits, wines, liquors and all other products and by products derived and generally to engage in undertaking, performing and carrying on all or any of the functions, duties that are ordinarily or particularly undertaken by distillery proprietors, alcoholic and food product manufacturers, and to act as bottle makers, bottle stopper makers, coopers, manufacturers of boxes, cartoons, paper and other bags and packing receptacles and labels generally, and to carry on the business of bottlers, processors, canners, packers and providers of all kinds of goods, products, or wares, necessary, ancillary or desirable for use in connection with the business of the Company.

17. To engage, employ, suspend or dismiss agents, managers, assistants, clerks and other servants of the company and to remunerate such persons as may be deemed expedient by the Company.
18. To draw, make, accept, endorse, seal, execute, negotiate, purchase, lend money upon discount, hold and dispose of cheques, promissory notes, bills of exchange, hundies, drafts, charter parties, bills of lading, warrants, debentures and other negotiable documents and to contract deeds and other negotiable documents and other instruments, and to cancel and vary such instruments which may become necessary during the course of the business of the Company.
19. In connection with the main business of the Company, to buy, sell, manipulate, and deal both wholesale and retail in commodities, articles and things used in Construction of Building, Roads, Dams and Barrages.
20. To execute and to carry out agreement(s) of sole agency or other similar agreements and may appoint sub-agents or distributing agents in connection with the business of the company.
21. To pay out of the Companys' funds, costs and expenses incurred in connection with all matters preliminary and incidental to the formation, promotion, and incorporation of this company and the costs and expenses incurred in connection with all matters preliminary and incidental to the formation and incorporation of any company which may be promoted by this Company.
22. To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company.
23. To enter into contract with the Government, Central or State, Railways, Supreme, Municipal, Local or other authorities for the supply of any material or goods.
24. To enter into any arrangement with the Government or authorities Supreme, Municipal, Port Trust, Railways, District Local Boards, Civil and Military authorities that may seem conducive to the Companys' objects or any of them and to obtain from any such Government or authorities any rights, privileges and concessions which the company may think it desirable to obtain and to carryout, exercise and comply with any such arrangements, rights, privileges and concessions.
25. To open any kind of account in any bank and to make, accept, endorse and execute promissory notes, bills of exchange and other negotiable instruments.

26. Subject to the provisions of law, to contribute to the funds of any professional association or to any individual, firm or body corporate which in the opinion of the Company, is beneficial to the Company.
27. To contribute to charitable and other funds whether directly or indirectly relating to the business of the company or not or for the welfare of the employees.
28. To sell 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 company having objects altogether or in part similar to those of this company.
29. To establish, provide, maintain and conduct or otherwise subsidise in India or in any part of the world, education and training institutions, research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches, both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientists and technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on and to enter into any arrangement with Government or any other party for the purposes aforesaid.
30. To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company to 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 vary all or any such investments in such manner as the Company may think fit.
31. To adopt such means of making known the business of the Company or of any company in which this company is interested 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.
32. To erect buildings, factories, plant and machinery for the purpose of the company.
33. To undertake payments of all rents and performance and observance of all covenants, conditions and agreements contained in or reserved by any lease or leases which may be granted or assigned to or may otherwise be acquired by the Company.
34. To create any depreciation fund, reserve funds, sinking fund, Insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for special dividends or equalizing dividends or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds herein mentioned.

35. To procure registration, affiliation or recognition for the company in any foreign country or place.
36. To pay or remunerate all expenses of directors or any person authorised by the Board of Directors, to undertake foreign tour in connection with the business of the Company as well as to remunerate for their services subject to the provisions of the Act.
37. To do all such other things as in the opinion of the Board of Directors can be carried on advantageously in connection with the other object or incidental thereto.

**(C) OTHER OBJECTS :**

1. To undertake the manufacture, process, import, export and sale of calcined petroleum, petrochemicals and its by-products, coal and coaltar products, dyes, drugs, medicines and pharmaceuticals and derivatives, paints, pigments and varnishes, explosives and ammunition, vegetable oils and their derivatives, all types of heavy chemicals, textiles, chemicals, photographic chemicals, clay and boards, soaps, glycerine, fertilizers, pesticides, manures, fungicides and allied products, fats, waxes hides, skins and leather.
2. To carry on trade and business of coke manufacturers, miners, smelters, engineers, and tin plate makers.
3. To carry on the business of financiers, investors and work as goldsmiths, silversmiths, jewellery and gem merchants, watch and clock repairers, and manufacturers importers and exporters of bullion.
4. To carry on business of manufacturers of or dealers in typewriters, calculating machines, cleaners, sewing and printing machines, air-conditioning equipment, air conditioners, refrigerators, coolers and ice-cream manufacturing machinery.
5. To acquire or set up and run hospitals, clinics, nursing homes, maternity and family planning units or pathological laboratories and optician shops.
6. To carry on the business of production, distribution or exhibitors of films and motion pictures, including the running of theatres, cinemas, studios and cinematographic shows and exhibitions.
7. To carry on the business of manufacturers or dealers of tractors, tractor parts, automobiles, auto parts earth moving equipments, internal combustion engines, boilers, locomotives cranes and compressors.
8. To manufacture and/or deal in automobile parts, spare parts and components or machineries and to act as agents for manufacturers of various parts and components.
9. To carry on the business of manufacturers of and dealers in all types of industrial gases, like hydrogen, nitrogen, oxygen, acetylene, carbon dioxide, argon and other gases, gas cylinders and to act as manifers of plastic products.

10. To carry on the business of manufacturers and dealers in all types of celluloid, bakelite, industrial rollers, sheets, beltings, tyres, tubes, scientific, industrial and surgical instruments, agricultural equipments, paper and paper pulp of all kinds and articles made of paper and cardboard.
11. To carry on the business of machinists, makers of machinery, manufactures of pressed bowls, mechanical engineers, marine engineers, iron founders, brass founders, iron and steel converters, metallurgists, smiths and wood workers, iron masters, steel masters, blast furnace proprietors, consulting engineers, electrical engineers, asbestos manufacturers, japanners, annealers, enamellers electric and chromium platers, polishers, painters, garage proprietors, blacksmiths, tin-smiths, lock-smiths, ironmongers, alloy makers wire weavers, and to buy, sell, manufacture, repair, alter, convert, let on hire and deal in plant, machinery, tools, implements, utensils and rolling stock.
12. To carry on business as manufacturers of and dealers in plywood, hard-wood, blocks for flooring and other purposes, boxes, windows, doors, wood-pulp, wood wool, masts, spars, derricks, sleepers, tool handles, panelling, wood-work, furniture and articles of all description wholly or partly made from wood, bricks, cement or stone.
13. To act as trustees, executors, administrators, attorneys, nominees and to undertake and execute trusts of all kinds and (subject to compliance with any statutory condition) to exercise all the powers of custodian, trustees and trust corporations.
14. To carry on business as manufacturers or dealers in or as stockists, importers and exporters of packaging materials, cartons, containers, boxes and cases made of paper, boards, wood glass, plastic pulp, cellulose films, polythelene, rubber metals, metal foils, gelatine, tin flexible, treated, laminated or other materials.
15. To procure or develop and supply any patents, inventions, models, designs, scientific or industrial formulate or processes.
16. To undertake or promote research in economic, fiscal, commercial, financial, technical and scientific problems.
17. To carry on business of timber and lumber merchants, lumber yard and saw-mill proprietors, and to buy, sell, prepare for market, import, export and deal in timber and wood of all kinds to carry on the business of logging and lumbering, purchasing, acquiring and leasing timber berths.
18. To carry on in India or elsewhere the business of manufacturers, dealers, stockists, importers and exporters and commission agents of engineering drawing sets, hardware steel rules, measuring tapes, cutting tools, precision measuring tools, machine tools, garage tools, hardware tools, instruments, apparatus and other machinery, plant, equipment, articles, appliances, their component, parts, accessories and allied things.

19. To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar candy, jaggery, sugarbeet, sugarcane, molasses, syrups, mealda, and all sugar products such as confectionery, glucose, sugarcandy, golden syrup, alcohol and their by-products.
20. To carry on business as cow-keepers, farmers, millers and market gardeners.
21. To carry on the business of manufacturers, buyers, sellers, exporters and importers of pulp, paper, boards and paper products of all types and kinds and in all forms and to process and re-pack paper and paper products and to carry on the business of stationers, printers, lithographers, stereotypers, electrotypers photographic printers, block makers, photolithographers, engravers, die-sinkers, block makers, account book manufacturers, book sellers, publishers and paper manufacturer, and dealers in the materials used for the manufacture of paper, and other articles of stationery.
22. To carry on any business relating to the winning and working of minerals, production and working of metals, coal, bricks, clay, limestone and other substances.
23. To carry on the business of spinners, weavers, manufacturers, balers and pressers of jute cuttings, jute rejections, hemp and the cultivation thereof, and the business of buyers, sellers, and dealers of jute, jute cutting, jute rejections, jute manufacturing, hemp oil seeds and any other seeds and product and of goods of merchandise made thereof and to transact all manufacturing or cutting and preparing process and mercantile business that may be necessary or expedient and to purchase and vend raw materials and vend raw materials and manufactured articles.
24. To carry on business of manufacturing bicycles and things for use in sports or games.
25. To sink wells and shafts, lay down pipes, construct, improve, maintain, develop, work, manage, carry out or control any roadways, tramways, runways, branches or siding, bridges, telegraph lines, canal reservoirs, water courses, wharves, sheds, hydraulic works, electric works and factories, power houses, cooly lines and houses and villages.
26. To carry on bussiness of manufacturers and dealers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic or telegraphic apparatus of any kind.
27. To carry on the business of ice makers, ice dealers, refrigerating store-keepers, to establish, purchase or otherwise acquire, run, conduct and operate, cold storage warehouses, dry storage warehouses, bonded warehouses for the preservation, storage and treatment of merchandise.
28. To carry on the business of fabricator, and re-rollers, of all types of ferrous and non-ferrous metals, manufacturers of steel strips, tubes, pipes, bolts, hinges, machinery and implements of all types and kinds, eldrops, tower bolts, roofing nails, pad bolts, door shutters, tin containers

nuts, buckers, karais, gate channels, sanitary fittings, wire, wire knittings, wire ropes, hardware fittings of all kinds, cutting and hand tools.

29. To carry on the business of water works engineers, and manufacturers and suppliers of atomic power and gas generators.
30. To manufacture railway wagons, passenger coach, tramway and their components, jigs and fixtures, precision instruments, gas welding plants, paper and cement plants, general purpose and tool room machinery, hardening, annealing and tempering furnaces, motor boats, ships, aeroplanes, cables, and conductors.
31. To manufacture, buy, sell, import and export cement, rayon, pulp, glass wool, and other sound and water proofing materials.
32. To carry on the business of mechanical fitters, galvanizers, and to manufacture materials used for electroplating, annealing, galvanizing and enamelling.
33. To carry on Research and Development, to manufacture, buy, sell, import and export, to act as distributing agents, developers, processors, consultants, repairers and dealers in the field of all kinds and sources of energy, i.e. mechanical, electrical, heat, sound and light derived from natural and other sources including in particular, but without limitation, from the use of oil, gas, coal, water and other sources of energy such as solar, geothermal, wind, tides, biogas, gobar gas, wastes, and other residual products and to supply, use, purchase, acquire, distribute, use and apply the same for industrial, commercial, agricultural and domestic or other purposes for providing motive power, electrical power, thermal power and other types of power for lighting, heating, cooling, refrigeration, drying, seasoning, evaporation, distilling and to develop processes, equipments, instruments, apparatuses, appliances and accessories for conversion of one type of energy to other and in connection with all the aforementioned objects to acquire, construct, manufacture, erect, lay down, alter, work, all equipments, instruments, apparatuses, appliances and other plant and machinery and to supply all such materials, products and things as may be necessary or convenient in connection with the production, use, storage, regulation, measurement, supply and distribution of such products by the company.
34. To carry on all or any of the business of manufacturers, merchants, importers, exporters, maintainers, hirers, processors, engineers, consultants, dealers and agents in all kinds of electrical, electronic, mechanical and optical appliances and apparatuses of every description, including lighting, radio, television, telecommunication requisites, calculators, computers, radars, business machines and their components including valves, transistors, resistors, condensers, coils, motors, generators and their regnisites, components and stores of all kinds and description. To buy, sell, manufacture, repair, alter or otherwise deal in any apparatuses, components and parts, plant and machinery, fittings, furnishings, tools, materials, products and things of all kinds, capable of being used for the purpose of all the above mentioned business and to carry out researches, investigations and experimental work of every description in relation to electronics and the application and use of electricity.

35. To carry on the business of manufacturers, merchants, importers, exporters, repairers and agents for the sale and purchase of and dealers in instruments, appliances and accessories of all kinds for testing, indicating, recording, controlling, measuring pressure strength, load, humidity, flow, depth, density, movement, temperature, quality, quantity and general finishing of any industrial, commercial, scientific and other goods, products, chattles and materials of all kinds.
36. To carry on all or any of the business as industrial, technical, financial business, marketing and personnel-consultants, advisors, valuers, agents intermediaries and to advise upon the means, methods, systems or processes for the solution, development and improvement of all types of business and industry, or relating to manufacture, production, storage, distribution, finance, purchasing, marketing and sale and/or relating to rendering of any service(s) or other activity(ies) and on all matters and problems relating to industrial process control, flow control, information, economic data analysis, data processing, data logging and data analysis, development of computer software, and to engage in research in all problems relating thereto and in connection therewith, to collect, prepare and distribute information, statistics and to promote or propose all such methods procedures and measures, as may be considered desirable or beneficial for all or any of the company's objects. To undertake, aid, promote and coordinate project studies, arrange collaboration, extend technical assistance and services, prepare schemes, project reports, market research studies, to set up production techniques, assist in finding markets for goods manufactured in India or elsewhere, to prepare schemes, drawings, plans and estimates, including lay-out of plant and machinery, to establish or assist establishment of such concerns, and to act as consultants, advisers, valuers, agents for buying, selling, importing, exporting of all kinds of goods and chattles.
37. To carry on the business as manufacturers, bales and pressers of and dealers in preparing, spinning, doubling, weaving, combing, scoring, sizing, bleaching, colouring, dyeing, printing, furnishing, working in any way whatsoever in fibres, yarn and fabrics manufactured or produced from cellulose, cotton, silk, woollen, paper, or pulp, leather, rubber, artificial silk, rayons, nylons, synthetics and other chemical products or substances or any man-made materials or fabrics of whatever nature and the articles manufactured there from and or, from their derivatives.
38. To carry on all or any of the business of manufacturers, producers, refiners, developers, chemical and general engineers, chemists, sellers and distributing agents of and dealers in all kinds of metals, alloys, and materials, minerals, chemicals, pharmaceuticals, acids, salts, medicinal and chemical preparations, adhesives and articles and compounds, resins, synthetic and man-made material, rubber (both natural and synthetics) and substances and products, whether natural or artificial and articles made from the same, compounds, intermediaries, derivatives, and by-products thereof.
39. To carry on the business of cold-storage of fruits, edibles and other perishable items.
40. To cultivate, grow, produce or deal in any agriculture, vegetable or fruit products, and to carry on all or any of the business of farmers, dairymen, millers, surveyers, vendors of milk and all its products, poultry, growers and dealers in corn, hay and straw, seedmen or any substitute for any of them associated with the farming interest.



41. To establish and maintain shipping lines and plying vessels between any ports and to carry on businesses of freight Contractors, carriers, barge owners, forwarding and clearing agents.
42. To carry on the business of manufacturers of or dealers in glass products, including sheet and plate glass, optical glass, glass wool and laboratory ware.
43. To establish maintain and carry on the business of growers, cultivators, planters, blenders buyers, sellers, exporters, importers of and dealers in Tea, Coffee, Cinchone, Rubber, Jute Cereals, Oilseeds, Cotton, Sugarcane, Vegetable products and plants and buyers of every kind of mineral or other products of soils to prepare, manufacture and render marketable any such product.
44. To act as forwarding agents, to insure and underwrite and deal with goods, merchandise or other properties for the purpose of export or Import there of.
45. To carry on the business as importers exporters buyers, sellers, producers or processors of products and dealers in any merchandise, goods, materials, machinery, plants, spare parts, accessories and equipments, and to act as stockists, selling agents, indenting agents, distributors, brokers, export house/import house and generally to undertake and carry out the agency work of any kind and render any technical consultancy services to any party or project outside India and to execute any work outside India and to enter into joint ventures, agreements and arrangements for the aforesaid business of export/import and to undertake and do all such work as may be considered necessary or expedient for the aforesaid purposes.
46. To carry on and undertake the business of hire purchase and leasing and to provide on lease or on hire purchase basis all kinds of plant, machinery, equipment, apparatus, data processing equipment, vehicles, all consumer, commercial and industrial items and other products, that the company may think convenient to carry on.
47. To carry on and undertake the business of finance and to assist in financing of all and every kind and description of hire purchase of deferred payment or similar transactions and to subsidise, finance or assist in subsidising or financing the purchase, sale and maintenance of any goods, articles or commodities of all or any kind description and of immovable or movable properties including land, building, upon any terms, and to provide advise, counsel and service in this context.

IV. The liability of the members is limited.

- V. The share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 5,90,00,000 (Five Crore Ninety lacs) equity shares of Rs. 10/- (Rupees Ten) each and 1,00,000 (One Lac) redeemable cumulative preference share of Rs. 100/- (Rupees One Hundred) each.



We the several persons whose names and addresses are subscribed are 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 our respective names.

| <i>Name of Subscribers</i>   | <i>Address and Description of Subscribers</i>                    | <i>No. of Equity share taken</i> | <i>Signature</i> | <i>Name, Address &amp; Description of Witness</i>   |
|--|--|----------------------------------|------------------|---|
| 1. JAIPRAKASH GAUR<br>S/o Shri Baljeet Singh<br>Sharma                         | A-9/27, Vasant Vihar,<br>New Delhi-110057<br>Business            | One<br>Share                     | Sd/-             | Sd/-<br>( N. D. GUPTA )<br>Chartered Accountant<br>S/o Shri R. D. Gupta<br>122-124, Model Basti, New Delhi-110005 |
| 2. SARAT KUMAR JAIN<br>S/o Shri Sumat P. Jain                                  | B-1/12, Vasant Vihar,<br>New Delhi 110057<br>Business            | One<br>Share                     | Sd/-             |   |
| 3. GYAN PRAKASH GAUR<br>S/o Shri Baljeet Singh<br>Sharma                       | A-1/7, Vasant Vihar,<br>New Delhi 110057<br>Business             | One<br>Share                     | Sd/-             |   |
| 4. RAJ KUMAR SINGH<br>S/o Late Shri Devki Nandan<br>Singh                      | Vill. & P.O. Barwaripur,<br>Distt. Sultanpur (U.P.)<br>Business  | One<br>Share                     | Sd/-             |   |
| 5. SMT. KUMUD JAIN<br>W/o Shri Ajeet K. Jain                                   | 2 A, Nemi Road, Dehradun (U.P.)<br>Business                      | One<br>Share                     | Sd/-             |   |
| 6. RAJENDRA SINGH<br>W/o Shri Babu Lal Singh                                   | Vill. Hakma P.O. Bharatpur,<br>Distt. Chapra (Bihar)<br>Business | One<br>Share                     | Sd/-             |   |
| 7. SUNIL KUMAR<br>SHARMA<br>S/o Shri Nanak Chand<br>Sharma                     | A-9/11, Vasant Vihar,<br>New Delhi 110057<br>Business            | One<br>Share                     | Sd/-             |   |
| 8. ALANGUDY RAJA-<br>GOPALA SRINIVASAN<br>S/o Shri M. S. Rajagopala<br>Iyengar | K-36, Green Park,<br>New Delhi-110016<br>Business                | One<br>Share                     | Sd/-             |   |
| 9. SATYENDRA PRAKASH<br>JOSHI<br>S/o Late Shri Vidya Sagar<br>Joshi            | K-104, Hauz Khas, New Delhi<br>Business                          | One<br>Share                     | Sd/-             |   |
| Total  |  | Nine<br>Equity<br>Shares         |                  |   |

Place : New Delhi

Dated 3rd day of December 1980

THE COMPANIES ACT, 1956  
PUBLIC COMPANY LIMITED BY SHARES  
**Articles of Association**  
**of**  
**JAYPEE HOTELS LIMITED**

1. The regulations contained in Table A, in the first Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the Company and for the observance by the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Companies Act, 1956 and the said Table 'A'.

Table 'A' not to apply but company to be governed by these Articles

**INTERPRETATION**

2. In the interpretation of these Articles the following expression shall have the following meaning, unless repugnant to the subject or context :—

Interpretation clause

"The Act", or "the said Act" means "The Companies Act, 1956" as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies.

"The Act" or the said Act"

"The Board or "The Board of Directors" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles.

"The Board" or "The Board or Directors"

"The Company" or "This Company" means JAYPEE HOTELS LIMITED

"The Company" or "This Company"

"Directors" means the Director for the time being of the Company or as the case may be, the Directors assembled at a Board.

"Directors"

"Dividend" includes bonus.

"Dividend"

Words importing the masculine gender also include feminine gender.

"Gender"

Month"

"Month" means a Calendar month.

Office"

"Office" means the Registered Office for the time being of the Company.

Persons"

"Persons" includes firms, corporations as well as individuals.

Plural Number"

Words importing the plural number also include the singular number.

Singular Number"

Words importing the singular number include the plural number.

These presents"  
"Regulations"

"These presents" or "Regulation" means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where context so requires.

Seal"

"Seal" means the Common seal for the time being of the Company.

In writing" and  
Written"

"In writing" and "Written" shall include printing and lithography and any other modes of representing or reproducing words in a visible form.

Expressions in the  
to bear the same  
meaning in Articles

Subject as aforesaid any words or expressions defined in the Act shall except where the subject or context forbides, bear the same meaning in these Articles.

Marginal Notes

The marginal notes hereto shall not affect the construction hereof.

Copies of Memorandum  
& Articles of  
Association to be  
given to members

3. Copies of the Memorandum and Articles of Association and other documents mentioned in Section 39 of the Act shall be furnished by the Company to any member at his request within seven days of the requirement subject to the payment of a fee of Rupee One.

### COMMENCEMENT OF BUSINESS

Commencement of  
business

4. The company shall not commence business or exercise any borrowing powers until the requirements of section 149 of the Act shall have been complied with.

Capital

5. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with those present and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.

Restriction on  
allotment

6. The Board shall observe the restrictions as to allotment contained in Sections 69 and 70 of the Act, as the case may be and shall cause to be made the returns as to allotment according to Section 75 of the Act.

Shares under the  
control of the  
Directors

7. Subject to the provisions of the Act and of these Articles, the shares in the capital of the company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may 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 or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the company either at par or at a premium, or subject as aforesaid, at a discount such option being exerciseable at such times and for such consideration as the Directors think fit, provided that the option or right for allotment of shares shall not be given to any person or persons without any sanction of the Company in general meeting.

8. In addition to and without derogating from the power for the purpose conferred on the Directors under Article 7, the Company in General meeting may by special resolution determine to issue further shares out of the authorised but unissued capital of the company and may determine that any shares (whether forming part of the original Capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the company or not) in such proportion and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of section 79 of the Act, at a discount as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the company or not) the option to be allotted shares of any class of the company either at a premium, or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exerciseable at such times and for such considerations as may be directed by such general meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares. Subject to any direction given by the Company in general meeting as aforesaid the provisions of the Article 68 hereof shall apply to any issue of new shares.

Power of General meeting to offer shares to such persons as the company may resolve

9. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the company in payment or part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred, goods or machinery or know-how supplied, or for services rendered to the company either in or about the formation or promotion of the company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up in cash, or otherwise than in cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 75 of the Act.

Director may allot shares as fully paid up

10. The shares in the Capital of the Company shall be numbered progressively according to their several denominations and except in the manner hereinafter mentioned, no share shall be sub-divided.

Shares to be numbered progressively

11. An application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register shall, for the purpose of these Articles, be a member.

Acceptance of shares

12. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in

Deposit & Calls etc. to be debt payable immediately

respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the holder of such share, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

13. If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalments shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

14. Except when required by law or ordered by a court of Competent jurisdiction, the company shall not be bound to recognise any person holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share, or (except only by these Articles or as ordered by a Court of Competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### UNDERWRITING AND BROKERAGE

15. The company may subject to the provisions of section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally for any shares in or debentures of the Company provided that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debentures 2½% of the price at which the debentures are issued. The Commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or debentures or partly in the one and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

#### CERTIFICATES

16. The Certificates of title to the shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors (provided that if the composition of the Board permits, one of the aforesaid two Directors shall be a person other than the Managing or whole-time Director) and (ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of every share certificate issued shall be entered in the register of the Members against the name of the person to whom it has been issued indicating the date of issue. A Director may sign the share certificates by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine equipment or other material used for the purpose. Provided always that notwithstanding anything contained in this Article, the certificates of title to the shares may be executed and

issued in accordance with such other provisions of the Act, or the rules made thereunder as may be in force for the time being and from time to time.

17. Every member or allottee of share(s) shall be entitled without payment to receive at least one certificate under the Seal of the Company for all the shares of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence.

Member's right to certificates

18. The Company shall within three months after the allotment of any of its shares or debentures and within one month after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures otherwise provided and the Company shall otherwise comply with requirements of Section 113 and other applicable provisions (if any) of the Act.

Limitation of time for issue of certificates

19. (a) No Certificate (s) of any share or shares or debenture or debentures shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless from any cause whatsoever, or where the cages on the reverse for recording transfers have been fully utilised, unless the certificates in lieu of which they are issued are surrendered to the Company provided that the company may charge such fee, for issue of certificate in replacement of certificates that are defaced, torn, lost or destroyed. No duplicate certificates shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board and on such reasonable terms, if any, as to evidence of such loss or destruction, and idemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence as the Board thinks fit. The Directors may in their discretion waive payments of such fee in the case of any certificate or certificates, provided that no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

As to issue of new certificates in place of the defaced, lost or destroyed

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the counterfoil to the effect that it is "issued in lieu of share certificate No....." The word

"Duplicate" shall be stamped or punched in bold letters across the face of the certificate.

- (c) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of resolution of the Board. The blank forms shall be consecutively machine-numbered and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (d) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and the safe custody of all books and documents relating to the issue of share certificates except the blank forms of shares certificates referred to in Sub-Article (c).
- (e) All the books referred to in sub-article (d) shall be preserved in good order permanently.

#### CALLS

20. The Board of Directors may from time to time (by a resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the condition hereinafter mentioned, make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and which are not by the conditions of the allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times appointed by the Directors. A call may be made payable by instalments.

21. Where any calls are made on the shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

22. At least thirty day's notice of every call otherwise than on allotment shall be given specifying the time of payment, and if payable to any person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

23. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

24. The Directors may from time to time, at their discretion, extend the time for the payment of any call, and may extend such time as to payment of call for any of the

Board may make calls

Calls on shares of same class to be made on uniform basis

Notice of call

Call to date from Resolution

Directors may extend time



members who, on account of their residence(s) being at a distance or other cause, the Directors may deem entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

25. If by the terms of issue of any share, any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the capital amount of the share or by way of premium) every such amount or instalment shall be payable as if were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Amount payable at fixed time or by instalments as calls

26. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

When interest on call or instalment payable

27. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the company, of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

Judgement decree or partial payment not to preclude forfeiture

28. Subject to the provision of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly posted to the member or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Proof on trial of suit for money due on shares

29. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon shares in respect of which such advance has been made, the Company may, pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, and the company may, at any time, repay the amount so advanced either by agreement with the member or otherwise upon giving to such member three months' notice in writing. No member paying any sum in advance shall be entitled to participate in profit or dividend or to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

Payment in anticipation of calls may carry interest

## FORFEITURE, SURRENDER AND LIEN

If call or instalment not paid notice may be given

30. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof, and other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other money as remained unpaid together with any interest that may have accrued and all expenses (legal and otherwise) that may have been incurred by the Company by reason of such non-payment.

Terms of Notice

31. The notice shall name a day (not being less than 30 days from the date of the notice) on or before which and the place or places on or at which such call instalment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

In default of payment shares to be forfeited

32. If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given may at any time thereafter but before payment of all calls or instalment interests and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Entry of forfeiture in register of members

33. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register of Members and notice of forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.

Forfeited shares to be property of the Company and may be sold etc.

34. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person upon such terms and in such manner as the Board shall think fit.

Directors may annul forfeiture

35. The Directors may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

Shareholder still liable to pay money owing at the time of forfeiture and interest

36. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of

the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

37. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents, are expressly saved.

Effect of Forfeiture

38. The Directors may subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.

Surrender of shares

39. The company shall have no lien on its fully paid shares. In the case of partly paid shares the Company shall have a first and paramount lien on such shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof, for all moneys called or payable at a fixed time in respect of such share and whether held solely or jointly with any other person, and whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 14 is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

Company's lien on Shares

40. For the purpose of enforcing such lien the Directors may sell the shares, subject thereto, in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell such shares shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for twenty days after such notice.

As to enforcement of lien by sale

41. The net proceeds of any such sale after payment of the cost of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and 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 such member or the person (if any) entitled by transmission to the shares so sold.

Application of proceeds of Sale

42. A certificate in writing under the hand of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

Certificate of forfeiture

43. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given

Title of purchaser and allottee of forfeited shares sold to exercise lien

for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person.

44. Upon any sale, reallotment or their disposal under the provisions of the preceding Article, the Certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

#### TRANSFER AND TRANSMISSION OF SHARES

45. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of and share.

46. The Company shall keep a book to be called the "Register of Renewed and Duplicate Certificates" and therein shall be fairly and distinctly entered the particulars of the issue of renewed and duplicate certificate in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out or rendered useless.

47. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in-respect of all transfers of shares and the registration thereof.

48. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

(2) Where the Application is made by the transferor and related to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferor and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purposes of Class (2) above the notice to the transferee shall be deemed to have been duly given if it is despatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

49. Every such instrument of transfer shall be signed by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Cancellation of share Certificate in respect of forfeited shares and share sold to exercise lien

Register of Transfer

Register of renewed and duplicate certificate

Form of Transfer

Application for Transfer

Transfer to be executed by the transferor and transferee

50. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company within the prescribed period alongwith the certificate relating to the shares or if no such share certificate is in existence, alongwith the letter of allotment of the shares. Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit. Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Transfer not to be registered except on production of instrument of transfer

51. Subject to the provisions of Sec. 111 of the Act and Sec. 22(A) of the Securities Contracts (Regulation) Act, 1956, the Board may refuse to register any transfer of, or the transmission by operation of law, or the right to, any shares or interest of a member in the company, provided however that the registration of transfer of a share shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons, indebted to the company on any account whatsoever.

Directors may refuse to register transfer

52. If the company refuses to register the transfer of any share or transmission of any right therein, the company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and thereupon the provision of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

Notice of refusal to be given to transferor and transferee

53. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Transfer by Legal Representative

54. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

Custody of instrument of transfer

55. The Directors shall have power on giving not less than twentyone days previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company, the Register of Members or the Register of Debenture-holders at such time or times end for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at any one time.

Closure of Transfer Books

56. The executors or administrators or the holder of a Succession certificate in respect of the estate of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first

Title of Shares of deceased holder

obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India, provided that in case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and under the provisions of article 57, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member; as a member.

#### Transmission Clause

57. Subject to the provisions contained in Article 51 and 52 hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letters of Administration or Succession Certificate or such other evidence that he sustains the character in respect of which he proposes to act under this clause or of his title to the shares as the Board thinks sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may subject to the regulations as to transfer herein-before contained, transfer such shares. This clause is herein referred to as the transmission clause.

#### Nomination

57. (A) Notwithstanding anything contained in Article 57 or in any other law for the time being in force, where a nomination has been made as per Section 109A of the Companies Act, 1956 conferring on the nominee the right on the shares or debentures of the Company, the nominee shall, on the death of the shareholder(s) or holder(s) of debentures of the Company, become entitled to all the rights in shares or debentures of the Company in relation to such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Section 109A or Section 109B of the Companies Act, 1956 shall be applicable to such cases.

#### Power to refuse registration

58. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register as member a person entitled by transmission to shares or his nominee as if were the transferee named in an ordinary transfer presented for registration.

#### Persons entitled may receive dividend without being registered as member

59. A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the share.

#### Board may require evidence of transmission

60. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the company or the Directors to accept any indemnity.

#### Fee on transfer or transmission

61. No Fee shall be charged for Registration of transfer or transmission of shares and debentures.

#### Company not liable for disregard of a notice prohibiting registration of transfer

62. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of Members) to the prejudice of persons having or claiming any equitable right, title or

interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice thereto in any book of the company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

### CONVERSION OF SHARES INTO STOCK

63. The Company, by ordinary-resolution in General Meeting, subject to Section 95 of the Act, may.

Conversion of  
Shares into Stock  
and reconversion

- (a) convert any full paid-up shares into stock ; and
- (b) convert any stock into paid up shares of any denomination.

64. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit; provided that the Board may, from time to time fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of shares from which the stock arise.

Transfer to Stock

65. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends ; participation in profits, voting at meetings of the Company, and other matters as they held the shares from which the stock arose but no such privileges or advantage (except as to dividends, participation in the 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.

Rights of stock  
holders

66. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words "Share" and "Share holders" in those regulations shall include "Stock" and "Stock holders" respectively.

Regulations to apply  
to stocks

### INCREASE, REDUCTION AND ALTERATION OF CAPITAL

67. The Company may from time to time by ordinary resolution in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act the shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given, as the Board shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company and with a right of voting as a

Increase of Capital

General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 9 of the Act.

- 67 (A) Notwithstanding anything contained in any other provisions of the Article or the Act, the fully paid up Bonus Shares, pursuant to provisions of Sec. 205 (3) on shares in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company, shall be kept in abeyance pending transfer.
68. (1) If the Company proposes to issue new shares at any time after the expiry of two years from the date of the formation of the Company or at any time after the expiry of one year from the date of the allotment of shares in the Company, made for the first time (whichever is earlier) then such new shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date and such offer shall be made in accordance with the provisions of section 81 of the Act; provided that notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who at the date of the offer, are holders of the equity shares of the company in any manner whatsoever :-
- (a) If a Special Resolution to that effect is passed by the Company in General Meeting or
  - (b) where no such Special resolution is passed, if the votes casted whether on a show of hands or on a poll as the case may be in favour of the proposal contained in the Resolution moved in that General Meeting (including the casting Votes, if any, of the Chairman) by members, who being entitled so to do, vote in person or where proxies are allowed by proxy exceed the votes, if any, cast against the proposal by member so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.
- (2) Notwithstanding anything contained in any other provisions of the Article or the Act, the offer of right shares under Sec. 81 (1) of the Act, on shares in respect of which instrument transfer of shares has been delivered to the Company, shall be kept in abeyance pending transfer.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in Article 79 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the

Right of Equity  
Shareholders to  
further issue of  
capital



loans and also the same has either been approved by the Central Government before the issue of the debenture or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.

69. (1) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Increased capital to be considered same as original capital

- (2) Subject to the provisions of Section 80 and 80(A) of the Act, the company shall have the power to issue Preference shares which are at the option of the Company, are liable to be redeemed, and the redemption may, subject to the provisions of Articles 5 hereof be effected in the manner and subject to the terms and provisions of its issue.

Redeemable Preference Shares

- (3) On the issue of Redeemable Preference Shares under the provisions of clause (2) hereof, the following provisions shall take effect :—

Provisions to apply on issue of Redeemable Preference Shares

- (a) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- (b) no such shares shall be redeemed unless they are fully paid.
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share premium Account before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of the fresh issue, there shall, out of profit which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account were part of the paid up Share Capital of the Company.

70. (a) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Article 71 or in pursuance of Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

Restrictions on purchase by the company of its own shares

- (b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the company shall not give whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with the

purchase or subscription made or to be made by any person of or for any shares in the Company.

71. The Company may from time to time subject to the provisions of Sections 78, 80, 100 to 105 inclusive, of the Act, by special resolution reduce its share capital and any Capital Redemption Reserve Account or Share Premium Account in any way authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

72. The Company may in General Meeting alter the conditions of its Memorandum as follows :—

- (a) Consolidate and divide all or any of the share capital into shares of larger amounts than its existing shares ;
- (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amounts, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ;
- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

73. 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 deemed to be varied by the creation or issue of further share ranking pari passu therewith.

#### MODIFICATION OF RIGHTS

73-A. If at any time the share capital is divided into different classes the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 and 107 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the company is being wound up) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of that class of shares, and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting.

#### JOINT HOLDERS

74. Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in the Articles :—

(a) The Company shall be entitled to decline to register more than four persons as the Joint holders of any share.

Company may refuse to register more than four persons  
Joint & Several liability for all payments in respect of shares

(b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

Title of Survivor

(c) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised 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 deceased joint holder from any liability in respect of the shares held by him jointly with any other person.

(d) Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other moneys payable in respect of such shares.

Receipt of First sufficient

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 211) from the Company and documents served on or sent to such persons shall be deemed service on all the joint-holders.

Delivery of certificate and giving of notice to first named holders

(f) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy then that one of such persons to present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting. Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by proxy although the name of such joint-holder present by proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

Votes of joint-holders

### BORROWING POWERS

75. Subject to the provisions of Section 292 & 293 of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their direction, passed at a meeting of the Board and not by Circular Resolution, to accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum of moneys

Power to Borrow

for the purposes of the company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Banker in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserve not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount upto which moneys may be borrowed by the Board. The expression "Temporary Loans" in this article means loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

76. Subject to the provisions of the Act and these Articles the Directors may, by resolution, passed at the meeting of the Board and not by circular resolution, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all the respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

77. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

78. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) as general meetings, appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

80. If any uncalled capital of the company is included in or charged by way of any mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Conditions on which  
money may be  
borrowed

Bonds Debentures  
etc. to be subject to  
control of Directors

Securities may be  
assignable from  
equities

Conditions on which  
Bonds, Debentures  
etc. may be issued

Mortgage of  
uncalled capital

81. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other persons shall incur or be about to incur any liability whether as personal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security of, on, whole or affecting the whole or any part of the assets of the Company by way of indemnity to secure to Directors or any other person so becoming liable as aforesaid from any loss in respect of such liability.

Indemnity to be given

82. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any property of the Company and, shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the act in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the court or the Registrar) so far as they are to be complied with by the Company. The Company shall, if at any time it issues debentures, keep a Register and index of Debenture holders in accordance with Section 152 of the Act.

Register of mortgage etc. to be kept

### GENERAL MEETING

83. The Statutory meeting of the company shall be held at such place and time (not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine, and in connection therewith the Directors shall comply with the provisions of Section 165 of the Act.

Statutory Meeting

84. (1) The Company shall, in addition to any other meetings, hold a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The company shall hold its first Annual General Meeting within eighteen months from the date of the incorporation of the Company and if such General Meeting is held within such period it shall not be necessary for the Company to hold any Annual General Meeting to the year of its incorporation or in the following year, but subject to the aforesaid provisions the Annual General Meeting shall be so held at least once in every calendar year and within six months after the expiry of each financial year and that not more than fifteen months shall elapse between the date of the Annual General Meeting and the next; provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time allowed by the Registrar.

Annual General Meeting

- (2) Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the registered office of the company or at some other place within the city, town or village in which the Registered Office of the Company is situated. The Company may by a resolution passed at one Annual General Meeting may fix the time for its subsequent Annual General Meeting. The notice calling the meeting shall specify it as the Annual General Meeting.

85. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings.

86. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

87. (1) The Board of Directors shall on a requisition of such number of members of the company shall hold, in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the company upon which all calls or other moneys then due shall have been paid, as at that date carries the right of voting in regard to the matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (3) The requisition may consist of several documents of like form, each signed by one or more requisitionists.
- (4) Where two or more distinct matters are specified in the requisition the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (5) If the Board of Directors does not within twenty one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of these matters on a day not later than fortyfive days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them, or not less than one-tenth of the paid up share capital of the Company as is referred to in Clause (1) above whichever is less.

(6) A meeting called under Clause (5) above by the requisitionists or any of them shall be called in the same manner, similarly meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

(7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

88. (1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.

Notice of Meeting

(2) However, a General Meeting may be called after giving shorter notice than twenty-one days, if the consent is accorded thereto;

(i) In the case of an Annual General Meeting by all the members entitled to vote thereat; and

(ii) In the case of any other meeting by members of the Company holding not less than 95 percent of such part of the paid-up share capital of the company as gives a right to vote at the meeting;

Provided that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former Resolution or Resolutions but not in respect of the latter.

89. (1) Every notice of a meeting of the company shall specify the place, the date and hour of the meeting and shall contain a statement of business to be transacted thereat.

Contents of Notice

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

90. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :—

Special Business

(i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and the Auditors;

(ii) the declaration of dividend;

(iii) the appointment of Directors in the place of those retiring;

(iv) the appointment of and fixing of the remuneration of the Auditors.

- (2) In the case of any other meeting all business shall be deemed special.
- (3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern, or interest, if any, therein of every director and of the Manager, provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company the extent of the shareholding interest in that other company of every Director and the Manager of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 percent of the paid up capital of that other Company.
- (4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

Service of Notice

91. Notice of every meeting shall be given to every member of the Company in any manner authorised by Sub-Section (1) to (4) of Section 53 of the Act and by these Articles, it shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name or by the title of the representatives of the deceased or the insolvent or by any like assignees of description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company as provided in Sub-Section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Notice to be given to the Auditors

92. Notice of every meeting of the Company and every other communication relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company, in the manner authorised by Section 53 of the Act, as in the case of any member or members of the Company.

as to omission to give notice

93. The Accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting or the Resolution passed thereat.

Resolution requiring special Notice

94. (1) Where, by any provision contained in the Act or in these Articles, special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before



the meeting at which it is to be moved exclusive of the day on which the notice is served or is deemed to be served and the day of the meeting.

- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as is given notice of the meeting or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other modes allowed by these Articles not less than seven days before the meeting.

### PROCEEDING AT GENERAL MEETINGS

95. Five members entitled to vote and present in person shall be a Quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum be present at the commencement of the business.

Quorum at General Meeting

96. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders appoint, if at such adjourned meeting a quorum be not present within half an hour those members present shall be a quorum and may transact the business for which the meeting was called.

Proceeding when quorum not present

97. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Business at adjourned meeting

98. The Chairman of the Board of Directors shall be entitled to take the chair at every General meeting. If there be no Chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the directors present may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Director present be willing to take the Chair the members present shall choose one of their members to be the Chairman.

Chairman

99. (1) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.

Business confined to election of Chairman whilst Chair Vacant

(2) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman so elected on the show of hands will exercise all the powers of the Chairman under the Act and these Articles.

(3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of meeting.

Chairman with  
consent may  
adjourn meeting

100. The Chairman with consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place in the city or the town or village in which the Registered Office of the Company is situated.

Notice to be given  
where a meeting  
adjourned for thirty  
days or more

101. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

What would be the  
evidence of the  
passing of a  
resolution where  
poll not demanded

102. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result of the show of hands) demanded be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for Poll

103. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution, not being less than 1/10th of total voting power in respect of the resolution, or on which an aggregate sum of not less than Rs. 50,000/- has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made demand before the poll is taken.

Time and manner of  
taking poll

104. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in the city, town or village in which the Registered Office of the Company is situated and at time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct. Subject to the provision of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval of the meeting on the resolution on which the poll was taken.

Scrutineers at poll

105. When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. Of the two scrutineers appointed under this Article one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

106. The demand for a poll shall not prevent the continuance of meeting for transaction of any business other than the question on which poll has been demanded.

Demand for poll not to prevent transaction of other business

107. In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Resolution how decided in case of equity of votes

108. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited statement of accounts, Auditors' Report (if not already incorporated in the audited accounts) the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's holding maintained under Section 307 of the Act. The Auditors Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Reports, statements and Registers to be laid on the table

109. A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after the passing or making thereof, be printed or type-written and duly certified under the signature of an officer of the Company and filed with the Registrar :

Registration of certain resolutions and Agreements

- (a) All Special Resolutions.
- (b) Resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolution.
- (c) Resolution of the Board or agreements relating to the appointment, reappointment or the renewal of the appointment or variation of the terms of appointment of managing Director ;
- (d) Resolutions or agreements which have been agreed by all the members or any class of shareholders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner and all resolutions or agreements which effectively bind all the members or any class of shareholders though not agreed to by all those members.
- (e) Resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (i) of Section 484 of the Act ;
- (f) Resolution passed by the Company according consent to the Board of its Directors to exercise any of the powers under clause (a), clause (d) and clause (e) of the sub-section (i) of Section 293 of the Act ; and
- (g) Resolution passed by the Company approving the appointment of sole selling agents under section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in

the above sub-clauses (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the Agreement.

Minutes of General Meeting

110. The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making, within thirty days of the conclusion of such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

Inspection of minute books of General Meeting

111. The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection for any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf of the company with a copy of minutes on payment of such sum as may be prescribed by the Companies Act.

Publication of Report of proceedings of General Meeting

112. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it included the matters required by these Articles or Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

#### VOTES OF MEMBERS

Vote may be given by proxy or attorney

113. Subject to the provisions of the Act and these Articles votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 115 thereof.

Votes

114. Subject to the provisions of the Act and (particularly of Section 87, 88 and 92 (2) thereof) and of these articles :—

- (1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a company as mentioned in Article 115) shall have one vote.
- (2) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid up or partly paid up) held by him bears to the total paid up equity capital of the company.

- (3) Upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

115. No member not personally present shall be entitled to vote on a show of hands unless such member is a corporation present by proxy or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by a proxy in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

No voting by proxy  
on show of hands

116. Any person entitled under the Transmission Article (Article 57 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he were the registered holder of such shares; provided that at least forty-eight hours before the time of holding of the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity, if any as the directors may require, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of  
shares of deceased  
and insolvent  
members

117. 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, if more than one, to be elected in case of dispute by the Chairman of the meeting.

Voting by members  
of unsound mind  
and minors

118. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes use all his votes or cast in the same way all the votes he uses.

Right of member to  
use his votes  
differently

119. Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

No member to vote  
unless calls are paid  
up

120. Any member entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself but a proxy so appointed shall not have any right to speak at the meeting.

Proxies

121. Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it.

Appointment of  
proxy

122. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company or such place or places (if any) as may be specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time for holding at meeting at which the person named in the instrument proposes to vote, and

Deposit of  
instrument of  
appointment

in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such a meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company, may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

**Form of Proxy**

123. An instrument appointing a proxy shall be in the following form or shall contain words to the following effect :—

I/We.....of.....  
..... in the district of..... being a member/members of  
the above named company hereby appoint.....of.....  
in the district of.....as my/our proxy to vote for me/us on my/our  
behalf at the Annual General Meeting/Extraordinary General Meeting of the Company  
to be held on the.....day of.....and at any adjournment thereof.  
Signed this.....day of.....19.....

**Custody of the  
instrument of proxy**

124. If any such instrument be confined to the object of appointing a proxy for voting at a meeting of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, and if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

**Validity of votes  
given by proxy not  
withstanding death  
of member etc.**

125. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death or revocation or transfer shall have been received at the office of the Company before the meeting.

**Time for objections  
to Vote**

126. Subject to the provisions of the Act and these articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

127. Subject to the provisions of the Act and these articles the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and subject as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Chairman of any meeting to be the judge of validity of any vote

### DIRECTORS

128. (1) Subject to Article 154 the number of Directors shall not be less than three and nor more than (20) including the special Directors referred to in Article 129(a), the ex-officio director referred to in Article 129(6) and the Deben-ture Director referred to in Article 130.

Number of Directors

(2) The Subscribers to the Memorandum and Articles of Association shall be the first Directors of the Company.

First Directors

129. (a) The Company shall, subject to the provisions of the Act, and subject to Article 146 be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the company may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Director of the Company.

Special Directors

(b) The Special Directors appointed under sub-clause (a) above shall be entitled to hold office until requested to retire by the person, firm or corporation who may have appointed them and will not be bound to retire by rotation or be subject to Articles referring to retirement of Directors by rotation. A special Director shall also not be required to hold any qualification shares. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may at any time, by giving notice in writing to the Company resign his office. Subject as aforesaid, a special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

Term of office of Special Directors

(c) The Company may agree with any financial institution or any other authority or person, State or Institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, shall have the power to nominate a Director of the Company (ex-Officio Director) during the currency of the loan or other financial assistance and from time to time remove and reappoint him, and to fill in the vacancy caused by the death or resignation of any such Director or caused by such Director otherwise ceasing to hold office, Such nominated Director shall not be required to hold any qualification shares and he shall not be liable to retire by rotation and shall be taken into consideration for the purposes of computing the maximum number of Directors provided for in the Article 128 above.

Ex officio Director

## Debenture Directors

130. Any Trust Deed securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the Trustees thereof by the holders of the debentures or debenture stock of some person to be Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or subject to the provisions of the Act, to be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

## Appointment of Alternate Director

131. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for the period of not less than three months from the State where the registered office of the company is situated and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the said State. If the term of office of Original Director is determined before he so returns to the said State any provisions in the Act or in these Articles for the automatic re-appointment of the retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

## Casual Vacancy

132. Subject to the provisions of Section 262(2) and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determine by retirement by rotation may be filled up by the Director at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.

## Appointment of Additional Director

133. Subject to the provisions of Section 260 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons as an Additional Director or Directors. The Additional Director shall hold office till the date of the next following Annual General Meeting but shall be eligible for re-appointment.

## Qualification of Director

134. A Director of the Company shall not be required to hold any qualification shares.

## Remuneration of Directors

135. (1) The fee payable to a director (including a Managing or wholtime Director) for attending a meeting of the Board or Committee thereof, shall be the maximum amount prescribed in this respect under the Act or by the Central Government from time to time.



may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine, and in default of such determination, equally. Such remuneration and/or additional remuneration may be by way of salary or commission as laid down in Section 309, 349, 350 and 351 on net profits or by participation in profits or by any or all of those modes.

- (2) The Directors may, subject as aforesaid, allow and pay to any Director, who is not a bonafide resident of the place where a meeting is to be held and who shall come to such place for the purpose of attending a meeting, his actual expenditure for travelling, boarding lodging and other expenses, in addition to his fees for attending such meeting as above specified, and the Directors may from time to time fix the remuneration in addition to the fees laid down by Article 135(1) to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.
- (3) Subject to the provisions of Sections 198, 309 and 310 of the Act if any Director, being willing, shall be called upon to perform extra services or to make any, special exertion in going or residing out of place where he normally resides or otherwise for any of the purposes of the Company, the Company shall, subject as aforesaid, remunerate such Director or where there is more than one such Director to all of them together either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.

Directors not bonafide residents of the place where meeting of the Board of Committee are held may receive extra compensation and remuneration

Special remuneration to Director going out of the place where he normally resides on the Company's business or otherwise performing extra services

136. The continuing Directors may act notwithstanding any vacancy in their body ; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for summoning a General Meeting of the Company.

Directors may act notwithstanding vacancy

137. (1) Subject to the provisions of Section 283 (2) of the Act, the office of a Director shall become vacant if :—

When office of Director to become vacant

- (a) he is found to be of unsound mind by a Court of competent jurisdiction ; or
- (b) he applies to be adjudicated an insolvent ; or
- (c) he is adjudicated an insolvent ; or
- (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others within

six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure.

- (e) any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of Section 314 of the Act ; or
- (f) he absents himself from three consecutive meeting of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board of Directors ; or
- (g) he becomes disqualified by an order of the Court under Section 203 of the Act ; or
- (h) he is removed in pursuance of Section 284 of the Act ; or
- (i) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act ; or
- (j) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office ; or
- (k) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ; or
- (l) he having been appointed a Director by virtue of his holding any office or other employment in the company ceases to hold such office or other employment in the company.

#### Resignation

- (2) Subject to the provisions of the Act, a Director may resign his office at any time by giving notice in writing addressed to the company or to Board of Directors.

#### Directors' may contract with Company

138. (1) Subject to the provisions of sub-clauses (2), (3), (4) and (5) of this article and the restrictions imposed by Article 145 and the other Articles hereof and the Act and the observance and fulfilment thereof, no director shall be disqualified by his office from contracting with the company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agents, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director shall be in any way interested be avoided nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is hereby

declared that the nature of his interest must be disclosed by him as provided by sub-clauses (2) and (4) hereof.

- (2) Every Director who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided in Clause (4) hereof.
- Disclosure of Interest
- (3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested, the Director concerned shall take reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.
- When disclosure to be made
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (4) For the purposes of this Article, a General Notice to be given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of his concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The General Notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read in the first meeting of the Board after it is given.
- General Notice of Interest
- (5) An interested Director shall not take any part in the discussion of or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the company, if he is in any way directly or indirectly concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;
- Interested Director not to participate or voting in Board's proceedings

Provided that this prohibition shall not apply;

- (i) To any contract of Indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company ;
- (ii) to any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof he having been nominated as such director by the company or in his being a member holding not more than two percent of the paid up share capital of such company whichever is greater ;
- (iii) In case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

Register of contracts  
in which Directors  
are interested

139. (1) The Company shall keep one or more Registers in accordance with Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely :—
- (a) the date of the contract or arrangement :
  - (b) the names of the parties thereto :
  - (c) the principal terms and conditions thereof :
  - (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) or Section 299 of the Act applies, the date on which it was placed before the Board ;
  - (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which section 297 of the Act or as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid ;
- (a) in the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of Public Holidays) of the meeting of the Board at which the contract arrangement is approved ;
  - (b) in the case of any other contract or arrangement, within seven days of receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later ;

and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.

- (3) The Register aforesaid shall also specify, in relation to such Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (4) Nothing in the foregoing sub-clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials and services, if the value of such goods and materials or the cost of such services does not exceed five thousand rupees in the aggregate in any year. The Registers as aforesaid shall be kept at the registered office of the company and they shall be open to inspection at such office and extracts may be taken from any of them and the copies thereof may be required by any member of the Company to the same extent in the same manner and on payment of the same fee as in the case of the Register of members.

140. A Director of this company may be, or become a Director of any Company promoted by this company, or in which it may be interested as a Vendor, member or otherwise and subject to the provisions of the Act and these articles no such Director shall be accountable for any benefits received as a Director or member of such Company.

Directors may be directors of Companies promoted by the company

141. A Director, managing Director, Manager or Secretary of the Company shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303 (1) of the Act. The Company shall enter the aforesaid particulars in a register kept for that purpose in conformity with Section 303 of the Act. The Company shall also furnish the aforesaid particulars to the Registrar in accordance with Section 303 (2) of the Act.

Disclosure by Director etc. of appointments

142. A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the company to comply with the provisions of Section 307. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's and Manager's holding of shares and debentures as aforesaid in a Register kept for that purpose in conformity with Section 307 of the Act.

Disclosure of holdings

143. (1) Except with the consent of the Company accorded by a special resolution :—

Directors not to hold office of profit

- (a) no Director of the Company shall hold any office or place of profit and
- (b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a Director or member, and no Director, or Manager of

such a Private Company shall hold any office or place of profit carrying a total monthly remuneration such sum as may be prescribed.

except that of Managing Director, Manager, Banker, or Trustee for the holders of debentures of the company.

- (i) under the Company ; or
- (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company ;

Provided that it shall be sufficient if the special resolution according to the consent of the Company is passed at the General meeting of the Company held for the first time after the holding of such office or place of profit ;

Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the Director, the consent of Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment, whichever is later.

*Explanation :—*For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on time scale has already been approved by the special resolution.

- (2) Nothing in clause (1) above shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or subsidiary thereof having been appointed to such office or place of profit before such Director becomes a Director of the Company.

- (3) Notwithstanding anything contained in clause (1) above :—

- (a) no partner or relative of a Director or Manager,
- (b) no firm in which such Director or Manager, or relative of either, is a partner.

shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such sum as may be prescribed except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.

- (4) If any office or place of profit is held in contravention of the provision of clause (1) above, the Director, Partner, Relative, firm or private company concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the General meeting of the Company referred to in the first provision or, as the case may be, the date of

the expiry of the period of three months, referred to in the second proviso to that clause, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit. The Company shall not waive recovery of any sum refundable to it under this clause unless permitted to do so by the Central Government ;

- (5) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in clause (1) hereof.
- (6) If any office or place of profit referred to in clause (3) is held, without the prior consent of the company by a special resolution and the approval of the Central Government, the partner relative, firm or private company appointed to such office or place of profit shall be liable to refund to the company any remuneration received or the monetary equivalent of any perquisites or advantage enjoyed by him on and from the date on which the office was so held by him.
- (7) The company shall not waive the recovery of any sum refundable to it under clause (6) unless permitted to do so by the Central Government.
- (8) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this article.
  - (a) in case the office or place is held by a Director and the Director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.
  - (b) in case the office or place is held by an individual other than a Director or by any firm, private company or other body corporate the individual, firm, private company or body corporate holding it, obtains from the Company anything by way of remuneration, whether as salary, fees commission, perquisites the right to occupy free of rent any premises as a place of residence or otherwise.

144. The Company shall observe the restrictions imposed on it in regard to the granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any, of the Act.

Loans to Directors

145. (1) Except with the consent of the Board of Directors of the Company a Director of the Company or his relative firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which

Board Resolution  
necessary for  
contracts

the Director is a member or Director, shall not enter into any contract with the Company (a) for the sale purchase or supply of any goods, materials services or (b) for underwriting the subscription of any shares in or debentures of Company.

(2) Nothing contained in the foregoing clause (1) shall affect :—

- (a) The purchase of goods and materials from the Company, or the sale of goods and materials to the company, by any Director, relative, firm, partner or private Company as aforesaid for cash at the prevailing market price ; or
- (b) any contract or contracts between the company on one side and any such Director relative, firm, partner, or private company on the other for the sale, purchase or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company as the case may be, regularly trades or does business.

Provided that such contracts do not relate to goods and services the value of which exceeds five thousand Rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (3) Notwithstanding anything contained in sub-clause (1) and (2) above a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the company for the sale, purchase or supply of any goods, materials or services even if the value of goods or cost of such services exceeds five thousand Rupees in the aggregate in any year comprised in the period of the contract ; but in such a case the consent of the Board shall be obtained at a meeting held within three months from the date on which the contract was entered into.
- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise ; and the consent of the Board required under Clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (5) If consent is not so accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.
- (6) The Directors so contracting or being so interested shall not be liable to the Company for any profit realised on any such contract or the fiduciary relation thereby established.



## RETIREMENT AND ROTATION OF DIRECTORS

146. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation, and save as otherwise expressly provided in the Act and these Articles, be appointed by the company in General Meeting.

Retirement by rotation

(2) The remaining Directors shall be appointed in accordance with the provisions of these Articles and particularly in accordance with the provisions of Articles 129 and 130.

(3) At the first Annual General Meeting of the Company all the Directors of the Company as are liable to retire by rotation and at every subsequent Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

Directors to retire annually how determined

147. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lots. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.

Ascertainment of Directors retiring by rotation

148. Subject to the provisions of Act and these Articles, a retiring Director shall be eligible for re-appointment.

Eligibility for re-appointment

149. The Company at the Annual General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.

Company to fill up vacancy

150. (1) If the place of the retiring Directors or Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.

Provisions in default of appointment

(2) If at the adjourned meeting also, the place of the retiring Director or Directors is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to be re-appointed at the adjourned meeting unless :-

- (a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost ;
- (b) the retiring Director or Directors has or have by a notice in writing addressed to the company or its Board of Directors, expressed his or their unwillingness to be so re-appointed ;
- (c) he is or they are not qualified or is or are disqualified for appointment ;
- (d) a resolution, whether special or ordinary, is required for their appointment or re-appointment by virtue of any provisions of the Act ;
- (e) Article 152 or sub-section (2) of Section 263 of the Act is applicable to the case.

Notice of  
candidature for  
Office of Director

151. (1) Subject to the provisions of the Act and these Articles, any person who is not a Retiring Director shall be eligible for appointment to the office of the Director at any General Meeting, if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for office of Director or the intention of such member to propose him as a candidate for that as the case may be, alongwith a deposit of Rs. 500/- which shall be refunded to such person or, as the case may be to such member, if the person succeeds in getting elected as a director.
- (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the Registered Office of the Company a notice under Sub-clause (1) of this Article or Section 257 of the Act signifying his candidature for Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (3) On receipt of the notice referred to in this Article, the Company shall inform its members of the candidature of that person for the office of a Director or of intention of a member to propose such person as a candidate for that office, by serving individual notice on Members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the city, town or village in which the Registered Office of the Company is situated, of which one is published in the English language and the other in the regional language.
- (4) A person other than ;
- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of the term of his office ; or
  - (b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under section 162 of the Act appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office ; or

- (c) a person named as a Director of the Company under these articles as first registered shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

152. At a General Meeting of the company, a motion shall not be made for appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

Individual  
resolution for  
Director

153. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

Removal of  
Director

- (2) Special notice as provided by Article 94 and Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representation is received by it too late for it to do so (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made; and (b) send a copy of the representation to every member of the Company and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting; provided that copies of the representation need not be sent or read out at the meeting if on the application either of the company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this article may, if he had been appointed by the Company in General Meeting or by the

Board in pursuance of Article 132 or section 262 of the Act, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special Notice of the intended appointment has been given under Sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

- (6) If the vacancy is not filled under Sub-clause (5) it may be filled as a casual vacancy in accordance with the provisions in so far they are applicable or Article 132 or Section 262 of the Act and all the provisions of that Section shall apply accordingly.
- (7) A Director who was removed from the office under this Article shall not be appointed as additional Director by the Board of Directors.
- (8) Nothing contained in the Article shall be taken :—
  - (a) As depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director ; or
  - (b) As derogating from any power to remove a Director which may exist apart from this Article.

#### INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

154. Subject to the provisions of the Act and these Articles, the company may by Ordinary Resolution from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided that any increase in the number of Directors exceeding 12 shall not have any effect unless approved by the Central Government and shall become void if and so far it is disapproved by the Government.

#### PROCEEDINGS OF BOARD OF DIRECTORS

155. The Directors may meet together as a Board for the despatch of business from time to time unless the Central Government by virtue of proviso to Section 285 otherwise directs, and shall so meet at least once in every three months and at least four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of the Articles shall not be deemed to be contravened merely by reason of the fact that meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

156. A Director of the Managing Director may at any time and the Managing Director upon the request of the Director shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to

The Company may increase or reduce number of Directors and alter their qualifications

Meeting of Directors

When meeting to be convened and notice thereof

every Director for the time being in India and at his usual address in India. The accidental omissions to give notice of any such meeting of the Board of Directors to a Director shall not invalidate any resolution at any such meeting.

157. Subject to the provision of Section 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being round off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not so interested and are present at the meeting not being less than two shall be the quorum during such meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and directions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

Quorum

158. If a meeting of the Board cannot be held for want of quorum then the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday till the next successive day which is not a public holiday at the same time and place or at such other place as the Directors present at the meeting may fix.

Adjournment of meeting for want of quorum

159. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. But if no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

Appointment of Chairman

160. All meetings of the Directors shall be presided over by the Chairman present, but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Managing Director, if present, shall be the Chairman of such meeting, and if the Managing Director be also not present, then in that case, the Directors shall choose one of the Directors then present to preside at the meeting.

Who to preside at meeting of the Board

161. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman of the meeting whether the Chairman appointed by virtue of these Articles or the Directors presiding at such meeting, shall have second or casting vote.

Question at Board Meeting how decided (Casting Vote)

162. Subject to the provisions of Section 292 of the Act and Article 168 the Directors may delegate any of their powers, to Committee(s) consisting of such member or members of their body as they think fit, and they may from time to time revoke and discharge any such Committee(s) either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment

Directors may appoint Committee

of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board, subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Meetings of  
Committees how to  
be convened

Resolution by  
circular

163. The meetings and proceedings of any such committee consisting to two more Directors shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the preceding Articles.

164. (1) Save a resolution which the Act requires is to be passed specifically at a Board Meeting a resolution passed by circulation without a meeting of the Board or a committee or the Board appointed under Article 162, shall subject to the provisions of Clause 2 hereof and the Act, be as valid and effectual as a resolution passed at a meeting of the Board or of a Committee duly called and held.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any to all the Directors or to all members of the Committee then in India (not being less in number than the quorum) for a meeting of the Board or the Committee as the case may be and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

(3) Subject to the provisions of the Act a statement signed by the Managing Director or other person authorised in that behalf by the Directors certifying the absence from India of any Director shall for the purpose of this Article be conclusive.

Act of Board or  
Committee valid  
not withstanding  
defect of  
appointment

165. Subject to the provisions of the Act and these articles all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be as a Director; provided that nothing in this article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have been terminated.

Minutes of  
proceedings of  
Board of Directors  
and Committees to  
be kept

166. The Company shall cause Minutes of the Meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following :—

- (i) The names of the Directors present at the meeting of the Board of Directors or any committee of the Board.
- (ii) All orders made by the Board of Directors or Committee of Board and all appointments of officers and Committees of Board ;
- (iii) All resolutions and proceedings of meetings of the Board of Directors and committees of the Board ;
- (iv) In the case of each resolution passed at the meeting of the Board of Directors or Committees of the Board, the name of the Directors, if any, dissenting from or not concurring in the resolutions.

167. All such minutes shall be signed by the Chairman of the meeting as recorded or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

By whom minutes to be signed and the effect of minutes recorded

#### POWERS OF DIRECTORS

168. (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any powers or do any act or things which is directed or required whether by the Act or any other law or by the Memorandum of these Articles or otherwise to be exercised or done by the Company in General Meeting provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the company in General Meeting

General power of Directors

(2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

169. The Board of Directors shall not except with the consent of the company in general meeting.

Consent of Company necessary for the exercise of certain powers

- (a) Sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking, of the company, or where the company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.
- (b) remit or give time for the repayment of any debt due by a director ;
- (c) Invest otherwise than in trust securities, the amount of compensation received

by the company in respect of the compulsory acquisition of any such undertaking as is referred to in Sub-clause (a) above or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

- (d) Borrow moneys in excess of the limits provided in Article 75 ;
- (e) Contribute to Charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand Rupees or five percent of its average net profits determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceeding, whichever is greater.

Certain powers to be exercised by the Board only at meeting

170. (1) Without derogating from the power vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the company and shall do so only by means of resolution passed at meeting of the Board.

- (a) The power to make calls on shareholders in respect of money unpaid on their shares ;
- (b) The power to issue debentures.
- (c) The power to borrow moneys otherwise than on debentures.
- (d) The power to invest the funds of the Company.
- (e) The power to make loans.
- (f) Powers u/s 262, 297, 372(5) and 386 of the Act.

Provided that the Board may by a resolution passed at a meeting delegate to any committee or Directors or the Managing Director or any other principal officer of the company or to a principal officer of any of its branch offices, the powers specified in sub-clauses (c), (d and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1)(c) shall specify the total amount outstanding any time upto which moneys may be borrowed by the delegate. Provided, however, that where the company has an arrangement with its bankers for the borrowing of moneys by way of over draft, cash credit or otherwise the actual day to day operation of the over draft, cash credit and or other account by means of which the arrangement is made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.



- (4) Every resolution delegating the power referred to in sub-clause (1)(e) shall specify the total amount upto which loans may be made by the delegate ; the purpose for which the loans may be made and the maximum amount of loan which may be made.
- (5) Nothing contained in this Article shall be deemed to affect the right of the company in General Meeting to impose restrictions and conditions on exercise by the Board or any of the powers referred to in sub-clauses (a), (b), (c), (d) and (e) of Clause (1) above.

171. Without prejudice to the powers conferred by Articles 75 and 168 and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in Articles 169 and 170 it is hereby declared that the Directors shall have the following powers, that is to say, power.

Certain Express powers of the Board

- (1) To pay all costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.
- (2) To pay and charge to the capital of the Company any commission or interest lawfully payable there at under the provisions of Sections 76 and 208 respectively of the Act and Articles 15 and 181.
- (3) Subject to the provisions of Sections 292, 297 and 360 of the Act and Articles 169 and 144 to purchase or otherwise acquire for the Company property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit ; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) Subject to the provisions of the Act, to purchase, or take on lease for any term or terms of years, to otherwise acquire any factories or any land or lands, with or without buildings and out houses thereon, situated in any part of India, at such price or rent, and under and subject to such terms and conditions as the Directors may think fit ; and in any such purchase, lease or other acquisition proceedings to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (5) To erect and construct, on the said land or lands, buildings, houses, warehouses, and sheds and to alter, extend and improve the same ; to let or lease the property of the Company, in part or in whole, for such rent, and subject to such conditions, as may be thought advisable ; to sell such portions of the lands of buildings of the Company as may not be required for the purposes of the Company ; to mortgage the whole or any portion of property of the Company for the purposes of the Company ; to sell all or any portion of the machinery or stores belonging to the Company.

To pay preliminary and promotional costs and charges

To pay commission and interest

To acquire any property

To purchase lands and factories

To erect buildings etc.

To Pay for property  
in debentures and  
otherwise

- (6) At their discretion and subject to the provisions of the Act to pay for any property or rights acquired by, or service rendered to the Company, either wholly or partly in cash, or in shares bonds, debenture-stock, mortgage or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, debenture-stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.

To insure properties  
of the Company

- (7) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of his power.

To open Account  
with Bank

- (8) To open accounts with any bank or bankers or with any Company firm and to pay money into and draw money from any such account from time to time as the Directors may think fit.

To secure contract  
by mortgage

- (9) To secure the fulfilment of any contracts or engagements entered into by the Company by Mortgage or Charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.

To attach conditions  
of transfer to any  
share

- (10) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for service rendered to the Company, such condition as to the transfer thereof as they think fit.

To accept surrender  
of shares

- (11) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof, so far as may be permissible by law.

To appoint trustees

- (12) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the Company or in which it is interested, or for any other purposes, and to execute and do shall such deeds and things as may be required in relation to any such trust and or provide for the remuneration of such trustee or trustees.

To bring and defend  
action

- (13) To institute, conduct, defend; compound or abandon any legal proceeding by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.

- |   |   |
|---|---|
| (14) To refer any claim or demand by or against the Company or any difference to arbitration and observe and perform any awards made thereon.   | To refer to arbitration   |
| (15) To act on behalf of the Company in all matters relating to bankrupts and insolvents.   | To act in insolvency matters  |
| (16) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company.   | To give receipts  |
| (17) To determine from time to time who shall be entitled to sign, on the company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purposes.  | To authorise acceptances  |
| (18) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security and other investments (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Provided that save as permitted by Section 49 of the Act all investments shall be made and held be the Company in its own name. | To investment   |
| (19) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as security for the benefit of the company such mortgage of the Company's property (present and future) as they think fit, and such mortgage may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed upon.  | To execute Mortgages  |
| (20) To distribute by way of bonus amongst the staff of the company part a of the profits of the Company, and to give to any officer or other person employed by the Company a Commission on the profit of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.   | To distribute Bonus   |
| (21) Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in General profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company.   | Arrangements for sharing profits  |
| (22) To provide for the welfare of employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, windows and families and the dependants or connections of such persons, by building of houses; dwellings or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments, or by creating and from time to time subscribing or contributing   | To provide for welfare of employees and to subscribe to Provident Fund etc. |

to provident and other funds, profit sharing or other schemes or trust and by providing or subscribing towards place of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other forms of assistance, welfare or reliefs as the Directors shall think fit.

To subscribe to  
charitable and other  
funds

- (23) Subject to the provisions of Sections 293 and 293A of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public political or any other institutions objects or purposes or for any exhibition.

To create depreciation  
or other funds

- (24) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund, Insurance Fund, General Reserve Fund, Sinking Fund, or any special or other fund or funds or account or accounts to meet contingencies or to pay Redeemable Preference shares, debentures or debenture stock or special dividends, and for equalising dividends, and for repairing, improving extending and maintaining any part of the property of the Company and/or for such purposes (including the purposes referred to in the last two preceding sub-clauses) as the Directors may in their absolute discretion think conducive to the interests of the company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary any such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and so for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretions think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to which the Directors apply or upon which the capital or moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund appointed out of net profits in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures, or debenture-stock and that without being bound to keep the same separate from the other assets, and without being bound, to allow to pay interest on the same with power however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

To appoint employees

- (25) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend such manager, secretaries, officers, clerks, agents and employees for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to

such amounts as they may think fit and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in sub-clauses (27), (28), (29), and (30) following shall be without prejudice to the general powers conferred by this sub-clause.

- |      |   |                           |
|------|---|---------------------------|
| (26) | To comply with the requirements of any local laws which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.  | To comply with local laws |
| (27) | From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Board, or any managers or agents, and to fix their remuneration.  | Local Board               |
| (28) | Subject to the provisions of Section 292 of the Act and Article 170 from time to time, and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed by powers, authorities, and discretions for the time being vested in the Board of Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation under this sub-clause shall be subject to such conditions as the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.  | Delegation                |
| (29) | At any time and from time to time by power of attorney to appoint any person or persons to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the power which may be exercised only by the Board of Directors at a meeting of the Board under the Act or these Articles or by the Company in general meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local Board; established as aforesaid or in favour of any company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any body of persons whether nominated directors and any such power of attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them. | Power of Attorney         |
| (30) | Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company or fluctuating body of persons as aforesaid.  | To delegate               |

To enter into  
contract etc.

- (31) Subject to the provisions of the Act and these Articles for or in relation to any of the members aforesaid or otherwise for the purposes of the company, to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

#### MANAGING DIRECTOR, MANAGING DIRECTORS OR WHOLETIME DIRECTOR OR WHOLETIME DIRECTORS

Power to appoint  
Managing Director  
or wholetime Director

172. Subject to the provisions of Section, 269, 316 and 317 and other applicable provisions of the Act, and these Articles the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or a wholetime Director or wholetime Directors of the company for such term not exceeding five years at a time and may from time to time (subject to the provisions of any contract between him or them and the company) remove or dismiss him or them from office and appoint another or to others in his place or places.

What provisions he  
shall be subject to

173. Subject to the provisions of the Act and of these Articles the Managing Director or Managing Directors, or wholetime Director or wholetime Directors shall not while he or they, continue to hold that office be subject to retirement by rotation, but he shall subject to the provisions of any contract between him or them and the company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he or they shall ipso facto and immediately cease to be a Managing Director, or Managing Directors or wholetime Director or wholetime Directors if he or they cease to hold the office of Director from any cause.

Remuneration of  
Managing Director

174. The remuneration of the Managing Director or Managing Directors or a wholetime Director or wholetime Directors (Subject to the provisions of Section 309 and other applicable provisions of the Act and of any contract between him or them and the company) shall be in accordance with the terms of his or their contract with the company.

Power & Duties of  
Managing Director

175. Subject to the provisions of the Act and to the terms of any resolution of the company in general meeting or of any resolution of the board and to the terms of any contract with him or them, the Managing Director or Managing Directors shall function under the general superintendence, control and direction of the Board of Directors and subject to such limitation thereon as may be placed by them.

#### SECRETARY

Secretary

176. Subject to the provisions of Section 383(A) of the Act, the Directors may appoint a Secretary of the Company for such term, at such remuneration and upon such condition as they may think fit and the Secretary so appointed may be removed by them. The Directors may appoint a temporary substitute for the Secretary, who shall for the

purpose of these presents, be deemed to be the Secretary. The main function of the Secretary shall be the responsibility for maintaining registers required to be kept under the Act, for making the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the members, preparing agendas of meetings issuing notice to Directors, preparing minutes of meetings of members and of Directors and of any other statutory documents, and, he shall carry out and discharge such other functions and duties that the Directors or the Managing Director may from time to time require him to do.

### REGISTERS, BOOKS AND DOCUMENTS

177. (1). The company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely :—

Registers, Books and documents to be maintained by the Company

- (a) Register of Investments not held in the Company's name According to Section 49 of the Act.
- (b) Register of Members and Index of Members according to Section 150 and 151 of the Act.
- (c) Register of Debentures and charges according to Section 143 of the Act.
- (d) Register and Index of Debenture-holders according to Section 152 of the Act.
- (e) Register of contracts with and of Companies and Firms in which Directors are interested according to Section 301 of the Act, and shall enter therein the relevant particulars contained in Sections 297 and 299 of the Act.
- (f) Register of Directors and Managing Directors according to Section 303 of the Act.
- (g) Register of Shareholding and Debenture holdings of Directors according to Section 307 of the Act.
- (h) Registers of investments of shares or debenture of bodies corporate according to section 372 of the Act.
- (i) Books of account in accordance with the provisions of Section 209 of the Act.
- (j) Copies of instruments creating any charges requiring registration according to Section 136 of the Act.
- (k) Copies of annual Returns prepared under Section 159 of the Act together with the copies of the certificates required under Section 161 of the Act.

- (1) Register of Renewed Duplicate Certificate according to Rule 7(2) of the Companies (Issue of Shares Certificates) Rules, 1960.
- (2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and extract shall be supplied to those persons entitled thereto in accordance with the provisions of the Act or these Articles.
- (3) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act, Subject to the provisions of Sections 157 and 158 the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debenture-holders.

### THE SEAL

Seal

178. The Director shall provide a seal for the company, and shall have power from time to time destroy the same and substitute a new seal in lieu thereof, and Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given, and in the presence of a Director of the company or such other persons appointed by the Directors for the purpose.

Deeds how executed

179. Subject to the provisions relating to the issue of share certificates, 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 of the company, be signed by the Managing Director or by two Directors; Provided nevertheless that certificates of debentures may be signed by one Director only or by the secretary of the company or by an attorney of the company duly authorised in this behalf and certificates of shares shall be signed as provided in Articles (16).

Seals abroad

180. The company may exercise the power conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

### INTEREST OUT OF CAPITAL

Payment of interest out of capital

181. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant, which cannot be made profitable for a lengthy period, the company may pay interest on so much of that share capital as is for the time being paid up for the period at the rate and subject to the conditions and restrictions provided by section 208 of the Act and may charge the same to capital as part of the cost of construction of the works or building or the provision of plant.



## DIVIDENDS

182. The profits of the company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share.
- Division of Profits
183. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
- Capital paid up in advance at interest not to earn dividend
184. The Company may pay dividend in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.
- Dividends in proportion to amount paid up
185. The Company in General Meeting may, subject to the provisions of section 205 of the Act, declare a dividend to be paid to the members according to their respective rights, and interests in the profits and subject to the provisions of the Act may fix the time for its payment. When a dividend has been so declared either the dividend shall be paid or the warrant in respect thereof shall be posted within 42 days of the date of the declaration to the shareholders entitled to the payment of the same.
- The Company in General Meeting may declare a dividend
186. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of sections 205 and rules made thereunder 206 and 207 of the Act and no dividend shall carry interest as against the company. The declaration of the Directors as to the amount of the net profits of company shall be conclusive.
- Power of Company to limit dividend
187. Subject to the provisions of the Act, the Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.
- Interim Dividend
188. Subject to the provisions of Section 205A of the Act, the Directors may retain the dividends payable upon any shares in respect of which any person is under Article 57 hereof, entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same. The provisions of this Articles shall apply to any interest created in a share either by reason or transmission or by operation of law or otherwise.
- Retention of dividends until completion of transfer under Article 57
188. (1) The dividend, on shares in respect of which instrument of transfer of shares has not been registered by the company shall be transferred to Special Account referred to in Sec. 205 A of the Act pending transfer as per the provisions of Sec. 206 A of the Act.
189. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the company in respect of such share or shares or otherwise however either along or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money due from him to the Company.
- No member to receive dividend whilst indebted to the Company and Company's right of re-imbursement thereout

Transfer of Share  
must be registered

190. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends how  
remitted

191. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered address of the member or person entitled to the share or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Dividend shall not  
be forfeited

192. There shall be no forfeiture of unclaimed dividends, these shall be dealt with in accordance with Section 205 A of the Companies Act :

Dividend and call  
together

193. Any General meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call to each member shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.

#### CAPITALISATION

Capitalisation

194. (1) The Company in General Meeting may resolve that any amounts standing to the credit of the share Premium Account or the Capital Redemption Reserve Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the company standing to the credit of the General Reserve, or any Reserve Fund or any other funds of the Company or in the hands of the Company and available for dividend be capitalised.

- (a) By the issue and distribution as fully paid up shares, debenture, debentures-stock, bond or other obligations of the Company, or
- (b) By crediting shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the Shares Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

- (2) Such issue and distribution and such payment to the credit of unpaid share capital under (1) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount

of capital paid up on the shares held by them respectively in respect of which such distribution or payment under (1) above shall be made on the footing that such members become entitled thereto as capital.

- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid under (1) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may rise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing, of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles in case where some of the shares of the Company are fully paid up and others are partly paid up only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability there on but so that as between the holders of the fully paid shares, and the partly paid shares the sum so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- (6) When deemed requisite a proper contract shall be filled in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

#### ACCOUNTS

195. (1) The Company shall keep at its Registered Office proper books of Account with respect to :

Books of Account  
to be kept

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.
- (b) All sales and purchases of goods by the Company ; and
- (c) the assets and liabilities of the Company ;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar of Companies notice in writing giving the full address, of that other place.

- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns made up-to-date at intervals of not more than three months, shall be sent by the Branch office of the company to its Registered Office or other place in India, as the Board thinks fit where the main books of the company are kept.
- (3) All the aforesaid books shall give a true and fair view of the affairs of the company or its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
- (4) The books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of Account to be preserved

196. The books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

Inspection by Members of accounts and books of the Company

197. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions and 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 as conferred by law or authorised by the Directors or by the Company in general meeting.

Statement of Accounts to be furnished to General Meeting

198. The Board of Directors shall lay before each Annual General Meeting a profit and loss account which shall relate :—

- (a) In case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the company and ending with a day which shall not precede the day of the meeting by more than nine months ; and
- (b) In case of any subsequent Annual General Meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in case where an extension of time has

been granted for holding the meeting under the second proviso to sub-section (1) of section 166 by more than six months and the extension as granted. The period to which the account aforesaid relates is referred to in this Article as a "financial year" and it may be less or more than a calendar year, but it shall not exceed fifteen months; provided nevertheless it may be extended to eighteen months where special permission has been granted in that behalf by the Registrar.

199. (a) Subject to the provisions of Section 211 of the Act, every balance sheet shall give a true and fair view of the state of affairs of the company as at the end of the financial year and shall subject to the provisions of the said section, be in the form set out in part-I of schedule VI of the Act, or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case, and in preparation of the balance sheet due regard shall be had, as far as may be to the general instructions for the balance sheet under the heading "Notes" at the end of part.
- (b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the profit or loss of the company for the financial year and shall subject as aforesaid, comply with the requirements of part-II of Schedule VI of the Act so far as they are applicable, thereto.
- (2) There shall be annexed to every balance sheet a statement showing the bodies corporate (including separately the bodies corporate in the same group with the meaning of section 372(10) of the Act in the shares of which investments have been made by it including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investment so made in each body corporate.
- (3) So long as the Company is holding company having a subsidiary the company shall conform to Section 212 and other applicable provisions of the Act.
- (4) If in the opinion of the Board, any of the current assets of the company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.
200. (1) Every Balance Sheet and every Profit and Loss Account of the company shall be signed on behalf of the Board of Directors, by the Secretary, if any, and by not less than two Directors of the Company, one of whom shall be the Managing Director where there is one and by the Secretary.
- (2) Provided that when only one Director is for the time being in India, the Balance Sheet and profit and loss account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the profit and loss account a statement signed by him explaining the reason for non-compliance with the provisions of sub-clause (1) above.

Authentication of  
Balance Sheet and  
Profit and Loss  
Account

- (3) The Balance sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board of Directors in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.

201. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report (including the auditors separate, special or supplementary reports if any) shall be attached thereto.

202. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserve in such Balance Sheet, and the amount if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

(2) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(3) The Board shall also give the fullest information and explanation in its reports or in case falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors' Report.

(4) The Board's Report and Addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of Sub-Clauses (1) and (2) of Article 200.

(5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.

203. The Company shall comply with the requirements of Section 219 of the Act.

#### ANNUAL RETURNS

204. The company shall make the requisite Annual Returns in accordance with the provisions of section 159 and 161 of the Act, and shall file with the Registrar copies of the Balance Sheet and profit and loss account in accordance with section 210 of the Act.

Profit and Loss Account to be annexed and Auditor's Report to be attached to the Balance Sheet

Board's Report to be attached to Balance Sheet

Right of members to copies of Balance Sheet and Auditors' Report

Annual Returns

## AUDIT

205. Once at least in every year the accounts of the Company shall be balanced, audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditors.

Accounts to be Audited

206. (1) The Company at each Annual General Meeting shall appoint an auditor or auditors to hold office from the conclusion of the next Annual General Meeting as per provision of section 224 and 224-A of Act and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is retiring auditor.

Appointment of Auditors

(2) At any annual General Meeting a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless :—

Automatic re-appointment

- (a) He is not qualified for re-appointment ;
- (b) He has given the company notice in writing of his unwillingness to be re-appointed ;
- (c) A resolution has been passed at the meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or
- (d) Where notice had been given of an intended Resolution to appoint some person or persons in the place of a retiring auditor and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the Resolution cannot be proceeded with.

(3) Where at an Annual General Meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

Power of Central Government to fill vacancy

(4) The Company shall within seven days of the Central Government's power under sub-clause (3) becoming exercisable, give notice of that fact to that Government.

Company to intimate to Central Government

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

(6) The Directors may fill any casual vacancy in the office of Auditor. But while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act, but where such vacancy is caused by the

Casual Vacancy

resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

Special notice  
required for  
appointment of  
person other than  
retiring auditor

- (7) A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this clause shall also apply to the Resolution that a retiring Auditor shall not be reappointed.

Qualifications and  
dis-qualifications of  
Auditors

- (8) The person qualified for appointment as auditors shall be only those referred to in section 226 of the Act.
- (9) None of the persons mentioned in Section 226 of the Act as are not qualified for appointment as Auditors, shall be appointed as Auditors of the Company.

Audit of Branch  
Office

207. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the Accounts of branch office of the company except to the extent to which any exemption may be granted by the Central Government in that behalf.

Remuneration of  
Auditors

208. The remuneration of the Auditors of the Company shall be fixed by the Company in General meeting except that the remuneration of the first Auditors appointed by the Board and or any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

Right and duties of  
Auditors

209. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the Company kept at the Registered office of the Company or elsewhere and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the Audit.

Right to receive  
notice of General  
Meeting etc.

- (2) All notices of and other communications relating to any General Meeting of a company which any member of the Company is entitled to have received by him shall also be forwarded to the Auditors of the Company, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

Auditors Report

- (3) The Auditor shall make a Report to the Members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or profit and loss account which are laid before the Company in General Meeting during his tenure of office and



the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :—

- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year ;

and

- (ii) in case of the Profit and Loss Account, of the profit or loss for its financial year.

**(4) The Auditors Report shall also state :—**

- (a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit ;
  - (b) Whether, in his opinions, proper books of account as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branch not visited by him.
  - (c) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) and sub-section (3) of that section and how he had dealt with the same in preparing the Auditor's Report ;
  - (d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.
- (5) Where any of the matters referred to in sub-clause (i) and (ii) of clause (3) of this Article, or sub-clause 4 (a), (b), (c) and (d) thereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.
- (6) The auditors report shall also include a statement on the matters as provided under the Manufacturing and Other Companies (Auditors Report) Order 1975 issued by the Company Law Board under Section 227 (4A) of the Companies Act 1956 or on such matters as may be specified from time to time.
- (7) The Accounts of the Company shall be deemed as not having been, and the Auditor's Report shall not state that these accounts have not been properly drawn upon the ground merely that the Company has not disclosed certain matters ;

**Social Audit  
Report**

- (a) Those matters are such as the Company is not required to disclose by virtue of any provisions contained in the Act or and other Act ; and
- (b) These provision are specified in the Balance Sheet and Profit and Loss Account of the Company.

210. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive and a copy of the accounts as corrected should be filed with the Registrar.

Accounts when audited and approved to be conclusive except as to errors discovered within three months

### DOCUMENTS AND SERVICE OF DOCUMENTS

211. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered or (if he has no registered address in India) to the address if any within India supplied by him to the Company.

Service of documents how effected

(2) Where a document has been sent by post :

- (a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing, the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member ; and
- (b) such service shall be deemed to have been effected ;
  - (i) in the case of a notice of a meeting at the expiration of fortyeight hours after the letter containing, the notice is posted ; and
  - (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

212. If a member has no registered address in India and has not supplied to the Company an address within India for giving notice to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which advertisement appears.

Service on members having no registered address

213. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

Service on person acquiring shares on death or insolvency of member

214. Subject to the provisions of the Act and these Articles notice of General Meeting shall be given :

Persons entitled to notice of General Meeting

- (i) to members of the company as provided by Article 91 in any manner authorised by Articles 211 and 212 as the case may be or as authorised by the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 213 or as authorised by the Act.
- (iii) to the auditor or auditors for the time being of the company, in any manner authorised by Article 211 or the Act in the case of any member or members of the company.

215. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members ; or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular news paper, circulating in the district in which the Registered Office of the Company is situated

Advertisement

216. Every person, who, by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share which, previously to his name and address being entered on the Register, shall be duly served on or sent to the person from whom he derives his title to such share.

Members bound by document given to previous holders

217. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed.

Notice of Company and signature thereto

218. All notices to be given on the part of the members to the company shall be left at or sent by post under certificate of posting by registered post to the Registered Office of the Company.

Service of notice by members

#### AUTHENTICATION OF DOCUMENTS

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

Authentication of documents and proceedings

## WINDING UP

Distribution of  
assets

220. If the company shall be wound up, and the assets available for distribution among the members, as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be possible the losses shall be borne by the members in proportion to the capital paid up or, which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution or assets  
in specie or kind

221. (1) If the company shall be wound up, whether voluntarily or otherwise, the liquidators may; with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the company in Trustees upon such trusts for the benefit of the contributories or any of them as the liquidators, with the like sanction shall think fit.

(2) If through expedient, any such decision may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but; in case any decision otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special Resolution passed pursuant to Section 494 of the Act.

(3) In case any of the shares to be divided as aforesaid involve liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special Resolution by notice in writing intimate to the liquidators to sell his properties and pay him the net proceeds and the liquidators shall if practicable act accordingly.

Rights of Share  
holders in case of  
sale

222. A special resolution sanctioning a sale to any other company duly passed pursuant to section 494 of the Act, may, subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

### SECRECY CLAUSE

223. (a) Every director, manager, auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and the state of accounts with individuals and in matters related thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these presents contained.
- (b) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process, which may relate to the conduct of the business of the Company and which in the opinion of the directors it will be inexpedient in the interest of the member of the company to communicate to the public.

Secrecy Clause

### INDEMNITY AND RESPONSIBILITY

224. (a) Subject to the provisions of Section 201 of the Act, every Director of the company or the Managing Director, Manager, Secretary and other officer or employee of the company and the Trustees (if any) for the time being acting in relation to any of the affairs of the company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses and expenses (including travelling expenses) which any such Director, Managing Director, officer or employee and the trustees (if any) for the time being acting in co-relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.
- (b) Subject as aforesaid every Directors, Managing Director, Manager, Secretary or other officer or employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them 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 in connection with any application under Section 633 of the Act in which relief is given to him by the court.

Directors' and  
others right to  
indemnity

Not responsible for  
acts of others

225. Subject to the provisions of Section 201 of the Act, no Director or the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglects, default of any other Director or officer or for joining in any omission or other act for conformity, or for any loss or expenses suffered by the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, wilful neglect or default.

We, the several persons whose names and addresses and description are hereunder subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association:

| Name of Subscribers  | Address and Description of Subscribers                            | Signature | Name, Address & Description of Witness  |
|--|---|-----------|---|
| 1. JAIPRAKASH GAUR<br>S/o Shri Baljeet Singh<br>Sharma                         | A-9/27, Vasant Vihar,<br>New Delhi-110057<br>Business             | Sd/-      | Sd/-<br>(N. D. GUPTA)<br>Chartered Accountant<br>S/o Shri R. D. Gupta<br>122-124, Model Basti, New Delhi-110005 |
| 2. SARAT KUMAR JAIN<br>S/o Shri Sumat P. Jain                                  | B-1/12, Vasant Vihar,<br>New Delhi-110057<br>Business             | Sd/-      |   |
| 3. GYAN PRAKASH GAUR<br>S/o Shri Baljeet Singh<br>Sharma                       | A-1/7, Vasant Vihar,<br>New Delhi-110057<br>Business              | Sd/-      |   |
| 4. RAJ KUMAR SINGH<br>S/o Late Shri Devki Nandan<br>Singh                      | Vill. & P.O. Barwaripur,<br>Distt. Sultanpur (U.P.)<br>Business   | Sd/-      |   |
| 5. SMT. KUMUD JAIN<br>W/o Shri Ajeet K. Jain                                   | 2-A, Nemi Road, Dehradun (U.P.)<br>Business                       | Sd/-      |   |
| 6. RAJENDRA SINGH<br>S/o Shri Babu Lal Singh                                   | Vill. Hakma P. O. Bharatpur,<br>Distt. Chapra (Bihar)<br>Business | Sd/-      |   |
| 7. SUNIL KUMAR<br>SHARMA<br>S/o Shri Nanak Chand<br>Sharma                     | A-9/11, Vasant Vihar,<br>New Delhi-110057<br>Business             | Sd/-      |   |
| 8. ALANGUDY RAJA-<br>GOPALA SRINIVASAN<br>S/o Shri M. S. Rajagopala<br>Iyengar | K-36, Green Park,<br>New Delhi-110016<br>Business                 | Sd/-      |   |
| 9. SATYENDRA PRAKASH<br>JOSHI<br>S/o Late Shri Vidya Sagar<br>Joshi            | K-104, Hauz Khas, New Delhi<br>Business                           | Sd/-      |   |

Place : New Delhi

Dated 3rd day of December 1980

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
ORIGINAL COMPANY JURISDICTION

ANNEXURE No.....**6**.....

I N

COMPANY APPLICATION No..... OF 2009  
[Under Section 391 read with Section 394 of the Companies Act]

IN THE MATTER OF AMALGAMATION OF :

JAYPEE HOTELS LIMITED  
JAYPEE CEMENT LIMITED [  
JAIPRAKASH ENTERPRISES LIMITED  
GUJARAT ANJAN CEMENT LIMITED

WITH

JAIPRAKASH ASSOCIATES LIMITED

DISTRICT : GAUTAM BUDDHA NAGAR

1. JAIPRAKASH ASSOCIATES LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP). ..... Transferee Company
2. JAYPEE HOTELS LIMITED  
having its registered office at  
Hotel Jaypee Palace, Fatehabad Road,  
Agra, Uttar Pradesh. ....Transferor Company No. 1
3. JAYPEE CEMENT LIMITED  
having its registered office at  
5 Park Road, Hazratganj,  
Lucknow 226 001 .....Transferor Company No. 2
4. JAIPRAKASH ENTERPRISES LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP). .... Transferor Company No. 3
5. GUJARAT ANJAN CEMENT LIMITED  
having its registered office at  
Sector - 128, NOIDA- 201304  
District Gautam Buddha Nagar, (UP) .....Transferor Company No. 4

..... **APPLICANTS**





# ANNUAL REPORT

## 2007-08

ANNUAL REPORT 2007-08

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JAYPEE HOTELS LIMITED



**BOARD OF DIRECTORS**

**FOUNDER CHAIRMAN**

Jaiprakash Gaur

**CHAIRMAN**

Sunil Kumar Sharma

**VICE CHAIRMAN**

Manoj Gaur

**MANAGING DIRECTOR**

Ravi Sreen

**DIRECTOR (WHOLE-TIME)**

Manju Sharma

**DIRECTORS**

B.K.Taparia  
Gunjit Singh  
Harish Kumar Vaid  
K. Subramanian  
Pawan Kumar Jain  
Raj Narain Bhardwaj  
Rita Dixit  
S.K.Bansal  
S.K.Chakrabarti  
Sunita Joshi

**COMPANY SECRETARY**

P.N. Kumar

**AUDITORS**

LC Kailash and Associates,  
Chartered Accountants,  
NBR House, C – 124 Preet Vihar,  
Delhi – 110 092.

**BANKERS**

Indian Overseas Bank  
Janpath,  
New Delhi – 110 001

Oriental Bank of Commerce  
Basant Lok, Vasant Vihar  
New Delhi - 110 057

**REGISTERED OFFICE**

Jaypee Palace Hotel,  
Near Tora Village,  
Fatehabad Road, Agra-282 003

**HEAD OFFICE**

Jaypee Vasant Continental  
Vasant Vihar  
New Delhi - 110 057

**ANNUAL REPORT 2007-2008**

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of the members of the JAYPEE HOTELS LIMITED will be held at 10.30 A.M on Tuesday the 22nd day of July, 2008 at the premises of Jaypee Palace Hotel, Near Tora Village, Fatehbad Road, Agra - 282003 (U.P) to transact the following business:-

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Santosh Kumar Bansal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Krishnaswamy Subramanian, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri. Raj Narayan Bhardwaj, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Shri Sunil Kumar Sharma, who retires by rotation and being eligible, offers himself for reappointment.
7. To appoint M/s. LC Kailash and Associates, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions**:

8. **"RESOLVED THAT** Shri Jaiprakash Gaur be and is hereby appointed as a Director of the Company, liable to retire by rotation."
9. **"RESOLVED THAT** Shri Ravi Sreen be and is hereby appointed as a Director of the Company."

**"RESOLVED FURTHER THAT** in accordance with the provisions of Section 198, 269, 309, 310 & 311 read with Schedule XIII of the Companies Act, 1956 and Article 173 of the Articles of Association of the Company or statutory amendment or re-enactment thereof and subject to any other approvals, as may be required, the consent and approval of the Company be and is hereby accorded to the appointment of Shri Ravi Sreen as Managing Director of the Company for a period of 5 years w.e.f. 1st November, 2007, on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."

**"RESOLVED FURTHER THAT** pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as mentioned in the Explanatory Statement be paid to Shri Ravi Sreen, Managing Director as minimum remuneration, notwithstanding that in any financial year during his tenure, the Company has no profits or its profits are inadequate."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."

10. **"RESOLVED THAT** pursuant to the provisions of Section 198, 269 & 309, Schedule XIII and other provisions, if any of the Companies Act, 1956 read with Article 173 of the Articles of Association, the consent and approval of the Company be and is hereby accorded to the reappointment of Smt. Manju Sharma as the Wholetime Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2008 on the remuneration as mentioned in the Explanatory Statement."

**"RESOLVED FURTHER THAT** pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as mentioned in the Explanatory Statement be paid to Smt. Manju Sharma, Wholetime Director as minimum remuneration, notwithstanding that in any financial year during her tenure, the Company has no profits or its profits are inadequate."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of appointment of the appointee as it may, at its discretion, deem fit from time to time, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendments made thereto."

By Order of the Board

P.N. Kumar  
Company Secretary &  
Jt. President (Comm.)

Place: New Delhi  
Dated: 15<sup>th</sup> April, 2008

### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself. A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to the Annual Report.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting is annexed hereto.
3. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.



4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday the 12th July, 2008 to Tuesday the 22nd July, 2008 (both days inclusive) for payment of Dividend. The dividend in respect of equity shares will be paid on the basis of beneficial ownership as per the details available from the National Securities Depository Ltd. and Central Depository Services (India) Ltd. or Register of members as at the end of business hours on 11th July, 2008.
5. A Member who has not received Dividend for 2004-05 paid during March, 2005, for 2005-06 paid during October, 2006 and for 2006-07 paid during October, 2007 may correspond with the Company.
6. Pursuant to the Provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed or unpaid for a period of 7 years from the date of declaration would be transferred to the Investor Education and Protection Fund (IEPF) constituted by Central Government and the members would not be able to claim the amount of dividend so transferred to the IEPF. All unclaimed/ unpaid dividends declared prior to financial year ended 31st March, 2000 have been transferred to the IEPF.
7. Members who are holding shares in identical names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
8. Members are requested to quote their Folio No./Client ID No. & DP ID No. while corresponding with the Company and also notify the change in registered address/residential status, if any.
9. Shareholders having any question on accounts or on any other item of business of this meeting are requested to send the same at least ten days in advance to the Company to enable it to collect the relevant information.
10. Shareholders may please bring their copies of the Annual Report to the meeting.
11. Members/Proxies should fill in the Attendance Slip for attending the meeting.
12. Particulars of the Directors as required in terms of Clause 49 of the Listing Agreement proposed to be re-appointed on retirement and appointed under Special Business are given here below:

**I. Included in Ordinary Business**

- a. **Shri. Santosh Kumar Bansal**, aged 71 years, is a Director of the Company since 26th December, 2005. He is a very senior architect and has more than 43 years of experience in various construction projects. He is presently serving as President (Architecture) of Jaiprakash Associates Limited and is also a Director on the Board of Jaypee Ventures Pvt. Ltd.

Shri Bansal does not hold any Equity Share in the Company.

- b. **Shri Krishnaswamy Subramanian**, aged 68 years, is a Director of the Company since 30th July, 2002. He has more than 43 years of experience in Banking, Finance and Accounts. He is former Chairman -cum- Managing Director of Indian Overseas Bank. Presently he is Director on the Boards of Panasonic Carbon India Company Ltd.,

Somayajulu & Company Ltd., Panasonic Home Appliances India Co. Ltd. and The Jeypore Sugar Co. Ltd.

Shri Subramanian does not hold any Equity Share in the Company.

- c. **Shri Raj Narayan Bhardwaj**, aged 63 years, is a Director of the Company since 27th July, 2007. He is a Post Graduate in Economics from Delhi School of Economics, University of Delhi and holds a Diploma in Industrial Relations and Personnel Management. He is former Chairman-cum-Managing Director of Life Insurance Corporation of India and has also served as a Member of Securities Appellate Tribunal. He has more than 36 years experience in the field of Economics, Finance, Investments, Portfolio Management, Human Resource Management and Securities Market. Presently he is Director on the Boards of Jaiprakash Associates Limited, CORE Projects & Technologies Ltd., SREI Venture Capital Ltd., TEBMA Shipyards Ltd., Adhunik Thermal Energy Ltd., Lanco Kondapalli Power Pvt. Ltd., Jaiprakash Power Ventures Ltd., Milestone Propgain Realty Advisors Pvt. Ltd., Singhi Advisors Ltd., Samvridhi Advisors Pvt. Ltd. and Milestone Capital Advisors Pvt. Ltd.

Shri Bhardwaj does not hold any Equity Share in the Company.

- d. **Shri Sunil Kumar Sharma**, aged 49 years has a Bachelor's degree in Science (Honours). He has wide experience of over 30 years in planning and financial management of major construction projects, operation of hotels, cement plant as well as Cost & Quality Control. He joined the Board of the Company on 26th December, 2005 and was appointed as Chairman of the Board for a period of five years. Presently he is Executive Vice Chairman of Jaiprakash Associates Ltd., Vice Chairman of Jaiprakash Hydro - Power Ltd, Jaypee Cement Ltd, Jaypee Infratech Ltd, Chairman of Jaypee Karcham Hydro Corporation Ltd., Director of Jaiprakash Power Ventures Ltd., Jaypee Powergrid Ltd, Himalayan Expressway Ltd., Madhya Pradesh Jaypee Minerals Ltd., Jaypee Ganga Infrastructure Corporation Ltd., Jaypee Ventures Pvt. Ltd. and Suneha Estates Pvt. Ltd. He is brother of Smt. Manju Sharma, whole time Director of the Company.

Shri Sharma holds one Equity Share in the Company.

**II. Included in Special Business**

- a. **Shri Jaiprakash Gaur**, aged 77 years is a qualified Civil Engineer, a great visionary and a successful entrepreneur who has led Jaypee Group to its present eminent position in India's Corporate World. He joined the Board of the Company on 10th January, 2008 and is also a Director on the Boards of Jaiprakash Associates Ltd, Jaypee Ventures Pvt. Ltd, Jaiprakash Hydro- Power Ltd, Jaypee Infratech Ltd, Jaypee Ganga Infrastructure Corporation Ltd, Jaiprakash Power Ventures Ltd., Manumanik Estate Pvt. Ltd., Sunvin Estate Pvt. Ltd., Samsun Estates Pvt. Ltd., Ceekay Estate Pvt. Ltd. and Dhara Infra Developers Pvt. Ltd.

Shri Gaur holds 269,543 Equity Shares in the Company in the capacity of individual and HUF.



- b. **Shri Ravi Sreen**, aged 53 years has a Bachelor's degree in Commerce (Honours) and is a Fellow Member of the Institute of Chartered Accountants of India. He has also attended the Advanced Management Programme in General Management at Templeton College, University of Oxford, U.K in 1996. He has over 29 years of experience of which 27 years is in finance function in Indian as well as Foreign Companies. He joined the Board of the Company on 29th October, 2007 and was appointed as Managing Director w.e.f. 01st November, 2007. He holds no other Directorship.

Shri Sreen holds 6,000 Equity Shares in the Company.

- c. **Smt. Manju Sharma**, aged 44 years, has a Degree in Mathematics. Her corporate career began in London & Australia and she has around 19 years of experience in finance and accounts. She has been on the Board of the Company as Whole-time Director since 1st April, 1998. She is sister of Shri Sunil Kumar Sharma, Chairman of the Company. She holds no other Directorship.

Smt. Manju Sharma holds 600 Equity Shares in the Company.

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956.)

### Item No. 08

Shri Jaiprakash Gaur joined the Board of the Company as Additional Director with effect from 10th January, 2008 and, by virtue of Section 260 of the Companies Act, 1956 read with Article 133 of the Articles of Association of the Company, he is to hold office upto the date of the ensuing Annual General Meeting of the Company.

The Board considered that the Company would be benefited by his experience and expertise by co-opting him on the Board of the Company.

None of the Director of your Company, except Shri Jaiprakash Gaur, Shri Manoj Gaur (son of Shri Jaiprakash Gaur) and Smt. Rita Dixit (Daughter of Shri Jaiprakash Gaur) are concerned or interested in the said resolution.

Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received from a member of the Company proposing to appoint Shri Jaiprakash Gaur as Director of the Company in this Annual General Meeting.

The Board of Directors of your Company commends the resolution for your approval.

### Item No. 09

Shri Ravi Sreen is a qualified Chartered Accountant and has also qualified Advance Management Programme in General Management from Templeton College, University of Oxford, U.K. He has over 29 years of experience of which 27 years is in Finance Function in Indian as well as Foreign Companies. Considering his abilities, knowledge & experience, the Board of Directors of the Company, at its meeting held on 29th October, 2007 decided to appoint Shri Ravi Sreen as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and in exercise

of the authority vested by the Articles 133 of Articles of Association of the Company, he holds office upto the date of Annual General Meeting and, being eligible, offers himself for appointment.

Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit has been received from a member of the Company proposing to appoint Shri Ravi Sreen as Director of the Company in this Annual General Meeting.

The Board of Directors in their meeting held on 29th October, 2007 had also appointed Shri Ravi Sreen as Managing Director of the Company for a period of 5 years w.e.f. 1st November, 2007 on following salary, terms and conditions:

- Period of appointment Five (5) years w.e.f. 1st November, 2007
- Basic pay Rs.2,00,000/- per month
- Pay scale Rs.2,00,000-25,000-3,25,000-30,000-4,75,000

The Managing Director shall also be entitled to perquisites which include accommodation / HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc., and these would be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII to the Companies Act, 1956, as amended from time to time, whichever would be less.

It is pertinent to mention that the above mentioned remuneration package was approved by the Remuneration Committee in its meeting held on 29th October, 2007.

Pursuant to Article 173 of the Articles of Association of the Company, Managing Director shall be a Director not liable to retire by rotation.

Except Shri Ravi Sreen, no other Director is concerned or interested in the said resolution.

The Board of Directors of your Company commends the resolution for your approval.

### Item No. 10

Smt. Manju Sharma was last appointed as Whole-time Director of the Company w.e.f. 1st April, 2003 for a period of 5 years. She is presently entrusted with the responsibility of overseeing the operations of the hotels owned and managed by the Company. Keeping in view her contribution as Whole-time Director, the Board of Directors vide Resolution passed by circulation on 12th March, 2008, has approved the reappointment of Smt. Manju Sharma for a further period of 5 years w.e.f. 1st April, 2008 on the following salary, terms and conditions:

- Basic Pay Rs.1,25,000/- per month
- Pay Scale of Rs.1,00,000-12,500-1,62,500-15,000-2,37,500

She is also entitled to perquisites which include accommodation / HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund,



Superannuation Fund or Annuity Fund, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc., and these would be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII to the Companies Act, 1956 as amended from time to time, whichever would be less."

Her salary was last fixed w.e.f. 1st October, 2007 by the Board. Therefore, both the Remuneration Committee and the Board considered it fair to continue the same package of remuneration for her effective from 1st October, 2007. In view of this, the next increment to her shall fall due on 1st October, 2008.

Except Smt. Manju Sharma and Shri Sunil Kumar Sharma (being brother of Smt. Manju Sharma), no other Director is concerned or interested in the said resolution.

The Board of Directors of your Company commends the resolution for your approval.

**By Order of the Board**

Place: New Delhi  
Dated: 15<sup>th</sup> April, 2008

**P.N. Kumar**  
**Company Secretary &**  
**Jt. President (Comml.)**

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors are pleased to present the Twenty Eighth Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March, 2008.

**FINANCIAL HIGHLIGHTS**

During the period under report, both the hotel and construction business of the company have shown improved performance as is evident from the following figures:

| (Rupees in Lacs)                     |                          |                          |
|--------------------------------------|--------------------------|--------------------------|
| Particulars                          | Year Ended<br>31.03.2008 | Year Ended<br>31.03.2007 |
| Gross Revenue                        | 17291.26                 | 13080.09                 |
| Gross operating profit               | 4384.43                  | 3532.96                  |
| Less:                                |                          |                          |
| a) Interest & Financial Charges      | 438.94                   | 391.20                   |
| b) Depreciation & Amortization       | 1129.32                  | 991.04                   |
| Profit before tax                    | 2816.17                  | 2150.72                  |
| Less:                                |                          |                          |
| a) Provision for current tax         | 358.16                   | 793.39                   |
| b) Deferred tax                      | 661.04                   | (36.79)                  |
| c) Fringe Benefit tax                | 43.00                    | 30.00                    |
| Profit after tax                     | 1753.97                  | 1364.12                  |
| Add/(Less)                           |                          |                          |
| Other adjustments from earlier years | -                        | (1.58)                   |
| Profit available for appropriation   | 1753.97                  | 1362.54                  |
| Less:                                |                          |                          |
| a) Transfer to General Reserve       | 135.00                   | 105.00                   |
| b) Proposed Dividend                 | 998.82                   | 998.82                   |
| c) Tax on Dividend                   | 169.75                   | 169.75                   |
| Balance carried to Balance Sheet     | 450.40                   | 88.97                    |
| Earning Per Share (Rs.)              | 3.16                     | 2.46                     |

**DIVIDEND**

Your Directors have recommended a Dividend of Rs. 1.80 (18%) per equity share amounting to Rs. 998.82 lacs for the year 2007-08 excluding dividend tax of Rs. 169.75 lacs.

**FUTURE OUTLOOK**

The growth of the tourism industry has shown positive signs. In view of the various initiatives taken by the Government and the country's rapid economic growth, the hotel industry is expected to remain buoyant. The hosting of Commonwealth Games in New Delhi also holds promise for a bright future of hospitality business of the Company.

It is the endeavour of the Company to tirelessly strive to maintain befitting growth rate in the hotel business and keep the staff and executives of the hotel well motivated and enthusiastic for facing new challenges emerging from the changing tastes of different segments of tourists and travellers and to establish a distinct niche in the hotel industry. Jaypee Siddharth at Rajendra Place, New Delhi, after completion of the renovation, has also emerged as a preferred choice of "upmarket business travellers". All these efforts are directed to achieve higher growth coupled with optimization of the resource utilization. The Company is confident to achieve better quotient of customers' satisfaction. The current financial year 2008-09 has already started on a strong note and the Company remains cautiously

upbeat on the performance of its hotels.

The Company's Hotels at New Delhi, have been accredited with ISO 9001/ 2000 for Quality Management System [QMS] and ISO 14001/ 2004 for Environment Management System [EMS] by DNV (DET NORSKE VARITAS).

**DIRECTORATE**

Four Directors namely, Shri Santosh Kumar Bansal, Shri Krishnaswamy Subramanian, Shri Raj Narayan Bhardwaj and Shri Sunil Kumar Sharma, retire by rotation and, being eligible, offer themselves for reappointment.

Shri Ravi Sreen and Shri Jaiprakash Gaur were appointed as Additional Directors on the Board of the Company with effect from 29th October, 2007 and 10th January, 2008 respectively. They hold office upto the ensuing Annual General Meeting of the Company. Notices have been received from the members of the Company signifying their intention to propose the above Additional Directors as Directors of the Company under Section 257 of the Companies Act, 1956.

The Board of Directors appointed Shri Ravi Sreen as Managing Director for 5 years with effect from 1st November, 2007 and reappointed Smt. Manju Sharma as Whole Time Director for 5 years with effect from 1st April, 2008, subject to the approval of the Shareholders.

The Board commends the passing of resolution placed before the meeting for appointment of Director, Managing / Whole Time Directors.

Shri S.G. Awasthi and Shri S.P. Warty resigned from the Board of the Company with effect from 10th September, 2007 and 10th January, 2008 respectively. The Board places on record its sincere appreciation for their valuable contribution during their tenure as Directors of the Company.

**FIXED DEPOSITS**

During the year under report, your Company has not accepted/ invited any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

**PERSONNEL**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is set out in Annexure-I.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, particulars of energy conservation, technology absorption, foreign exchange earnings and outgo are annexed herewith as Annexure-II.

**AUDITORS AND THEIR OBSERVATIONS**

M/s LC Kailash & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

In respect of observations made by the Auditors in their report, your Directors wish to state that the respective notes to accounts are self explanatory, and do not call for any further comments.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement pursuant to Section 217(2AA) of the Companies Act, 1956 is annexed herewith as Annexure - III.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding Compliance



of the Conditions of Corporate Governance are annexed herewith as Annexure-IV.

#### ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation of the efficient and dedicated efforts made and support rendered by all employees. The motivation of the work force and their active participation in operations are helping your Company to establish a mark of - "High Customer Quotient."

The Board of Directors acknowledges the esteemed patronage received from customers/guests of the hotels and the unflinching support of the Shareholders. The Board of Directors is thankful to the government, bankers and other authorities for their continued and valued support.

**For and on behalf of the Board**

Place: New Delhi

**Sunil Kumar Sharma**

Dated: 15<sup>th</sup> April, 2008

**Chairman**

#### ANNEXURE-I

Statement under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March, 2008.

| Name of the Employee               | Shri. S.G. Awasthi                               | Shri. Ravi Sreen   | Smt. Manju Sharma  |
|------------------------------------|--|--|--|
| Age                                | 65 years   | 53 years   | 44 years   |
| Designation                        | Managing Director                                | Managing Director  | Whole-time Director  |
| Nature of Employment               | Contractual                                      | Contractual  | Contractual  |
| Nature of Duties                   | Overall management of the affairs of the Company | Overall management of the affairs of the Company   | Operational management of the hotels.                                  |
| Gross Remuneration                 | Rs. 22,85,454/-<br>(01.04.07 to 10.09.07)        | Rs. 11,61,480/-<br>(01.11.07 to 31.03.08)  | Rs. 26,71,263/-<br>(01.04.07 to 31.03.08)                              |
| Qualification                      | B.Sc., B.E (Mech),<br>M.B.A.                     | B.Com (H), FCA.  | B.A (Maths)  |
| Experience                         | 42 years   | 29 years   | 19 years   |
| Date of Commencement of Employment | 01.11.2002                                       | 01.11.2007   | 01.04.1998   |
| Particulars of previous Employment | Managing Director -<br>M/s. Jaypee Greens Ltd.   | Senior Vice President:<br>(Finance) with<br>Millennium & Copthorne<br>International Ltd.,<br>Singapore | Executive Vice President<br>(Commercial)<br>with Jaypee Hotels<br>Ltd. |

Note: 1. Gross Remuneration includes salary, accommodation and other perquisites including Provident Fund contribution.

2. Smt. Manju Sharma is sister of Sh. S.K. Sharma, Chairman/Director.

#### ANNEXURE-II

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

##### A. CONSERVATION OF ENERGY

1. Wing Cards to save energy in air conditioning.
2. CFL bulbs in guests' & public areas.
3. Dimmers for optimizing of light energy.
4. Ozonators for improving air quality.
5. Screw Chillers have replaced Reciprocating Chillers.
6. Acoustic treatment in the D.G. Set room and other noise areas.
7. T.F.A. to improve indoor air quality.
8. Scrubber system for reducing pollution in emission.

##### B. TECHNOLOGY ABSORPTION

The Company is not involved in manufacturing activity. It is basically involved in the Hotel and Construction business. As such the

required particulars in terms of the above referred rule are not applicable.

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has been making its best efforts to increase its foreign exchange earnings. The foreign exchange earnings during the year were Rs. 4824.23 lacs (Previous year Rs. 3576.48 lacs) and foreign exchange outgo was Rs. 38.80 lacs (Previous year Rs. 60.77 lacs). The details are given at Sr. No. 25D & 25F of Schedule 22B (Notes to the Accounts).

#### ANNEXURE-III

##### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that appropriate accounting policies have been selected and were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

#### ANNEXURE-IV

##### CORPORATE GOVERNANCE

##### I. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is reflected in the commitment of management, which objectively works, realizing and accepting its responsibilities towards shareholders, customers/ guests, employees, society and the country for the purpose of achieving finally the operational efficiency, high level of credibility among all our business stakeholders.

##### II. Board's Composition and its Meetings

The Company's policy is to maintain optimum combination of Executive and Non- Executive Directors. The Board consists of 15 Directors, comprising of 2 Executive Directors and 13 Non-Executive Directors, out of which 5 are Independent Directors. The Composition of Board of Directors, Number of shares held and Committee Membership/ Chairmanship as on 31st March, 2008 are as under:

| Category                                 | Name of Director                           | No. of Shares | Membership | Chairmanship |
|--|--|---------------|------------|--------------|
| Promoter Director                        | Shri Jaiprakash Gaur                       | 268543        | Nil        | Nil          |
|  | Shri Sunil Kumar Sharma<br><i>Chairman</i> | 01            | 02         | 01           |
|  | Shri Manoj Gaur                            | 24600         | Nil        | Nil          |
|  | Smt. Rita Dixit                            | 45000         | 01         | Nil          |
| Managing Director                        | Shri Ravi Sreen                            | 6000          | 01         | Nil          |
| Wholetime Director                       | Smt. Manju Sharma                          | 600           | 01         | Nil          |
| Non Executive & Independent Director     | Shri K. Subramanian                        | 0             | 05         | 01           |
|  | Shri Gunji Singh                           | 0             | 02         | 01           |
|  | Shri B.K. Tapania                          | 0             | 01         | 02           |
|  | Shri S.K. Chakrabarti                      | 0             | 01         | Nil          |
|  | Shri. R.N.Bhardwaj                         | 0             | 01         | 01           |
| Non Executive & Non Independent Director | Shri Pawan Kumar Jain                      | 30430         | 02         | Nil          |
|  | Shri Santosh Kumar Bansal                  | 0             | Nil        | Nil          |
|  | Ms. Sunita Joshi                           | 0             | Nil        | Nil          |
|  | Shri Harish Kumar Vaid                     | 7500          | Nil        | Nil          |





No Director is related to any other Director on the Board except the following:

Shri. Jaiprakash Gaur & Shri Manoj Gaur (Father & Son)  
 Shri. Jaiprakash Gaur & Smt. Rita Dixit (Father & Daughter)  
 Shri. Manoj Gaur & Smt. Rita Dixit (Brother & Sister)  
 Shri Sunil Kumar Sharma & Smt. Manju Sharma (Brother & Sister)

During the financial year ended 31st March 2008, four Board Meetings (17th April, 2007, 27th July, 2007, 29th October, 2007, and 10th January, 2008), four Audit Committee meetings (17th April, 2007, 27th July, 2007, 29th October, 2007, and 10th January, 2008) and one Remuneration Committee meeting (29th October, 2007) were held.

Attendance of the Directors at the Board Meetings, Audit Committee Meetings, Remuneration Committee Meeting and last Annual General Meeting (AGM) is as under:

| Name of Director          | Attendance |     |    | Attendance at last AGM |
|---------------------------|------------|-----|----|------------------------|
|                           | ACM        | RCM | BM |                        |
| Shri B.K. Taparia         | -          | 1   | 3  | Yes                    |
| Shri Gunjit Singh         | 4          | 1   | 4  | No                     |
| Shri Harish Kumar Vaid    | -          | -   | 3  | No                     |
| Shri Jaiprakash Gaur      | -          | -   | 1  | No                     |
| Shri K. Subramanian       | 4          | 1   | 4  | Yes                    |
| Shri Manoj Gaur           | -          | -   | 4  | No                     |
| Smt. Manju Sharma         | -          | -   | 4  | Yes                    |
| Shri Pawan Kumar Jain     | -          | -   | 4  | No                     |
| Shri Ravi Sreen           | -          | -   | 2  | No                     |
| Shri Raj Narayan Bhardwaj | -          | -   | 2  | No                     |
| Smt. Rita Dixit           | -          | -   | 3  | No                     |
| Shri Sunil Kumar Sharma   | -          | -   | 2  | Yes                    |
| Shri Shashank P. Warty    | -          | -   | 3  | Yes                    |
| Shri S.K. Bansal          | -          | -   | 4  | Yes                    |
| Shri S.G. Awasthi         | -          | -   | 2  | No                     |
| Shri S.K. Chakrabarti     | 4          | -   | 4  | No                     |
| Ms. Sunita Joshi          | -          | -   | 4  | No                     |

### III. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

JAYPEE HOTELS LIMITED, a subsidiary of M/s. Jaiprakash Associates Limited is into hotel & construction business.

This Company entered in the hotel business around 26 years ago. Later on, the Company added construction business also. At present the Company owns 2 Five Star Deluxe Hotels namely Jaypee Palace at Agra, Jaypee Vasant Continental at New Delhi and a five star hotel Jaypee Siddharth at New Delhi. Besides, the Company also manages the operation of Jaypee Residency Manor at Mussoorie and Jaypee Green Resorts at Greater Noida ( units of M/s. Jaiprakash Associate Limited)) on management fee basis.

The operational result of the current year, in relation to the corresponding operation of the previous year, have shown an increase in the hotel business as well as construction business. Thrust on cost management initiatives has yielded results. The saving in financial costs was achieved through effective control methods.

Presently the hotel industry in India is prospering and shows positive signs of growth. Various policies announced by the Ministry of Tourism and States show that concerted efforts are being made for making India as a big destination for tourism.

The construction division of the Company has also procured some contracts for the year 2008-2009.

The Company has appointed four firms of qualified Chartered Accountants for carrying out the internal audit of the various units/divisions of the Company. The management feels that the internal audit measures are adequate and commensurate with the size of the Company and the nature of its business.

There is a full fledged in-house training division which prepares the

employees to constantly add value to their skills. This creates a sense of fulfillment and facilitates retention and development of a team of multi-skilled, motivated and empowered personnel who enable the Company to achieve its business plans and targets.

### IV. Audit Committee:

The terms of reference of the Audit Committee include the powers as laid out in Clause 49 II (C ) and role as stipulated in Clause 49 II (D) of the Listing Agreement.

The Audit Committee as on 31st March, 2008 comprised of 3 Non-Executive Independent Directors with its Composition as under:

| Name of Director       | Position |
|------------------------|----------|
| Shri K. Subramanian    | Chairman |
| Shri Gunjit Singh      | Member   |
| Shri S. K. Chakrabarti | Member   |

All the members of the Audit Committee have knowledge of Financial and Accounting matters. The Committee had 4 (four) meetings during the year.

### V. Remuneration Committee:

The Board of the Company has constituted a Remuneration Committee to recommend/ review the remuneration package of Managing/ Whole Time Directors based on performance and other defined criteria. Remuneration Committee comprises 3 Non-Executive/Independent Directors.

The Remuneration Committee of the Company as on 31st March, 2008 comprised of:

| Name of Director    | Position |
|---------------------|----------|
| Shri K. Subramanian | Chairman |
| Shri Gunjit Singh   | Member   |
| Shri B.K. Taparia   | Member   |

During the financial year ended 31st March 2008, one meeting of the Remuneration Committee was held.

### Details of Remuneration paid to all the Directors for the year ended 31st March, 2008

A) Non-Executive Directors of the Company do not draw any remuneration from the Company except sitting fee paid during the year @ Rs. 5000/- upto 17th April, 2007 and Rs. 20,000/- with effect from 27th July, 2007 for attending the Board Meetings and Remuneration Committee Meeting. And Rs. 5000/- upto 27th July, 2007 and Rs. 20,000/- with effect from 29th October, 2007 for attending the Audit Committee Meetings. The details of the sitting fees paid to Non-executive Directors for the year ended 31st March, 2008 are as under:-

| Name of Director          | Sitting Fee Paid (Rs.) |
|---------------------------|------------------------|
| Shri B.K. Taparia         | 80000                  |
| Shri Gunjit Singh         | 135000                 |
| Shri Harish Kumar Vaid    | 60000                  |
| Shri Jaiprakash Gaur      | 20000                  |
| Shri K. Subramanian       | 135000                 |
| Shri Manoj Gaur           | 65000                  |
| Shri Pawan Kumar Jain     | 65000                  |
| Shri Raj Narayan Bhardwaj | 40000                  |
| Smt. Rita Dixit           | 60000                  |
| Shri Sunil Kumar Sharma   | 40000                  |
| Shri S.K. Bansal          | 65000                  |
| Shri S.K. Chakrabarti     | 115000                 |
| Ms. Sunita Joshi          | 65000                  |



B) The aggregate value of remuneration paid to Managing Director/ Whole Time Directors for the year ended 31st March, 2008 is as under:

| (Rupees)               |         |           |                               |                |              |
|------------------------|---------|-----------|-------------------------------|----------------|--------------|
| Name of the Director   | Salary  | HRA/ Rent | Monetary value of Perquisites | Provident Fund | Total Amount |
| Shri. Ravi Sreen, MD*  | 1000000 | 0         | 41480                         | 120000         | 1161480      |
| Smt. Manju Sharma, WTD | 1350000 | 810000    | 349263                        | 162000         | 2671263      |
| Shri S.G. Awasthi, MD* | 1066667 | 640000    | 450788                        | 128000         | 2285454      |
| Shri. S.P.Warty, WTD*  | 932258  | 649355    | 39824                         | 111871         | 1733308      |

\* Part of the year.

## VI. Shareholders / Investors Grievance/ Share transfer and transmission Committee

The Composition of the Committee as on 31st March, 2008 is as under:

| Name of Director  | Position |
|-------------------|----------|
| Shri Gunjit Singh | Chairman |
| Smt. Manju Sharma | Member   |
| Shri Ravi Sreen   | Member   |

The Committee meets at regular intervals and the Company Secretary acts as Secretary of the Shareholders/ Investors Grievance Committee. No Sitting fee is taken by the Chairman and Members for attending the meeting of this Committee.

Chairman of the Committee: Shri Gunjit Singh, Director  
Compliance Officer: Shri P. N. Kumar, Company Secretary  
Number of Shareholders' complaints received during the year under review : 62  
Number of complaints not resolved to the satisfaction of Shareholders: NIL  
Number of pending share transfer applications on 31st March, 2008: NIL

## VII. General Body Meetings

Location and time of Last Three Annual General Meetings:

| Year      | Location             | Date       | Time      | Special Resolution |
|-----------|----------------------|------------|-----------|--------------------|
| 2006-2007 | Jaypee Palace Hotel, | 27.09.2007 | 10.30 A.M | Nil                |
| 2005-2006 | Agra                 | 27.09.2006 | 10.30 A.M | Nil                |
| 2004-2005 |                      | 29.09.2005 | 11.30 A.M | Nil                |

No resolution has been passed by way of Postal Ballot by the Company.

## VIII. Disclosures

### a. Related Party Transactions

None of the transactions with any of the related parties was in conflict with the interest of the Company. Attention of Members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts in Schedule 22 B - at point No. 24

### b. Compliance

There have been no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### c. Code of Business Conduct and Ethics for Directors and Management Personnel

This Code of Conduct is intended to provide guidance and help to all Directors & Senior Management Executives in recognizing their responsibility and dealing with the issues in such manner as to achieve the objective of the corporate in an ethical way and to help to foster a culture of honesty in the performance of one's duties and accountability. A copy of the Code has been put on the Company's website [www.jaypeehotels.com](http://www.jaypeehotels.com). A declaration signed by Managing Director is given below:

## DECLARATION

I hereby confirm that the Company has in respect of the financial year ended 31st March, 2008, received from the Senior Management team of the Company and Members of the Board, Declaration of Compliance with the Code of Conduct pursuant to the Clause 49 of the Listing Agreement.

**Ravi Sreen**

**Managing Director**

**Jaypee Hotels Limited**

Place: New Delhi

Dated 15th April, 2008

### d. Secretarial Audit

Practicing Company Secretary carried out quarterly Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed Capital. The audit confirms that the total issued/ paid up Capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### e. Risk Management

The Company manages risks as an integral part of its decision making process. The Audit Committee and the Board of Directors are regularly apprised regarding key risk assessment and risk mitigation mechanisms.

## IX. CEO/ CFO Certification

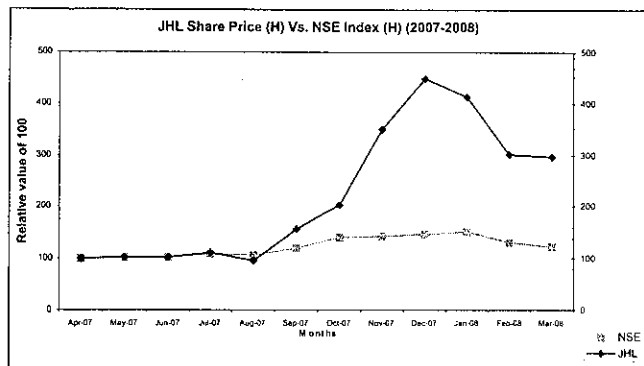
In terms of the requirements of Clause 49 (V) of the Listing Agreement, the Managing Director & Jt. President (Finance) have jointly submitted necessary certificate to the Board stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meetings held on 15th April, 2008.

## X. Means of Communication

Pursuant to Clause 51 of the Listing Agreement, all data related to unaudited quarterly, half - yearly and audited yearly financial results along with shareholding pattern at the end of each quarter were hosted on the Electronic Data Information Filing and Retrieval (EDIFAR), SEBI official website [www.sebi.gov.in](http://www.sebi.gov.in). The Company's unaudited quarterly, half - yearly and audited yearly financial results were published in Business Standard/Financial Express and Amar Ujala/ Jansatta and were also displayed on the website of the Company [www.jaypeehotels.com](http://www.jaypeehotels.com)

## XI. General Shareholders Information

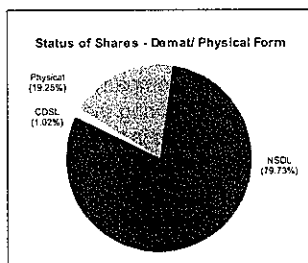
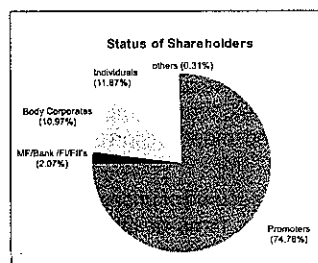
|   |   |
|---|---|
| Annual General Meeting                              | : 22.07.2008  |
| Financial Calendar                                  | : 01.04.2007 to 31.03.2008  |
| Period of Book Closure                              | : 12.07.2008 to 22.07.2008 (both days inclusive)  |
| Dividend payment date                               | : Before 21.08.2008   |
| Listing on Stock Exchanges                          | : National Stock Exchange (NSE)   |
| Stock Code  | : JAYPEEHOT   |
| ISIN No. for NSDL/CDSL                              | : INE851A01018  |
| Share Transfer System                               | : All the Share Transfer requests are attended as per the Statutory requirement.  |
| Registrar & Transfer Agents                         | : M/s. Alankit Assignments Limited<br>205-208, Anarkali Market,<br>Jhandewalan Extn.,<br>New Delhi - 110 055.<br>E - mail: <a href="mailto:alankit@alankit.com">alankit@alankit.com</a> |
| Designated Exclusive E-mail Id for Investor service | : <a href="mailto:sharesdepartment@jaypeehotels.com">sharesdepartment@jaypeehotels.com</a>  |
| Dividend declared for last 3years                   | : 2004-05 - 10%; 2005-06 - 18%;<br>2006-07- 18%   |


**Market Price Data (National Stock Exchange):**

| Month          | High<br>(in Rs.) | Low<br>(in Rs.) | NSE Index |         |
|----------------|------------------|-----------------|-----------|---------|
|                |                  |                 | High      | Low     |
| April 2007     | 67.50            | 56.00           | 4217.90   | 3617.00 |
| May 2007       | 69.85            | 57.20           | 4306.75   | 3981.15 |
| June 2007      | 69.30            | 58.50           | 4362.95   | 4100.80 |
| July 2007      | 76.00            | 61.15           | 4647.95   | 4304.00 |
| August 2007    | 65.00            | 58.00           | 4532.90   | 4002.20 |
| September 2007 | 105.95           | 62.55           | 5055.80   | 4445.55 |
| October 2007   | 136.90           | 76.25           | 5976.00   | 5000.95 |
| November 2007  | 236.85           | 131.90          | 6011.95   | 5477.50 |
| December 2007  | 302.35           | 225.00          | 6185.40   | 5676.70 |
| January 2008   | 278.00           | 139.15          | 6357.10   | 4448.50 |
| February 2008  | 203.70           | 121.85          | 5545.20   | 4803.60 |
| March 2008     | 200.00           | 126.30          | 5222.80   | 4468.55 |

**Shareholding Pattern as on 31st March, 2008:**

| Range           | No. of<br>Shareholders | %             | No. of<br>Shares | %             |
|-----------------|------------------------|---------------|------------------|---------------|
| 0-500           | 22344                  | 92.98         | 3096673          | 5.58          |
| 501-1000        | 884                    | 3.68          | 714905           | 1.29          |
| 1001-2000       | 392                    | 1.63          | 597677           | 1.08          |
| 2001-5000       | 233                    | 0.97          | 741683           | 1.34          |
| 5001-10000      | 76                     | 0.32          | 560220           | 1.01          |
| 10001 and above | 101                    | 0.42          | 49778842         | 89.71         |
| <b>Total</b>    | <b>24030</b>           | <b>100.00</b> | <b>55490000</b>  | <b>100.00</b> |


**Dematerialization of shares and liquidity:**

Number of shares dematerialized : 44807141

Number of shares rematerialized : 11802

The Company has not come out with any ADR or GDR issue

Work Places : Agra, Delhi, Mussoorie,  
Greater-Noida,  
Baglihar & Karcham Wangtoo

Address for correspondence : **Mr. P.N Kumar**

Company Secretary &

Jt. President (Comm.)

Jaypee Vasant Continental,

Vasant Vihar,

New Delhi - 110057

Ph No. : 91-11- 26148800

Fax No. : 91-11- 26151100

Email id : pnkumar@jaypeehotels.com

**Non Mandatory Requirements**

The Company at present has adopted the non mandatory requirements in regard to maintenance of Non Executive Chairman's Office and constitution of Remuneration Committee.

**AUDITORS' CERTIFICATE**
**REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To

**The Members of Jaypee Hotels Limited**

We have examined the compliance of conditions of corporate governance of Jaypee Hotels Limited ("the company") for the year ended on 31st March, 2008, as stipulated in Clause 49 of the listing agreement of the company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management of the company. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **LC KAILASH AND ASSOCIATES**  
Chartered Accountants

Place: New Delhi

L.C. Gupta

Dated: 15<sup>th</sup> April, 2008

Sr.Executive Partner (M.No. 5122)



AUDITORS' REPORT  
TO  
THE MEMBERS OF  
JAYPEE HOTELS LIMITED

1. We have audited the attached Balance Sheet of Jaypee Hotels Limited, as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that: -
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
  - e) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and the notes thereon appearing in Schedule-22 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For LC KAILASH AND ASSOCIATES  
Chartered Accountants

Place : New Delhi  
Date : 15th April, 2008

L.C. Gupta  
Sr. Executive Partner (M.No. 5122)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF JAYPEE HOTELS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008**

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. The physical verification of assets was conducted at such intervals as was considered appropriate by the management. We have been explained that no material discrepancy was noticed. In our opinion the frequency of physical verification was reasonable having regard to the nature and size of its assets.  
Fixed Assets disclosed off during the year were not substantial and therefore has not affected the going concern status of the Company.
2. Physical verification of inventory was carried out once during the year by the management, which in our opinion considered to be reasonable having regard to the size of the Company and the nature of its business.  
The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the discrepancies so noticed have been properly dealt with in the books of account.
3. a) The Company has not granted any secured or unsecured loan during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
b) The Company has not taken any secured or unsecured loan during the year from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on



the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.

5. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under or any other relevant provisions of the Act. As per the information and explanations given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the company.
7. The Company has engaged professional firms to conduct the internal audit of the accounts of the Company and its various units and we feel it is adequate and commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. According to information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.08 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, disputed demands for the assessment years 2001-02, 2003-04 and demand by the Director General of Foreign Trade (DGFT) not

deposited have been disclosed in note no. B(9) (i), (ii) and (iii) in Schedule 22 attached to Audited Financial Statements.

10. The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to the information and explanation given to us the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause- 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As per information and explanations given to us, Term Loan obtained from bank(s) have been utilised for the purposes, in compliance with the terms of sanction.
17. On the basis of review of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For LC KAILASH AND ASSOCIATES  
Chartered Accountants

Place : New Delhi  
Date : 15th April, 2008

L.C. Gupta  
Sr. Executive Partner (M.No. 5122)

BALANCE SHEET  
AS AT 31ST MARCH, 2008

|   | Schedule<br>No. | Current Year<br>Rs.  | Previous Year<br>Rs. |
|---|-----------------|----------------------|----------------------|
| <b>SOURCES OF FUNDS</b>   |                 |                      |                      |
| <b>Shareholders' Funds</b>  |                 |                      |                      |
| Share Capital   | 1               | 554,900,000          | 554,900,000          |
| Reserves & Surplus  | 2               | 878,590,337          | 820,193,308          |
|   |                 | 1,433,490,337        | 1,375,093,308        |
| <b>Loan Funds</b>   |                 |                      |                      |
| Secured Loans   | 3               | 215,135,651          | 338,250,000          |
| Security deposit from licensed premises   |                 | 2,014,000            | 2,054,000            |
|   |                 | 217,149,651          | 340,304,000          |
| <b>Deferred Tax</b>   |                 |                      |                      |
| Deferred tax liabilities  | 4               | 428,739,935          | 358,973,232          |
| Less : Deferred tax assets  |                 | 30,468,233           | 26,805,558           |
|   |                 | 398,271,702          | 332,167,674          |
|   |                 | <u>2,048,911,690</u> | <u>2,047,564,983</u> |
| <b>APPLICATION OF FUNDS</b>   |                 |                      |                      |
| <b>Fixed Assets</b>   |                 |                      |                      |
| Gross Block   | 5               | 2,902,391,990        | 2,566,214,977        |
| Less : Depreciation and amortisation  |                 | 886,967,543          | 780,754,241          |
| <b>Net Block</b>  |                 | <u>2,015,424,447</u> | <u>1,785,460,736</u> |
| <b>Capital Work-in-progress</b>   |                 | 13,836,822           | 74,628,727           |
| <b>Investments</b>  | 6               | 7,158,291            | 7,158,291            |
| <b>Current Assets, Loans &amp; Advances</b>   |                 |                      |                      |
| Inventories   | 7               | 94,036,313           | 89,929,404           |
| Sundry Debtors  | 8               | 119,754,971          | 107,917,620          |
| Cash & Bank Balances  | 9               | 67,282,705           | 77,324,873           |
| Other Current Assets  | 10              | 192,011              | 115,002              |
| Loans and Advances  | 11              | 1,321,807,097        | 427,173,016          |
|   |                 | <u>1,603,073,097</u> | <u>702,459,915</u>   |
| <b>Less: Current Liabilities &amp; Provisions</b>   |                 |                      |                      |
| Liabilities   | 12              | 1,196,066,665        | 178,520,369          |
| Provisions  | 13              | 394,514,302          | 343,622,317          |
|   |                 | <u>1,590,580,967</u> | <u>522,142,686</u>   |
| <b>Net Current Assets</b>   |                 | 12,492,130           | 180,317,229          |
|   |                 | <u>2,048,911,690</u> | <u>2,047,564,983</u> |
| Accounting Policies and Notes to Accounts<br>Schedules 1 to 13 and 22 form an integral<br>part of the Balance Sheet | 22              |                      |                      |

As per our report of even date attached

For and on behalf of the Board

For LC KAILASH AND ASSOCIATES  
Chartered AccountantsP.N. Kumar  
Company Secretary &  
Jt. President (Comm.)Ravi Sreen  
Managing DirectorL.C. Gupta  
Sr. Executive Partner (M.No. 5122)R.K. Anand  
Jt. President (Finance)P.K. Jain  
DirectorPlace : New Delhi  
Dated : 15th April, 2008Manju Sharma  
Whole Time Director


**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2008**

|   | Schedule<br>No.   | Current Year<br>Rs.   | Previous Year<br>Rs.        |
|---|-------------------|---|-----------------------------|
| <b>INCOME</b>   |                   |   |                             |
| Room, Food, Beverage and Services                                       | 14                | 1,303,855,888   | 1,088,696,704               |
| Construction / Contract Division  |                   | 375,004,110   | 174,478,377                 |
| Other Income  | 15                | 50,265,841  | 44,834,015                  |
| <b>Total</b>  |                   | <b><u>1,729,125,839</u></b>                                       | <b><u>1,308,009,096</u></b> |
| <b>EXPENDITURE</b>  |                   |   |                             |
| Consumption of Provisions, Beverages & Smokes                           | 16                | 106,005,951   | 89,918,186                  |
| Employees Remuneration and Welfare                                      | 17                | 294,584,942   | 224,978,580                 |
| Operating Expenses  | 18                | 470,067,940   | 406,374,719                 |
| Administrative and General Expenses                                     | 19                | 108,924,456   | 86,249,064                  |
| Construction / Contract Division Expenses                               | 20                | 311,099,118   | 147,192,445                 |
| Interest and Financial Charges  | 21                | 43,894,176  | 39,119,984                  |
| <b>Total</b>  |                   | <b><u>1,334,576,583</u></b>                                       | <b><u>993,832,978</u></b>   |
| Profit before depreciation and amortisation                             |                   | 394,549,256   | 314,176,118                 |
| Less : Depreciation and amortisation                                    |                   | <u>112,932,290</u>  | <u>99,103,915</u>           |
| Net Profit before tax   |                   | 281,616,966   | 215,072,203                 |
| Provision for tax   |                   |   |                             |
| Current tax   |                   | 35,816,243  | 79,339,815                  |
| Deferred tax  |                   | 66,104,028  | (3,679,381)                 |
| Fringe benefit tax  |                   | <u>4,300,000</u>  | <u>3,000,000</u>            |
| Net Profit after tax  |                   | 175,396,695   | 136,411,769                 |
| Less : Taxes for earlier years  |                   | -   | (157,864)                   |
| Amount available for appropriation                                      |                   | 175,396,695   | 136,253,905                 |
| Less : Transferred to General Reserve                                   |                   | 13,500,000  | 10,500,000                  |
|   |                   |   |                             |
| : Proposed Dividend   | 99,882,000        |   | 99,882,000                  |
| : Tax on Dividend   | <u>16,974,946</u> | 116,856,946   | <u>16,974,946</u>           |
|   |                   |   | 116,856,946                 |
| <b>SURPLUS CARRIED TO BALANCE SHEET</b>                                 |                   | <b><u>45,039,749</u></b>  | <b><u>8,896,959</u></b>     |
| Accounting Policies and Notes to Accounts                               | 22                |   |                             |
| Schedules 14 to 22 form an integral part of the Profit and Loss account |                   |   |                             |
| As per our report of even date attached                                 |                   | For and on behalf of the Board                                    |                             |
| For LC KAILASH AND ASSOCIATES<br>Chartered Accountants                  |                   | <b>P.N. Kumar</b><br>Company Secretary &<br>Jt. President (Comm.) |                             |
| <b>L.C. Gupta</b><br>Sr. Executive Partner (M.No. 5122)                 |                   | <b>Ravi Sreen</b><br>Managing Director                            |                             |
| <b>R.K. Anand</b><br>Jt. President (Finance)                            |                   | <b>P.K. Jain</b><br>Director                                      |                             |
| Place : New Delhi   |                   | <b>Manju Sharma</b>   |                             |
| Dated : 15th April, 2008  |                   | Whole Time Director   |                             |



## SCHEDULES TO THE ACCOUNTS

|   |                   | Current Year<br>Rs. | Previous Year<br>Rs. |
|---|-------------------|---------------------|----------------------|
| <b>1. SHARE CAPITAL</b>                               |                   |                     |                      |
| <b>Authorised Capital</b>                             |                   |                     |                      |
| 59,000,000 Equity Shares of Rs.10/- each              |                   | 590,000,000         | 590,000,000          |
| 100,000 Preference Shares of Rs.100/- each            |                   | 10,000,000          | 10,000,000           |
|   |                   | <u>600,000,000</u>  | <u>600,000,000</u>   |
| <b>Issued and Subscribed</b>                          |                   |                     |                      |
| 55,490,000 Equity Shares of Rs.10/- each              |                   |                     |                      |
| fully paid-up (Note No B 2(i) of Schedule 22)         |                   | <u>554,900,000</u>  | <u>554,900,000</u>   |
| <b>2. RESERVES AND SURPLUS</b>                        |                   |                     |                      |
| Capital Reserve                                       |                   | 320,500             | 320,500              |
| Preference Shares Redemption Reserve                  |                   | 10,000,000          | 10,000,000           |
| Security Premium                                      |                   | 486,164,000         | 486,164,000          |
| Revaluation Reserve as per last Account               | 7,627,482         |                     | 7,770,203            |
| Less: depreciation provided on revalued amount        | <u>(142,721)</u>  | <u>7,484,761</u>    | <u>(142,721)</u>     |
| General Reserve                                       |                   |                     |                      |
| Surplus as per last account                           | 44,446,846        |                     | 33,946,846           |
| Add : Transfer from Profit & Loss Account             | <u>13,500,000</u> | <u>57,946,846</u>   | <u>10,500,000</u>    |
| Profit and Loss account                               |                   |                     |                      |
| Surplus as per last Year                              | 271,634,480       |                     | 262,737,521          |
| Surplus as per Current Year                           | <u>45,039,749</u> | <u>316,674,230</u>  | <u>8,896,959</u>     |
|   |                   | <u>878,590,337</u>  | <u>820,193,308</u>   |
| <b>3. SECURED LOANS</b>                               |                   |                     |                      |
| ( Note No 3 (i) & (ii) of Schedule 22 )               |                   |                     |                      |
| <b>I. Term Loans</b>                                  |                   |                     |                      |
| Long Term Loan  |                   |                     |                      |
| Oriental Bank of Commerce                             |                   |                     |                      |
| (Amount due within next twelve months- Rs.1230 Lacs ) |                   | 215,135,651         | 338,250,000          |
| <b>II. Short Term Loans</b>                           |                   |                     |                      |
| Cash Credit Account - Indian Overseas Bank            |                   | <u>215,135,651</u>  | <u>338,250,000</u>   |
| <b>4. DEFERRED TAX</b>                                |                   |                     |                      |
| <b>Liabilities</b>                                    |                   |                     |                      |
| Accumulated Depreciation & Amortisation               |                   | 428,739,935         | 358,973,232          |
|   |                   | <u>428,739,935</u>  | <u>358,973,232</u>   |
| <b>Assets</b>   |                   |                     |                      |
| Accrued expenses deductible on payment                |                   | 30,468,233          | 26,805,558           |
|   |                   | <u>30,468,233</u>   | <u>26,805,558</u>    |
| <b>DEFERRED TAX (Liabilities-Assets)</b>              |                   | <b>398,271,702</b>  | <b>332,167,674</b>   |





## SCHEDULES TO THE ACCOUNTS

## 5. FIXED ASSETS

(Figures in Rupees)

| Description             | GROSS BLOCK          |                                 |                                 | DEPRECIATION & AMORTISATION |                    |                                  |                    |                    | NET BLOCK            |                      |
|-------------------------|----------------------|---------------------------------|---------------------------------|-----------------------------|--------------------|----------------------------------|--------------------|--------------------|----------------------|----------------------|
|                         | As at<br>31.03.07    | Additions<br>during<br>the year | Deletions<br>during<br>the year | As at<br>31.03.08           | Upto<br>31.03.07   | Deductions<br>during<br>the year | For<br>the<br>year | Upto<br>31.03.08   | As at<br>31.03.08    | As at<br>31.03.07    |
| Land - Lease Hold       | 34,462,339           |                                 |                                 | 34,462,339                  |                    |                                  |                    |                    | 34,462,339           | 34,462,339           |
| - Free Hold             | 5,843,119            |                                 |                                 | 5,843,119                   |                    |                                  |                    |                    | 5,843,119            | 5,843,119            |
| Building                | 1,036,636,876        | 31,816,384                      |                                 | 1,068,453,260               | 145,625,008        |                                  | 14,425,681         | 160,050,689        | 908,402,571          | 891,011,869          |
| Sanitary Installation   | 63,536,643           | 3,495,056                       |                                 | 67,031,699                  | 24,992,501         |                                  | 2,249,400          | 27,241,901         | 39,789,798           | 38,544,142           |
| Electrical Installation | 107,942,599          | 8,197,337                       |                                 | 116,139,936                 | 48,837,032         |                                  | 4,076,687          | 52,913,719         | 63,226,217           | 59,105,567           |
| Plant And Machinery     |                      |                                 |                                 |                             |                    |                                  |                    |                    |                      |                      |
| -Hotel Division         | 262,146,177          | 2,912,859                       | 221,000                         | 264,838,036                 | 85,791,166         | 114,672                          | 11,776,265         | 97,452,759         | 167,385,277          | 176,355,011          |
| -Construction Division  | 3,217,576            |                                 |                                 | 3,217,576                   | 3,106,032          |                                  |                    | 3,106,032          | 111,544              | 111,544              |
| Air Conditioning        | 165,337,181          | 11,237,223                      |                                 | 176,574,404                 | 71,023,009         |                                  | 7,143,755          | 78,166,764         | 98,407,640           | 94,314,172           |
| Lifts                   | 43,285,875           | 2,001,677                       |                                 | 45,287,552                  | 19,296,069         |                                  | 1,672,887          | 20,968,956         | 24,318,596           | 23,989,806           |
| Vehicles                | 60,272,428           | 12,402,660                      | 479,076                         | 72,196,012                  | 19,910,173         | 194,135                          | 7,871,181          | 27,587,219         | 44,608,794           | 40,362,255           |
| Furniture and Fixtures  | 217,894,286          | 24,901,115                      | 2,581,327                       | 240,214,074                 | 154,875,512        | 1,884,816                        | 17,760,430         | 170,751,126        | 69,462,948           | 63,018,774           |
| Other Fixed Assets      | 232,188,299          | 35,079,777                      | 613,265                         | 266,654,810                 | 86,373,449         | 392,817                          | 12,366,794         | 98,347,426         | 168,307,385          | 145,814,850          |
| Computers               | 44,146,759           | 12,542,864                      | 4,515,270                       | 52,174,353                  | 38,231,493         | 4,275,268                        | 4,861,698          | 38,817,923         | 13,356,430           | 5,915,266            |
| Intangible Assets       |                      |                                 |                                 |                             |                    |                                  |                    |                    |                      |                      |
| - Deferred Revenue      |                      |                                 |                                 |                             |                    |                                  |                    |                    |                      |                      |
| Expenditure             | 280,000,000          | 200,000,000                     |                                 | 480,000,000                 | 78,139,536         |                                  | 27,009,270         | 105,148,806        | 374,851,194          | 201,860,464          |
| - Fees paid to          |                      |                                 |                                 |                             |                    |                                  |                    |                    |                      |                      |
| Franchiser              | 9,304,820            |                                 |                                 | 9,304,820                   | 4,553,261          |                                  | 1,860,964          | 6,414,225          | 2,890,595            | 4,751,559            |
| <b>Total</b>            | <b>2,566,214,977</b> | <b>344,586,951</b>              | <b>8,409,938</b>                | <b>2,902,391,989</b>        | <b>780,754,241</b> | <b>6,861,709</b>                 | <b>113,075,011</b> | <b>886,967,543</b> | <b>2,015,424,446</b> | <b>1,785,460,736</b> |
| Previous Year           | 2,458,171,541        | 112,397,409                     | 2,353,973                       | 2,566,214,977               | 682,397,151        | 889,546                          | 99,246,636         | 780,754,241        | 1,785,460,736        | 1,773,774,390        |

|  | Current Year<br>Rs. | Previous Year<br>Rs. |
|--|---------------------|----------------------|
| <b>6. INVESTMENTS</b>  |                     |                      |
| Other Investments (at cost) Unquoted   |                     |                      |
| Sanukt Members' Association  |                     |                      |
| 5 (P.Y. 5) Equity Shares of Rs. 100 each fully paid                                  | 500                 | 500                  |
| Indesign Enterprises (P) Limited, Cyprus   |                     |                      |
| 50,000 (P.Y. 50,000) Equity Shares of Cyprus Pound                                   |                     |                      |
| One each fully paid in cash  | 7,157,791           | 7,157,791            |
|  | <b>7,158,291</b>    | <b>7,158,291</b>     |
| <b>7. INVENTORIES</b>  |                     |                      |
| (As taken, valued & certified by the management )                                    |                     |                      |
| Provisions,Wines & Smokes  | 10,283,003          | 8,385,158            |
| Other Operating Supplies and Stores  | 82,973,654          | 75,606,481           |
| Construction Material  | 779,656             | 5,937,765            |
|  | <b>94,036,313</b>   | <b>89,929,404</b>    |
| <b>8. SUNDRY DEBTORS</b>   |                     |                      |
| Outstanding over six months - unsecured  |                     |                      |
| Considered good  | 438,473             | 1,363,783            |
| Considered doubtful  | 2,398,983           |                      |
| Less: Provision for doubtful debts   | <u>2,398,983</u>    | <u>2,168,192</u>     |
|  | 438,473             | 1,363,783            |
| Other Debts  |                     |                      |
| Considered good - unsecured  | 119,316,498         | 106,553,837          |
|  | <b>119,754,971</b>  | <b>107,917,620</b>   |
| <b>9. CASH AND BANK BALANCES</b>   |                     |                      |
| Cash and cheques in hand   | 7,153,236           | 13,956,606           |
| With scheduled Banks   |                     |                      |
| In Current Accounts  | 12,955,898          | 22,801,074           |
| In Cash Credit Account   | 41,833,123          | 24,378,465           |
| In Dividend Account  | 3,905,896           | 2,281,138            |
| In Fixed Deposit Account   | 1,434,552           | 13,907,590           |
| (includes FDRs pledged with schd. Bank of Rs.12.63 Lacs<br>(Prev.Yr. Rs. 13.63 Lacs) | <b>67,282,705</b>   | <b>77,324,873</b>    |



## SCHEDULES TO THE ACCOUNTS

|  | Current Year<br>Rs.  | Previous Year<br>Rs. |
|--|----------------------|----------------------|
| <b>10. OTHER CURRENT ASSETS</b>  |                      |                      |
| Interest Accrued on Fixed Deposits and Loans   | 192,011              | 115,002              |
|  | <u>192,011</u>       | <u>115,002</u>       |
| <b>11. LOANS AND ADVANCES</b>  |                      |                      |
| (Unsecured - considered good)  |                      |                      |
| Advances recoverable in cash or in kind or for value to be received and /or to be adjusted |                      |                      |
| Contractors and suppliers  | 154,015,414          | 10,797,108           |
| Advances to Staff  | 3,506,225            | 3,031,807            |
| Imprest with Staff   | 256,838              | 275,718              |
| Other Advances   | 12,164,126           | 7,456,116            |
| Prepaid Expenses   | 4,399,320            | 6,875,766            |
| Claims and refunds receivable  | 2,867,309            | 10,212,857           |
| Advance for Land   | 904,326,800          | 204,326,800          |
| Advance Tax including Tax deducted at Source   | 210,936,094          | 162,407,495          |
| Security Deposits - with Government Departments  | 3,434,320            | 3,298,403            |
| - with Others  | 25,900,651           | 18,490,946           |
|  | <u>29,334,971</u>    | <u>21,789,349</u>    |
|  | <u>1,321,807,097</u> | <u>427,173,016</u>   |
| <b>12. CURRENT LIABILITIES</b>   |                      |                      |
| Sundry Creditors   | 85,464,447           | 79,282,065           |
| Expenses Payable   | 28,551,105           | 35,884,414           |
| Other Liabilities  | 23,552,679           | 23,562,267           |
| Other Credit Balances  | 39,923,275           | 25,296,378           |
| Security from Suppliers and Contractors  | 1,014,887,211        | 12,214,107           |
| Unclaimed Dividend (amount Due & outstanding)  | 3,687,948            | 2,281,138            |
| Investor Education & Protection Fund   | 0                    | 0                    |
|  | <u>1,196,066,665</u> | <u>178,520,369</u>   |
| <b>13. PROVISIONS</b>  |                      |                      |
| Leave encashment   | 20,946,012           | 13,989,933           |
| Property Tax   | 28,355,797           | 22,201,656           |
| Hotel receipt Tax  | 0                    | 1,683,301            |
| Gratuity   | 40,337,005           | 40,988,181           |
| Income Tax   | 188,018,542          | 147,902,300          |
| Proposed Dividend  | 99,882,000           | 99,882,000           |
| Tax on Proposed Dividend   | 16,974,946           | 16,974,946           |
|  | <u>394,514,302</u>   | <u>343,622,317</u>   |
| <b>14. INCOME FROM ROOM, FOOD, BEVERAGE AND SERVICES</b>                                   |                      |                      |
| Rooms  | 844,526,856          | 690,083,871          |
| Provisions, Beverages (excluding wines and liquor) and Smokes                              | 353,202,950          | 305,016,921          |
| Wine and Liquor  | 66,524,544           | 52,910,338           |
| Telephone and Telex  | 6,105,747            | 6,370,332            |
| Time Share Receipts  | 580,999              | 463,999              |
| Other Services   | 32,914,792           | 33,851,243           |
|  | <u>1,303,855,888</u> | <u>1,088,696,704</u> |
| <b>15. OTHER INCOME</b>  |                      |                      |
| Interest (Gross)   | 1,898,095            | 1,016,923            |
| {TDS Rs.1,87,293/- ( Previous Year Rs.1,45,026/-) }  |                      |                      |
| Dividend   | -                    | 1,238,528            |
| Management & Consultancy Fees  | 19,853,766           | 20,107,826           |
| {TDS Rs.2527462/- ( Previous Year Rs.1516589/-) }  |                      |                      |
| Liability no longer required written back  | 2,685,009            | 1,716,906            |
| Misc. Income   | 25,828,971           | 20,753,832           |
|  | <u>50,265,841</u>    | <u>44,834,015</u>    |
| <b>16. CONSUMPTION OF PROVISIONS, WINE &amp; SMOKES</b>                                    |                      |                      |
| <b>Provisions, Beverages &amp; Smokes</b>  |                      |                      |
| Opening Stock  | 3,547,703            | 3,377,849            |
| Add: Purchases   | 94,310,209           | 78,620,717           |
|  | 97,857,912           | 81,998,566           |
| Less: Closing Stock  | 4,322,878            | 3,547,703            |
| Consumption  | <u>93,535,034</u>    | <u>78,450,863</u>    |



## SCHEDULES TO THE ACCOUNTS

|  | Current Year<br>Rs. | Previous Year<br>Rs. |
|--|---------------------|----------------------|
| <b>Wine &amp; Liquor</b>                                 |                     |                      |
| Opening Stock  | 4,837,455           | 3,154,338            |
| Add: Purchases   | 13,593,587          | 13,150,440           |
|  | 18,431,042          | 16,304,778           |
| Less: Closing Stock                                      | 5,960,125           | 4,837,455            |
| Consumption  | <u>12,470,917</u>   | <u>11,467,323</u>    |
| <b>17. EMPLOYEES REMUNERATION AND WELFARE EXPENSES</b>   |                     |                      |
| Salaries, Wages and Bonus                                | 233,181,315         | 172,300,523          |
| Company's Contribution to Provident Fund and other funds | 15,626,248          | 13,538,268           |
| Staff Welfare Expenses                                   | 17,363,376          | 13,455,893           |
| Other Benefits   | 27,081,328          | 18,782,701           |
| Gratuity   | 1,332,675           | 6,901,195            |
|  | <u>294,584,942</u>  | <u>224,978,580</u>   |
| <b>18. OPERATING EXPENSES</b>                            |                     |                      |
| Power, Fuel and Water                                    | 136,641,336         | 126,241,805          |
| Commission to Travel Agents and Others                   | 16,335,305          | 10,854,768           |
| Linen, Uniform and Laundry Expenses                      | 21,238,737          | 18,170,102           |
| Renewal and Replacement of Crockery and Cutlery          | 7,268,370           | 5,206,741            |
| Operating Stores and Supplies                            | 62,074,150          | 42,200,596           |
| Upkeep and Decoration Expenses                           | 25,252,360          | 20,164,816           |
| Repairs to Buildings                                     | 107,892,235         | 112,525,811          |
| Repairs to Plants and Machinery                          | 16,202,669          | 20,764,920           |
| Other Repairs  | 16,030,343          | 11,128,618           |
| Music, Band and Television Expenses                      | 12,970,179          | 10,476,147           |
| Hire Charges   | 20,362,826          | 12,723,563           |
| Advertisement, Publicity and Sales Promotion             | 20,811,499          | 9,765,993            |
| Telephone Expenses                                       | 6,987,931           | 6,150,839            |
|  | <u>470,067,940</u>  | <u>406,374,719</u>   |
| <b>19. ADMINISTRATION AND GENERAL EXPENSES</b>           |                     |                      |
| Rent   | 1,249,226           | 410,408              |
| Rates and Taxes  | 10,100,166          | 8,429,312            |
| Insurance  | 4,779,614           | 5,056,774            |
| Postage and Telegram                                     | 908,905             | 864,735              |
| Travelling and Conveyance                                | 27,659,276          | 18,366,115           |
| Printing and Stationary                                  | 7,164,164           | 6,263,143            |
| Legal and Professional Expenses                          | 9,268,556           | 7,920,623            |
| Internal Auditors Fees and Expenses                      | 361,403             | 432,916              |
| Payment to Auditors:                                     |                     |                      |
| As Audit Fee   | 850,000             | 500,000              |
| As Tax Audit Fee   | 100,000             | 50,000               |
| As Certification Charges                                 | 72,000              | 30,000               |
| As reimbursement of expenses                             | 163,715             | 129,656              |
| Dues and Subscription                                    | 432,189             | 462,819              |
| Staff Recruitment and Training Expenses                  | 2,989,013           | 2,915,302            |
| Loss on sale / discard of Fixed Assets                   | 1,252,492           | 670,854              |
| Miscellaneous Expenses                                   | 5,725,064           | 2,679,234            |
| Royalty  | 3,443,349           | 2,472,699            |
| Motor Vehicle Expenses                                   | 8,233,688           | 6,417,054            |
| Directors Sitting Fees                                   | 945,000             | 270,000              |
| Bank Charges   | 803,269             | 555,426              |
| Property Tax   | 8,222,362           | 8,221,720            |
| Security, Watch and Ward Expenses                        | 4,108,315           | 3,402,375            |
| Bad Debts  | 555,190             | 1,541,768            |
| Charity and Donation                                     | 5,227,500           | 31,000               |
| Collaboration Fee  | 4,310,000           | 8,148,902            |
| Hire Purchase Charges                                    | 0                   | 6,229                |
|  | <u>108,924,456</u>  | <u>86,249,064</u>    |
| <b>20. CONSTRUCTION DIVISION EXPENSES</b>                |                     |                      |
| Civil Work Expenses                                      | 88,333,252          | 96,239,536           |
| Machinery Hire / Maintenance Charges                     | 216,822,580         | 45,316,860           |
| Salary and Benefits etc.                                 | 5,440,816           | 5,232,403            |
| Administration and General Expenses                      | 502,470             | 403,646              |
|  | <u>311,099,118</u>  | <u>147,192,445</u>   |
| <b>21. INTEREST AND FINANCIAL CHARGES</b>                |                     |                      |
| Interest   | 43,837,361          | 38,979,710           |
| Financial Charges  | 56,815              | 140,274              |
|  | <u>43,894,176</u>   | <u>39,119,984</u>    |



**SCHEDULES TO THE ACCOUNTS**

**22 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**A. Significant accounting policies followed by the Company are as under: -**

**1. a) Recognition of Income & Expenditure**

All revenues, costs, assets and liabilities are accounted for on accrual basis except (i) annual membership fee for special promotional schemes/events is accounted as income in the year in which it is received, (ii) membership fee from Time Share is recognised as income from the year the member starts availing the Time Share Week based on the week utilised/ lapsed, (iii) escalations/ claims are reckoned on the basis of receipts or as acknowledged/ accepted by the parties, (iv) income from civil engineering contracts is recognised on the basis of work done, measured and accepted by the contractee and contingencies in respect of contracts in progress are reckoned on the completion of the contracts and crystallisation of the liability, (v) income from consultancy services are accounted for on the basis of actual progress / technical assessment of the work executed as per technical evaluation done by the management, (vi) revenues which are doubtful or where the possibility of recovery is remote, are not accounted for.

**b) Retirement Benefits**

Liability in respect of gratuity and leave encashment is provided on the basis of actuarial valuation.

**c) Fixed Assets**

Fixed assets are stated at cost of acquisition or construction inclusive of freight, erection & commissioning charges, duties and taxes, expenditure during construction period, interest on borrowings and financing costs upto the date of acquisition/ installation.

**d) Capital Work in Progress**

i) Capital work in progress includes Civil Works in progress, construction / erection materials lying at site, machinery/ equipment in transit / in hand, payment to labour contractors, depreciation on assets used for construction and other pre-operative expenses.

ii) Expenditure During Construction : (a) The project cost is capitalised on the date the project is ready commercially. The incidental expenditure incurred during construction/ implementation is allocated to all the assets in the ratio of direct cost of each asset. (b) Depreciation on machinery and equipments used during construction/ implementation period is capitalised along with other incidental expenses in the ratio as mentioned in d (ii) (a) above.

**e) Intangible Assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation. Deferred Revenue Expenditure is amortised in case of leased assets over the useful life of the leasehold rights and fees paid to the Franchiser is amortised over a period of five years, on a straight line basis, commencing from the date the assets are put for commercial use.

**f) Depreciation**

Depreciation has been provided on straight line method on pro-rata basis as per rates given in Schedule XIV to the Companies Act, 1956 as revised from time to time.

**g) Inventories**

i) Stocks of Food and Beverages, operating stores and supplies are valued : at cost

ii) Work-in-Progress in respect of civil contracts is valued : at estimated cost

iii) Construction material is valued : at cost

**h) Investments**

Long-term investments are stated at cost. In case of long term investments, provision / write down is made for permanent diminution in value. Current investments are valued at lower of cost or market value. Dividend is accounted for as and when received.

**i) Foreign Currency Transaction**

Transactions in foreign currencies are recorded at the exchange rate(s) prevailing on the date of the transaction(s) or at the exchange rate(s) under related forward exchange contracts. Transactions not covered by forward exchange contracts and outstanding in the books as at the end of the year are translated at year end exchange rate(s) and resultant gains/ losses are recognised in the profit and loss account.

**j) Expenses on Renewal / Upgradation of Hotel Properties**

i) Expenses incurred on renewals, renovation and changes to maintain the hotel properties are charged to the revenue account in the year in which these are incurred.

ii) Expenses incurred on major re-structuring involving relocation and redesigning of various outlets, guest floor and additions thereto effecting enhancement in the value of assets and revenue generating capacity of the hotel, are capitalised.

**k) Contract Expenses**

i) Costs incurred before a contract is secured are treated as expenses for the year and charged to revenue, ii) Costs attributable to contracts are normally identified with reference to specific contracts. However, costs which cannot be identified / identifiable to a specific contract are charged to revenue in the year in which they are incurred.

**l) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. Other borrowing costs are recognised as expense in the year in which they are incurred.

**m) Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**n) Proposed Dividend**

Dividend on Share Capital, if proposed by the Directors, is provided in the books.

**o) Impairment of Assets**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price or the value in use determined by the present



value of estimated future cash flows.

**p) Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

A disclosure for a contingent liability is made when, as a result of obligating events there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent Assets are neither recognised nor disclosed. However, Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**B. Notes on Accounts**

1. a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) is Rs.1530.83 Lacs (Previous Year Rs. 383.36 Lacs).
- b) Contingent Liabilities not provided for in respect of Outstanding Bank Guarantees of Rs. 86.80 Lacs (Previous Year Rs. 120.31 Lacs) and Letters of Credit of Rs.5.14 Lacs (Previous Year Rs. 5.14 Lacs) furnished by the bankers on behalf of the Company are secured by pledge of FDRs with banks of Rs. 12.63 Lacs (Previous Year Rs. 13.63 Lacs).
- c) The Joint Commissioner (Appeals) vide Order dated 31.05.2005 quashed the order of Assessing Authority, Trade Tax, Agra imposing demand of Rs. 241.72 Lacs for the financial year 1998-99 and directed the Assessing Authority to re-examine the case. The Company has filed a writ in the High Court, Allahabad against the said order to the extent of re-examination of the case by the Assessing Authority which has been admitted and interim order has been passed to stay the proceedings till writ is finally disposed off.
- d) The Company had imported Capital Goods under Export Promotion Capital Goods Scheme (EPCG), under which, the Company is required to fulfil export obligation equivalent to the duty saved on import. The Liability aggregating to Rs.99.12 Lacs (Previous year Rs.459.92 Lacs) may arise alongwith interest @ 15% p.a. as on 31st March, 2008 in the event of non-fulfillment of export obligation. However, the foreign exchange earnings of the Company are more than sufficient to meet the existing liabilities.
- e) In respect of demand of DVB for Rs. 9.82 Lacs, the Arbitrator appointed by High Court, Delhi decided the case in favour of the company and the company has moved an application before the High Court for confirmation of decree plus interest which is pending for final orders (Previous Year Rs. 9.82 Lacs).
- f) Demand raised for Rs.5.45 Lacs (Previous Year Rs.5.45 Lacs) by Nagar Palika Parishad, Mussoorie towards Conservancy Tax in respect of the hotel at Mussoorie which was on lease with the Company during 1998-99. The High Court, Nainital, Uttanchal quashed the demand and directed the District Court, Dehradun, Uttanchal to re-assess the liability based on the actual services rendered by Nagar Palika Parishad, Mussoorie. The matter is pending before the District Court, Dehradun for final orders. The liability is unascertained.

- g) Demand of Income Tax Department for the Assessment Year 2002-03 (Accounting Year 2001-02) for Rs. 12.32 Lacs (Previous Year 12.32 Lacs) though paid was quashed by the Income Tax Appellate Tribunal New Delhi. The Income Tax department has filed an appeal, which is pending before the Hon'ble High Court of Delhi.
- 2 i) Issued, subscribed and paid-up capital includes 43,20,000 fully paid-up equity shares allotted without payment being received in cash in terms of Scheme of Amalgamation implemented in 1983-84.
- ii) 4,00,49,943 equity shares of Rs. 10/- each fully paid-up, being 72.18% of the paid-up equity capital, are held by Jaiprakash Associates Limited, the holding Company.
- 3 **Secured Loans**
  - i) Long term loan from Oriental Bank of Commerce is secured by way of first charge on all the present and future immovable and movable properties / assets and fixed assets of the Company (excluding to the extent it is charged by way of primary security against cash credit facility from Indian Overseas Bank). The loan is further secured by personal guarantee(s) of some of the Directors of the Company.
  - ii) Cash Credit facility from Indian Overseas Bank is secured by way of first charge over the whole of the Inventories and Book Debts of the Company.
- 4 Conveyance Deed in respect of Ahmedabad office is yet to be executed. However, the Company has already taken possession from the Society viz. Sanukt Members Association, as per rules of the Society of which the Company is a member.
- 5 Capital Work in Progress Rs.138.37 Lacs (Previous Year Rs. 746.29 Lacs) includes "incidental expenses" Rs.5.61 Lacs (Previous Year Rs. 78.32 Lacs).
- 6 Balances with Scheduled Banks include Rs. NIL (Previous Year Rs. 2.31 Lacs) in Exchange Earners Foreign Currency Account.
- 7 Sundry Debtors includes Rs. 48,34,383/- due from Jaiprakash Associates Limited (JAL) - Holding Company) and Rs. 13,302/- from JIL Information Technology Limited and Rs. 1,44,497/- from Jaypee Infratech Limited - Associate and Fellow Subsidiaries respectively which are under the same management as per Section 370 (1B) of the Companies Act.
- 8 In the opinion of Board of Directors, the "current assets, loans and advances" have a value on realisation in the ordinary course of business atleast equal to the amount at which these are stated in the Balance Sheet.
- 9 No provision has been made in the accounts in respect of:
  - i) Demand raised by Income Tax Department for the Financial Year 2000-01 (Assessment Year 2001-02) for Rs. 23.14 Lacs (Previous Year Rs. 23.14 Lacs) though paid but contested by the Company. The matter is subjudice and pending before CIT (Appeals), New Delhi.
  - ii) Income Tax Demand towards penalty of Rs. 7.90 Lacs for the Financial Year 2002-03 (Assessment Year 2003-04) as per Order dated 31.03.2008. An appeal is being filed against the said order with C.I.T. (Appeals).
  - iii) Demand towards penalty and fine raised by Directorate General of Foreign Trade (DGFT) on import of cars under EPCG Licence. An appeal has been filed before the Additional Director General of Foreign Trade (Appeals) which is pending for final orders.



- 10 Based on the information/documents available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at March, 31 2008.
- 11 Wherever the balance confirmation is not available from the parties, the balances as appearing in the books of account have been considered.
- 12 Depreciation on fixed assets has been provided on straight line method on prorata and on single shift basis as under: -
- On assets acquired after 16.12.93 as per revised rates given in Schedule XIV made applicable w.e.f 16.12.93.
  - On assets acquired after 02.04.87 but before 16.12.93 on the rates given in schedule XIV applicable prior to 16.12.93.
  - On assets acquired prior to 02.04.87 on the rates specified in Income Tax Act, 1961 in the respective years of acquisition.
  - Depreciation amounting to Rs.54.74 Lacs on assets of Jaypee Vasant Continental for the year 1986 - 87 had not been provided as the Hotel remained closed during that year.
  - In case of addition made to the existing fixed assets, the rate of depreciation has been reworked on the balance determined life of the particular asset.
  - Leasehold land (Perpetual Lease) in respect of both the hotels at Delhi are not being amortised.
- 13 During the year, the Company satisfied the demand of Custom authorities on account of Custom Duty, interest and fine as per the orders of Settlement Commission dated 27.02.2008 and the payment so made has been adjusted in the 'Books of Accounts' appropriately.
- 14 The proportionate amount of depreciation of Rs. 1.43 Lacs on revalued assets provided during the year has been set off against Revaluation Reserve.
- 15 i) Interest under the head Interest And Financial Charges includes Rs. 310.49 Lacs (Previous Year Rs. 388.19 Lacs) paid to bank on Term Loans and Rs. 127.52 Lacs paid to Custom Authorities on the shortfall in the assessed liability of Custom Duty deposited.
- ii) As the life span of the hotel accounting software is short due to constant technological upgradation, the cost of software amounting to Rs. 23.36 Lacs has been considered as Repair & Maintenance (Others).
- iii) Miscellaneous expenses under the head Administrative expenses includes net balance of prior period income and expense amounting to Rs. 2.81 Lacs.
- 16 The provision for tax charged to the Profit & Loss Account has been made as per the provisions of Income Tax Act, 1961.
- 17 Remuneration paid to Managing and Whole-time Directors (included in Schedule No. 17)

| Sr. No. | Particulars                 | 2007-08<br>(Rs. Lacs) | 2006-07<br>(Rs. Lacs) |
|---------|-----------------------------|-----------------------|-----------------------|
| i)      | Salary                      | 43.49                 | 38.71                 |
| ii)     | HRA / Rent                  | 20.99                 | 20.19                 |
| iii)    | Perquisites                 | 5.31                  | 6.94                  |
| iv)     | Provident Fund              | 5.22                  | 4.64                  |
| v)      | Gratuity & Leave Encashment | 3.50                  | 4.00                  |
|         | <b>Total</b>                | <b>78.51</b>          | <b>74.48</b>          |

- 18 Salary & Benefits in Construction Division consist of followings (Included in Schedule No 20)

| Sr. No. | Particulars  | 2007-08<br>(Rs. Lacs) | 2006-07<br>(Rs. Lacs) |
|---------|--|-----------------------|-----------------------|
| i)      | Salary, Wages & Bonus                                  | 47.83                 | 46.53                 |
| ii)     | Company's Contribution to Provident Fund & other funds | 2.47                  | 2.37                  |
| iii)    | Staff Welfare Expenses                                 | 0.00                  | 0.04                  |
| iv)     | Other Benefits   | 3.18                  | 2.73                  |
| v)      | Gratuity   | 0.93                  | 0.65                  |
|         | <b>Total</b>   | <b>54.41</b>          | <b>52.32</b>          |

- 19 Interest on Security deposits with government departments has been accounted for on cash basis.
- 20 The Value of 'Input service' availed during the financial year has been accounted for 'net of service tax' in the books and admissible credit has been availed against service tax payable on 'taxable output services' as per CENVAT Credit Rules, 2004.
- 21 (a) In terms of 'Accounting Standard (AS) 28', the assets are not impaired because the recoverable amount of fixed assets collectively determined by the present value of estimated future cash flows is higher than its carrying value.
- (b) Disclosures under Accounting Standard - 7 (Revised)

| Rs. in Lacs |   |   |                     |
|-------------|---|---|---------------------|
| Sl. No.     | Particulars   | For F.Y.<br>2007-08   | For F.Y.<br>2006-07 |
| (i)         | Contract Revenue  | 3750.04   | 1744.78             |
| (ii)        | Method used to determine the Contract Revenue                             | As disclosed in Accounting Policies Schedule 22 Item (A) (1) (a) (iv) |                     |
| (iii)       | Method used to determine the Stage of Completion of Contracts in Progress | Based on "Surveys of work performed"                                  |                     |
| (iv)        | <b>For Contracts in Progress</b>  |   |                     |
|             | (a) Aggregate amount of Cost incurred                                     | 3110.99   | 1468.52             |
|             | (b) Recognised Profits (less recognized losses)                           | 639.05  | 276.26              |
|             | (c) Retentions (During the years)   | 93.75   | 43.62               |
|             | (d) Retentions (Cumulative)   | 250.84  | 157.09              |

The above figures pertain to the contracts which were in progress (not completed) in the respective financial years.

- 22 **Segment Information for the year ended 31st March, 2008**  
Segment - wise Revenue, Results and Capital Employed.  
Previous Year's figures are indicated in brackets

| Rs. in Lacs |   |                          |                        |                        |                          |
|-------------|---|--------------------------|------------------------|------------------------|--------------------------|
| S. No.      | Particulars   | Hotel                    | Construction           | Un-allocable           | Total                    |
| A.          | <b>Segment Revenue</b>  |                          |                        |                        |                          |
|             | External  | 13,251.28<br>(11,058.98) | 3,751.15<br>(1,744.78) | 288.83<br>(276.33)     | 17,291.26<br>(13,080.09) |
|             | Inter - Segment   | (-)                      | (-)                    | (-)                    | (-)                      |
|             | Total Revenue   | 13,251.28<br>(11,058.98) | 3,751.15<br>(1,744.78) | 288.83<br>(276.33)     | 17,291.26<br>(13,080.09) |
| B.          | <b>Segment Results</b>  |                          |                        |                        |                          |
|             | (Profit/ Loss (-), before tax and Interest from each segment) | 3,011.74<br>(2,375.85)   | 640.15<br>(272.84)     | -396.78<br>((-)108.34) | 3,255.11<br>(2,540.35)   |
|             | Less: Interest Expenses                                       |                          |                        | 438.94<br>(391.20)     | 438.94<br>(391.20)       |
|             | Profit/ (-) Loss before Taxation                              | 3,011.74<br>(2,375.85)   | 640.15<br>(272.84)     | -835.72<br>((-)499.54) | 2,816.17<br>(2,149.15)   |
|             | Provision for Taxation (Current)                              |                          |                        |                        | 358.16<br>(793.40)       |
|             | Provision for Taxation (Deferred)                             |                          |                        |                        | 661.04<br>((-)36.79)     |
|             | Provision for Fringe Benefit Tax (FBT)                        |                          |                        |                        | 43.00<br>(30.00)         |
|             | Net Profit after Tax  |                          |                        |                        | 1,753.97<br>(1,362.54)   |



| C. Segment - Other Information |             |          |            |             |
|--------------------------------|-------------|----------|------------|-------------|
| Segment Assets                 | 22,625.82   | 1,799.01 | 11,970.10  | 36,394.93   |
|                                | (20,499.68) | (219.26) | (4,978.13) | (25,697.07) |
| Segment Liability              | 1,931.97    | 155.24   | 13,818.60  | 15,905.81   |
|                                | (1,822.19)  | (109.79) | (3,289.46) | (5,221.44)  |
| Loans (Liabilities)            | 20.14       | -        | 2,151.36   | 2,171.50    |
|                                | (-)         | (-)      | (3,392.64) | (3,392.64)  |
| Capital Expenditure            | 1,407.32    | -        | 2,038.55   | 3,445.87    |
|                                | (1,101.61)  | (-)      | (22.36)    | (1,123.97)  |
| Depreciation and amortisation  | 929.52      | -        | 199.80     | 1,129.32    |
|                                | (801.70)    | (-)      | (189.34)   | (991.04)    |

Note : Previous year's figures have been regrouped/ rearranged wherever found necessary

### 23 Earning Per Share

Earning per share is calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

| Particulars  | As on 31.03.08 | As on 31.03.07 |
|--|----------------|----------------|
| Profit after Taxation (Rs. In Lacs)  | 1753.97        | 1362.54        |
| Weighted average number of shares (in nos.)                                | 55490000       | 55490000       |
| Earning per share (Basic and Diluted) (in Rs.)                             | 3.16           | 2.46           |
| Face Value per share (in Rs.)  | 10             | 10             |
| (there has been no change during the year in the number of equity shares.) |                |                |

### 24. Related Parties :-

#### i) Relationship and names of related parties

##### a) Holding Company

-Jaiprakash Associates Limited

##### c) Associates

- Indesign Enterprises Private Limited  
- Jaypee Ventures Private Limited  
- JIL Information Technology Limited  
- Gaur & Negi Limited  
- Jaiprakash Kashmir Energy Ltd.  
- RPJ Minerals Pvt. Ltd.  
- Sonebhadra Minerals Pvt. Ltd.  
- Jaypee Development Corporation Ltd.  
(Subsidiary of Jaypee Ventures Pvt. Ltd.  
W.e.f. 05.12.07)

##### b) Fellow Subsidiaries

- Jaiprakash Hydro - Power Limited  
- Jaiprakash Power Ventures Limited  
- Jaypee Karcham Hydro Corporation Limited  
- Madhya Pradesh Jaypee Minerals Limited  
- Gujrat Anjan Cement Limited S/o JCL  
- Jaypee Powergrid Limited  
(JV subsidiary of Jaiprakash Hydro-power Ltd.)  
- Jaypee Cement Limited  
- Himalyan Expressway Ltd. (w.e.f. 25.05.07)  
- JPSK Sports Pvt. Ltd. (w.e.f. 07.03.08)  
- Jaypee Ganga Infrastructure Corporation Ltd.  
(w.e.f. 18.03.08)  
- Bhilai Jaypee Cement Ltd. (w.e.f. 11.04.07)  
- Gujarat Jaypee Cement & Infrastructure Ltd.  
(w.e.f. 26.12.07)  
- Bokaro Jaypee Cement Ltd. (w.e.f. 13.03.08)  
- Jaypee Inftratech Limited

##### d) Key Management Personnel

- Sh. Ravi Sreen, Managing Director  
w.e.f. 01.11.2007  
- Smt. Manju Sharma - Wholtime  
Director  
- Sh. S.G. Awasthi, Managing Director  
upto 10.09.2007  
- Sh. Shashank P. Warty - Wholtime  
Director upto 10.01.2008

#### ii) Related party transaction (Previous year's figures are indicated in brackets): -

| S. No. | Particulars                   | Holding Company    | Fellow Subsidiaries | Associates  | Key Mgmt. Personnel |
|--------|-------------------------------|--------------------|---------------------|-------------|---------------------|
| 1      | Purchases Goods and Materials | 7.61<br>(11.80)    | -<br>(-)            | -<br>(-)    | -<br>(-)            |
| 2      | Sales Goods and Materials     | 169.90<br>(149.76) | 29.55<br>(4.93)     | 5.64<br>(-) | -<br>(-)            |
|        | Shares                        | 0.00<br>(1,600.00) | -<br>(-)            | -<br>(-)    | -<br>(-)            |

|   |  |                      |            |          |          |
|---|--|----------------------|------------|----------|----------|
| 3 | Expenses   | 2,043.10             | -          | -        | -        |
|   | a) Collaboration Fee                               | (81.49)              | (-)        | (-)      | (-)      |
|   | b) Hire Charges (Machinery/ Equipment)             | 2,168.23<br>(687.15) | -<br>(-)   | -<br>(-) | -<br>(-) |
|   | c) Remuneration                                    | -                    | -          | -        | 78.52    |
|   |  | (-)                  | (-)        | (-)      | (74.48)  |
| 4 | Income   | 3,750.04             | -          | -        | -        |
|   | a) Construction work receipts                      | (1,744.78)           | (-)        | (-)      | (-)      |
|   | b) Services Provided                               | 243.86<br>(245.84)   | -<br>(-)   | -<br>(-) | -<br>(-) |
|   | c) Leasing and Hire Charges Received               | 51.60<br>(53.40)     | -<br>(-)   | -<br>(-) | -<br>(-) |
|   | d) Dividend Received                               | -                    | -          | 0.00     | -        |
|   |  | (-)                  | (-)        | (12.39)  | (-)      |
| 5 | Outstanding Balances                               | -8,519.43            | 1.44       | 0.13     | -        |
|   | a) Receivables / Payable (-)                       | (123.02)             | (1.76)     | (-)      | (-)      |
|   | b) Advance Against Lease - hold Land (Dr. balance) | -                    | 9,043.27   | (-)      | (-)      |
|   |  | -                    | (2,043.27) | (-)      | (-)      |
|   | c) Retention Money Recoverable                     | 250.84<br>(171.95)   | -<br>(-)   | -<br>(-) | -<br>(-) |

### 25 Additional Information pursuant to provisions of Schedule - VI, part - II of the Companies Act, 1956

A) Pursuant to the requirement of Section 211 (4) of the Companies Act, 1956, the Company has applied to Department of Company Affairs on 31st October, 2007 for granting waiver from giving quantitative details of Turnover, Opening and Closing Stock, purchase, Production and Consumption of Raw Materials. This application is pending with the Department of Company Affairs as on date.

B) Value of raw materials, stores and spare parts consumed during the year

|  | Current Year (Rs.) | %       | Previous Year (Rs.) | %       |
|--|--------------------|---------|---------------------|---------|
| i) Provisions, Beverages (excluding Wines & Liquor) and smokes |                    |         |                     |         |
| Indigeneous  | 93,535,034         | 100%    | 78,450,863          | 100.00% |
| Imported   | 0                  | 0.00%   | 0                   | 0.00%   |
|  | 93,535,034         | 100%    | 78,450,863          | 100.00% |
| ii) Wine and Liquor  |                    |         |                     |         |
| Indigeneous  | 6,573,359          | 53.00%  | 7,020,829           | 61.22%  |
| Imported   | 5,897,558          | 47.00%  | 4,446,495           | 38.78%  |
|  | 12,470,917         | 100.00% | 11,467,324          | 100.00% |

|  | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| C) CIF Value of Imports                          |                    |                     |
| i) Provisions ( Materials)                       | Nil                | Nil                 |
| ii) Wine and Liquor                              | 2,559,515          | 2,025,722           |
| iii) Capital Goods                               | 23,402,044         | 26,943,881          |
| iv) Stores and spares                            | 3,407,050          | 21,503,028          |
| v) Others  | 1,449,597          | 1,645,851           |
| D) Expenditure in Foreign Currency on account of |                    |                     |
| i) Travelling                                    | 1,083,508          | 1,753,679           |
| ii) Consultancy Fees                             | 595,619            | 548,010             |
| iii) Royalty                                     | 2,080,046          | 2,206,316           |
| iv) Franchisee fees (Net of Taxes)               | 0                  | 1,462,359           |



# JAYPEE HOTELS LIMITED

|      |  |         |         |      |  |             |             |
|------|--|---------|---------|------|--|-------------|-------------|
| v)   | Others   | 121,144 | 107,231 | i)   | As reported by the management to the Department of Tourism, Government of India  | 243,678,265 | 174,182,966 |
| E)   | Details of Dividend (net of tax) paid to Non- resident shareholders holding shares on repatriation basis |         |         | ii)  | Convertible Foreign Exchange received in Indian Currency through agents on behalf of foreign tourists (as certified by the management) | 238,744,861 | 182,229,104 |
| i)   | Year in which dividend Paid  | 2007-08 | 2006-07 | iii) | Dividend   | 0           | 1,236,884   |
| ii)  | Year to which dividend relates   | 2006-07 | 2005-06 | 26   | All figures have been rounded off to the nearest rupee.  |             |             |
| iii) | Rupee equivalent of amount payable in foreign currency   | 31,500  | 41,220  | 27   | Previous year's figures have been rearranged/ regrouped wherever found necessary so as to make it comparable with the current year.    |             |             |
| iv)  | No. of Non- resident shareholders  | 321     | 318     |      |  |             |             |
| v)   | No. of shares held by them   | 190,701 | 191,776 |      |  |             |             |
| F)   | Earnings in Foreign Exchange   |         |         |      |  |             |             |

As per our report of even date attached

For and on behalf of the Board

For LC KAILASH AND ASSOCIATES  
Chartered Accountants

**P.N. Kumar**  
Company Secretary &  
Jt. President (Comm.)

**Ravi Sreen**  
Managing Director

**L.C. Gupta**  
Sr. Executive Partner (M.No. 5122)

**R.K. Anand**  
Jt. President (Finance)

**P.K. Jain**  
Director

Place : New Delhi  
Dated : 15th April, 2008

**Manju Sharma**  
Whole Time Director





## CASH FLOW STATEMENT

For the year Ended 31st March, 2008

|  | Current Year<br>(Rs.'000) | Previous Year<br>(Rs.'000) |
|--|---------------------------|----------------------------|
| <b>A. Cash Flows from Operating Activities</b>                 |                           |                            |
| Net Profit before Taxation and Extraordinary items             | 281,617                   | 215,072                    |
| <b>Adjustments for :</b>                                       |                           |                            |
| Loss on Sale of Fixed Assets                                   | 1,252                     | 671                        |
| Depreciation and amortisation                                  | 112,932                   | 99,104                     |
| Management and consultancy fees                                | (19,854)                  | (20,108)                   |
| Interest / Dividend Income                                     | (1,898)                   | (2,255)                    |
| Interest Expenses  | 43,894                    | 39,120                     |
|  | 136,327                   | 116,531                    |
| <b>Operating Profit before Working Capital Changes</b>         | <b>417,944</b>            | <b>331,604</b>             |
| <b>Adjustment for :</b>  |                           |                            |
| (Increase) / Decrease in Inventories                           | (4,107)                   | (18,764)                   |
| (Increase) / Decrease in Sundry Debtors                        | (11,837)                  | (9,837)                    |
| (Increase) / Decrease in Loans and Advances                    | (847,631)                 | (27,688)                   |
| Increase / (Decrease) in Current Liabilities                   | 1,028,282                 | 25,728                     |
| <b>Cash Generated from Operations</b>                          | <b>582,651</b>            | <b>301,043</b>             |
| Income Tax (Paid) / Refunds                                    | (48,529)                  | (67,714)                   |
| <b>Cash Flow before Extra Ordinary Items</b>                   | <b>534,123</b>            | <b>233,329</b>             |
| Prior Period (Expenses)  | 0                         | (158)                      |
| <b>Net Cash from Operating Activities</b>                      | <b>534,123</b>            | <b>233,171</b>             |
| <b>B. Cash Flows from Investing Activities</b>                 |                           |                            |
| Purchase of Fixed Assets & CWIP                                | (283,795)                 | (122,888)                  |
| Interest Received  | 1,821                     | 3,684                      |
| Dividend Received  | 0                         | 1,239                      |
| Sale of Fixed Assets   | 296                       | 794                        |
| (Increase) / Decrease in Investments                           | 0                         | 160,000                    |
| (Loss) / Gain from other activities (Net)                      | 19,854                    | 20,108                     |
| <b>Net Cash used in Investing Activities</b>                   | <b>(261,824)</b>          | <b>62,937</b>              |
| <b>C. Cash Flow from Financing Activities</b>                  |                           |                            |
| Decrease in Borrowings   | (123,114)                 | (126,710)                  |
| Interest Paid  | (43,894)                  | (39,234)                   |
| Dividend including tax on dividend paid                        | (116,857)                 | (113,890)                  |
| <b>Net Cash realised from Financing Activities</b>             | <b>(283,865)</b>          | <b>(279,834)</b>           |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (11,567)                  | 16,274                     |
| Cash and cash equivalents as at 01.04.07 (Opening Balance)     | 73,681                    | 57,407                     |
| Cash and cash equivalents as at 31.03.08 (Closing Balance)     | 62,114                    | 73,681                     |

## Notes:

- Cash and cash equivalents include :
 

|                          |        |        |
|--------------------------|--------|--------|
| Cash and cheques in hand | 7,153  | 13,957 |
| With scheduled Banks     |        |        |
| In Current Accounts      | 12,956 | 22,801 |
| In Cash Credit Account   | 41,833 | 24,378 |
| In Fixed Deposit Account | 171    | 12,545 |
|                          | 62,114 | 73,681 |
- Against working capital cash credit limit of Rs. 200 Lacs (P.Y. Rs. 300 Lacs) sanctioned by the Bank the outstanding balance as on 31st March, 2008 is Rs. Nil (P.Y. Rs. Nil)
- Tax Paid / Refunds are treated as arising from Operating Activities and are not bifurcated between Investing and Financing activities.
- Previous year's figures have been rearranged / regrouped wherever found necessary.

As per our report of even date attached

For and on behalf of the Board

For LC KAILASH AND ASSOCIATES  
Chartered AccountantsP.N. Kumar  
Company Secretary &  
Jt. President (Comm.)Ravi Sreen  
Managing DirectorL.C. Gupta  
Sr. Executive Partner (M.No. 5122)R.K. Anand  
Jt. President (Finance)P.K. Jain  
DirectorPlace : New Delhi  
Dated : 15th April, 2008Manju Sharma  
Whole Time Director


**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**(Rs. '000)**

|   |                |
|---|----------------|
| <b>a) Registration Details</b>  |                |
| Registration No.  | 24224          |
| State Code  | 20             |
| Balance Sheet Date  | 31.03.2008     |
| <b>b) Capital raised during the year</b>  |                |
| Public Issue  | Nil            |
| Rights Issue  | Nil            |
| Bonus Issue   | Nil            |
| Private Placement   | Nil            |
| <b>c) Position of mobilisation and deployment of funds</b>  |                |
| Total Liabilities   | 2,048,912      |
| Total Assets  | 2,048,912      |
| <b>SOURCES OF FUNDS</b>   |                |
| Paid-up Capital   | 554,900        |
| Reserves & Surplus  | 878,590        |
| Secured Loans   | 215,136        |
| Security Deposit  | 2,014          |
| Deferred Tax  | 398,272        |
| <b>APPLICATION OF FUNDS</b>   |                |
| Net Fixed Assets & CWIP   | 2,029,261      |
| Investments   | 7,158          |
| Net Current Assets  | 12,492         |
| <b>d) Performance of the Company</b>  |                |
| Turnover ( including Other Income )   | 1,729,126      |
| Total Expenditure   | 1,334,577      |
| Profit before taxation  | 281,617        |
| Profit after taxation   | 175,397        |
| Earning per share ( Rs. )   | 3.16           |
| Dividend Rate ( % )   | 18             |
| <b>e) Generic names of three principal products/ services of the Company(as per monetary terms)</b> |                |
| Item Code ( ITC Code )  | N.A.           |
| Product/Services  | Hotel Services |

As per our report of even date attached

For and on behalf of the Board

For LC KAILASH AND ASSOCIATES  
Chartered Accountants

**P.N. Kumar**  
Company Secretary &  
Jt. President (Comml.)

**Ravi Sreen**  
Managing Director

**L.C. Gupta**  
Sr. Executive Partner (M.No. 5122)

**R.K. Anand**  
Jt. President (Finance)

**P.K. Jain**  
Director

Place : New Delhi  
Dated : 15th April, 2008

**Manju Sharma**  
Whole Time Director

**28<sup>TH</sup> ANNUAL GENERAL MEETING****JAYPEE HOTELS LIMITED**

Regd. Office: Jaypee Palace,  
Near Tora Village, Fatehabad Road, Agra – 282003  
H.O: Jaypee Vasant Continental, Vasant Vihar, New Delhi-110057

**PROXY**

| NAME(S) OF THE SHAREHOLDER (S)<br>(IN BLOCK LETTERS) | No. OF SHARES | REGD. FOLIO No./<br>DP ID No. & CLIENT ID No. |
|--|---------------|---|
|  |               |   |

I/We being member(s) of JAYPEE HOTELS LIMITED hereby appoint

Shri/Smt. \_\_\_\_\_

and failing him/her Shri/Smt. \_\_\_\_\_

Address \_\_\_\_\_

as proxy to attend and vote for me/us on my/our behalf on the Twenty Eighth Annual General Meeting of the Company to be held at 10.30 A.M. on Tuesday, the 22<sup>nd</sup> July, 2008 and at any adjournment thereof.

Signature/s \_\_\_\_\_

Date \_\_\_\_\_

Affix  
Revenue  
Stamp

- NOTES:
1. The form of proxy, duly filled & signed across Re 1/- revenue stamp should reach the Company's Registered Office / Head Office not less than 48 hours before the time fixed for meeting.
  2. Please fill in full particulars

----- PLEASE CUT HERE -----

**28<sup>TH</sup> ANNUAL GENERAL MEETING****JAYPEE HOTELS LIMITED**

Regd. Office: Jaypee Palace Hotel,  
Near Tora Village, Fatehabad Road, Agra – 282003  
H.O: Jaypee Vasant Continental, Vasant Vihar, New Delhi-110057

**ADMISSION CARD**

I/We hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of the Company to be held at Jaypee Palace Hotel, Near Tora Village, Fatehabad Road, Agra-282 003 (U.P.) on Tuesday, the 22<sup>nd</sup> July, 2008 at 10.30 A.M.

| NAME(S) OF THE SHAREHOLDER (S)<br>(IN BLOCK LETTERS) | No. OF SHARES | REGD. FOLIO No./<br>DP ID No. & CLIENT ID No. |
|--|---------------|---|
|  |               |   |

NAME OF THE PERSON ATTENDING THE MEETING \_\_\_\_\_  
SIGNATURE \_\_\_\_\_

(To be signed at the time of handing over the slip)

- NOTES:
1. Shareholders/ Proxy holders are requested to bring their Admission Card with them when they come to the meeting and hand it over at the gate after affixing their signatures thereon.
  2. **ENTRY FOR ONLY SHAREHOLDERS AND PROXIES.**
  3. The Company reserves the right to ask for identification of Shareholders / proxies
  4. This Admission Card is valid only in case shares are held on the date of the Annual General Meeting.
  5. For Security reasons, the Shareholders will not be allowed to carry handbag, briefcase or any other material inside the main gate.

*If undelivered please return to:*

JAYPEE HOTELS LIMITED  
H.O.: Jaypee Vasant Continental  
Vasant Vihar, New Delhi-110057



JAYPEE HOTELS

*You're among friends...*

AGRA • MUSSOORIE • NEW DELHI