

**PHOENIX TOWNSHIP LIMITED**

**REGISTERED OFFICE:** Durga Bhavan, Hede Centre, Tonca Panaji,Goa-403001.

Tel.: (91-832) – 6642 724/ 6453 265, Fax: (91-832) 2461394, E-mail: [compliance@hbgindia.com](mailto:compliance@hbgindia.com) ;  
Website: [www.hbgindia.com](http://www.hbgindia.com)

**CORPORATE OFFICE:** Balaji Bhavan, 2<sup>nd</sup> floor, 14, BEST Marg, Colaba, Mumbai 400001

Tel.: (91-22) – 6159 0900/ 2283 1312/ 2283 1325, Fax: (91-22) – 2202 8212,

E-mail: [compliance@hbgindia.com](mailto:compliance@hbgindia.com) ; Website: [www.hbgindia.com](http://www.hbgindia.com)

Contact Person: Mr. Lalan Kumar

Phoenix Township Limited was incorporated on February 10, 1993 under the Companies Act, 1956, as a Public Limited Company.

**INFORMATION MEMORANDUM FOR LISTING OF 13,984,260 EQUITY SHARES OF RS.10  
EACH FULLY PAID UP**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS  
INFORMATION MEMORANDUM**

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Phoenix Township Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Phoenix Township Limited taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

**ABSOLUTE RESPONSIBILITY OF PHOENIX TOWNSHIP LIMITED**

**PHOENIX TOWNSHIP LIMITED**, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Phoenix Township Limited, which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The Equity Shares of Phoenix Township Limited are proposed to be listed on the BSE Limited.

The Company has submitted this Information Memorandum with BSE and the same has been made available on the Company's website viz. [www.hbgindia.com](http://www.hbgindia.com) The Information Memorandum would also be made available in the website of BSE ([www.bseindia.com](http://www.bseindia.com))

## ADDRESS FOR CORRESPONDENCE

**CORPORATE OFFICE:** Balaji Bhavan, 2<sup>nd</sup> floor, 14, BEST Marg, Colaba, Mumbai 400001.

Tel.: (91-22) – 6159 0900/ 2283 1312/ 2283 1325, Fax: (91-22) – 2202 8212,

E-mail: [complaine@hbgindia.com](mailto:complaine@hbgindia.com); Website: [www.hbgindia.com](http://www.hbgindia.com)

Contact Person: Mr. Lalan Kumar, Compliance Officer.

## REGISTRAR AND SHARE TRANSFER AGENT

### ADROIT CORPORATE SERVICES PRIVATE LIMITED

17/20, Jaferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (East),  
Mumbai-400 059.

**Tel:** 022 2859 0942

022 4227 0400

**Fax:** 2850 3748

**Email:** - [sshetty@adroitcorporate.com](mailto:sshetty@adroitcorporate.com), [pratapp@adroitcorporate.com](mailto:pratapp@adroitcorporate.com)

**Website:** [www.adroitcorporate.com](http://www.adroitcorporate.com)

**Contact Person:** Mr. Pratap Pujare

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## SECTION I- GENERAL

### DEFINITIONS & ABBREVIATIONS AND INDUSTRY RELATED TERMS

In this Information Memorandum, the terms “We”, “us”, “our”, “the Company”, “our Company” or “PTL”, unless the context otherwise implies, refers to Phoenix Township Limited. all references to “Rs.” or “INR” refer to Rupees, the lawful currency of India; references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words “Lakh” or “Lac” mean “100 thousand” and the word “million” means “10 lakh” and the word “crore” means “10 million” or “100 lakhs” and the word “billion” means “1,000 million” or “100 crores”. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

“PTL” or “the Company” or “our Company” or “Issuer Company” or “we” or “us” or “our” or “Transferee Company”	Phoenix Township Limited Company incorporated under the provisions of the Companies Act, 1956, having its <b>registered office</b> at Durga Bhavan, Hede Centre, Tonca Panaji,Goa-403001
“ZFL” or the Transferor Company	Zuari Forex Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956, having its <b>registered office</b> at Durga Bhavan, Hede Centre, Tonca Panaji,Goa-403001
Scheme or Scheme of Amalgamation and Arrangement or Scheme of Amalgamation	Scheme of Amalgamation and Arrangement under Sections 391 to 394 of the Companies Act, 1956 amongst Phoenix Township Limited., Zuari Forex Limited and their respective shareholders, sanctioned by the High Court of Bombay at Panaji, Goa, Original jurisdiction on December 23, 2011, and effective from January 23, 2012.

**GENERAL TERMS AND ABBREVIATIONS**

<b>TERM</b>	<b>DESCRIPTION</b>
Act / Companies Act	The Companies Act, 1956 or the Companies Act, 2013 and amendments thereto
AGM	Annual General Meeting
A.Y	Assessment Year
A/C	Account
Appointed Date	1st July, 2010
Articles/ Articles of Association	Articles of Association of the Company
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Auditor	Refers to M/s. Bhattar & Co., Chartered Accountants, 307, Tulsiani Chambers, Nariman Point, Mumbai - 400 021, unless otherwise specified.
Board / Board of Directors	Board of Directors of the Company
PTL	Phoenix Township Limited
ZFL	Zuari Forex Limited
Bn	Billion
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Transferor Company	Zuari Forex Limited
Designated Stock Exchange	The designated Stock Exchange for the Issue shall be the BSE Limited
Depositories Act	The Depositories Act, 1996 and amendments thereto
Directors	Dr. Ram S. Tarneja , Dr. P.R. Hede, Mr. Samit Hede .Mr. D.M.Sukthankar , MR. Pralhad B.

	Desai Mr. Surendra A. Dave , Ms. Shibani Harlalka, residents of India and Mr. Paul Willcox resident of United Kingdom
DP	Depository Participant
Transferee Company	Phoenix Township Limited
Effective Date	Effective date means January 31, 2012, the date on which the certified or the authenticated copy of the Bombay High Court order under Section 391 and 394 of the Companies Act sanctioning the scheme was filed with Registrar of Companies, at Mumbai, Maharashtra.
EGM	Extraordinary General Meeting
Equity Share(s) or Share(s)	Means the Equity Share of the Company having a face value of Rs.10/-unless otherwise specified in the context thereof
Equity Shareholder	Means a holder of Equity Shares
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FERA	Foreign Exchange Regulation Act, 1973
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
Financial Year/Fiscal/FY	Financial year ending March 31
GOI	Government of India
HUF	Hindu Undivided Family
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements)Regulations 2009 issued by SEBI effective from September 3, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.

Industrial Policy	The industrial policy and guidelines issued there under by the Ministry of Industry, Government of India, from time to time
Investor(s)	Shall mean the holder(s) of Equity Shares of the Company as on the Record Date.
Indian GAAP	Generally accepted accounting principles in India
IT Act	The Income Tax Act, 1961 and amendments thereto
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Mn	Million
NAV	Net Asset Value
NBFC	Non Banking Finance Company
NR	Non Resident
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Promoter (s)	The Promoter, their relatives and group companies as enlisted in "Our Promoters and Promoter Group" on Page No.49 of this Information Memorandum
Capital or Share Capital	Share Capital of the Company
RBI	The Reserve Bank of India
Record Date	Friday, March 30, 2011, the date fixed by the Board of Directors of Resulting Company for the purpose of determining the Members of merged company to whom Equity Shares of the Resulting Company will be allotted pursuant to the scheme, as approved by the Bombay High Court at Panaji, Goa Original

	jurisdiction vide its order dated 23 <sup>rd</sup> December, 2011.
ROC	Registrar of Companies, Goa and Mumbai.
Resulting Company	Phoenix Township Ltd.
SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SIA	Secretariat of Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	Shall refer to the BSE where the Equity Shares of the Merged Company were earlier listed
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto
F & B	Food and Beverage
FHRAI	Federation of Hotel and Restaurant Association of India.
HRACC	Hotel Restaurant Approval and Classification Committee
ITDC	Indian Tourism Development Corporation
T & T	Travel and Tourism
Occupancy	Total number of rooms occupied divided by the total number of rooms available
WTTC	World Travel and Tourism Council
CLB	Company Law Board
N.A	Not Applicable



VAT	Value Added Tax
SCRR	Securities Contracts (Regulation), Rules, 1957, as amended from time to time.
PAN	Permanent Account Number
HVAC	Heavy Volume Air Conditioning
MOU	Memorandum of Understanding
CST	Central Sales Tax
Lac/Lakh	One Hundred Thousand

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from the financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India. Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are, unless otherwise stated, to the twelve-month period ended March 31, of that year.

In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

For definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Information Memorandum are to the Republic of India, together with its territories and possessions.

### **CURRENCY OF PRESENTATION**

All references to “Rupees” or “Rs.” or “Re.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

### **INDUSTRY AND MARKET DATA**

Unless stated otherwise, Industry data used throughout this Information Memorandum has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about the various other companies is based on their respective Annual Reports and information made available by the respective companies.

Further, the extent to which the market data presented in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## SECTION II- RISK FACTORS

### FORWARD-LOOKING STATEMENTS

We have included statements in this Information Memorandum, which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”.

Similarly, statements that describe our objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans, technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India;
- Exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments;
- Monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;

For further discussion on factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Scheme of Arrangement.

## RISK FACTORS

*An investment in Equity and Equity related securities involves a high degree of risk.*

*Prior to making an investment decision, prospective investors and purchasers should carefully consider all the information contained in this Information Memorandum, including the risks and uncertainties described below. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections entitled "Business Overview", and "Management's Discussion and Analysis" respectively, as well as the other financial and statistical information contained in this Information Memorandum. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

### **INTERNAL & EXTERNAL RISK FACTORS**

#### **INTERNAL RISK FACTORS AND RISK RELATING TO OUR BUSINESS**

*1. The success of our business is dependent on our ability to anticipate and respond to client requirements. In the event that we are unable to identify and understand contemporary and evolving customer tastes or to deliver quality service as compared to our competitors, it could adversely affect our business.*

Our company is in the hospitality industry and is driven by the quality of service we provide and meeting the expectations of our clients. We strive to keep up with the evolving client requirements to enhance our existing business and level of customer service. Owing to increase in competition, and in the event that we are unable to identify and understand contemporary and evolving customer tastes or to deliver quality service as compared to our competitors, it could adversely affect our business.

*2. Our senior management team and other key team members in our business units are critical to our continued success and the results of our operations may be adversely affected by the departure of our senior management and key personnel.*

Our growth and success is highly dependent on the continuance and performance of our team of key managers. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. Our failure to attract and retain talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business and financial performance. For details of our senior management team and key managerial personnel, please refer to the section titled "Our Management" of this Information Memorandum.

*3. We may fail to attract and retain trained employees as competition for skilled personnel is intense. In the event that we are unable to retain our existing employees or attract new talent, the performance of our business and results of operations may be adversely affected*

The industry in which we operate is dependent on the quality of people and our success depends largely upon our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with required skills in the geographic areas in which we operate. In the event that we are unable to retain our existing employees or attract new talent, the performance of our business and results of operations may be adversely affected.

**4. Our operations may be adversely affected if relations with employees were to deteriorate.**

Relations with employees could deteriorate due to disputes related to, among other things, salary, wages or benefit levels. Our operations rely heavily on employees and on the employees' ability to provide high-quality personal service to guests. Shortage of skilled labour or stoppage caused by disagreements with employees could adversely affect our ability to provide these services and could lead to reduced occupancy or potentially damage our reputation thereby adversely affecting our financial condition and results of operations.

**5. We may not be able to sustain effective implementation of our business and growth strategy.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we believe that we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

**6. We are subject to risks associated with the domestic and regional property markets.**

Our operations involve participation in the hotel property market. As a participant in such market, we may be unfavourably affected by factors such as a change in the domestic and regional economic situation in the place where a hotel property is located, such as a surplus of hotel rooms, a reduction in local demand for rooms as well as the related services, or increased competition in the sector. In addition, we may be adversely affected by factors specific to property markets, such as changes in interest rates, availability of financing sources, the general cost of land and buildings, legislation in the construction industry and hotel location requirements.

7. The Company has incurred loss for the period ended 30th September, 2013 amounting to Rs. (3,149,177). The Company had earned profits in the Past Financial Years 2012-13 Rs. 382,077, in 2011-12 is Rs. 170,099. There can be no assurance that we will not incur losses in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares going forward, restrict our ability to pay dividends and impair our ability to raise capital and expand our business

***8. We are subject to foreign currency exchange rate fluctuations. Any fluctuations that are not in our favour may adversely affect our financial condition and results of operations.***

During FY 2013, we earned approximately 44.48% of our total income in foreign exchange. Changes in the value of currencies with respect to the rupee may cause fluctuations in our operating results expressed in rupees, and a possible depreciation of the aforementioned currencies with respect to the rupee may have an unfavorable impact on such results. Appreciation of the rupee against various foreign currencies in which we earn revenues, could adversely affect our financial condition and results of operations since we may not always be able to increase our tariffs quoted in foreign currencies to compensate for Rupee appreciation. In the course of normal business, we may cover foreign exchange risks using standard market instruments, however, we cannot assure that we will be able to effectively mitigate the adverse impact of currency fluctuations on our operating results.

## 9. Exchange Rates

No one can predict the fluctuations of exchange rates around the world with complete accuracy. There are always variables that individuals, as well as companies do not see. Even if an algorithm is used to attempt and predict how the market will swing in a particular direction, prices can often rise or drop far swifter than anticipated. Stop loss measures can help avoid taking too large of a hit on an unexpected exchange rate swing, but it is still a risk that can affect any trader or broker. Such Exchange Rate fluctuations may affect our Business and Operating Result.

## 10. Credit Risks

There is always a risk that one of the parties involved in a foreign exchange transaction could fail to hold up their end of the bargain. This could be due to a lack of funds, bankruptcy, or such as when a bank declares insolvency. It is vitally important to work with organizations that have their credit worthiness regularly monitored in order to keep your credit risk at a minimum; otherwise, you could be left holding the short end of the stick, not to mention empty pockets and this may adversely affect functioning of the Company.

## 11. Exposure Risks

The FOREX is largely about exposure. The more money you have on the market, the more money you stand to gain...or lose. The greater the exposure, the greater the risk, but it is also true that the greater rewards can only be gained by being willing to risk larger sums. Still, given the risky nature of foreign exchange ventures as a whole, it is always wise to limit your exposure unless you are willing to accept the risks associated with putting a large bankroll on the line.

### *12. Increase in interest rates for loans availed by us from banks may adversely impact our results of operations.*

We avail term loans/ working capital loans from banks , from time to time to meet our expansion/ renovation or working capital requirements. These loans availed by us are subject to payment of interest. We are exposed to the risk of increase in interest rates by the banks for repayment of the loans availed by us. Any increase in expenses to be incurred by us while paying interest on the loans availed may have a material adverse effect on our business prospects, financial condition and result of operations.

### *13. We have contingent liabilities of Rs. 8,50,000/- towards Bank Guarantees given to Banks and in the event that such liabilities materialise, our financial condition may be adversely affected.*

### *14. In the event that operations of hotels/ Resort with whom we have entered into management service agreement are restricted or the hotel/ Resort is party to a litigation, by reason of the hotel/Resort management company i.e Sarovar Hotels & Resorts defaulting on any of their obligations, our reputation, business, results of operations and financial condition may be adversely affected.*

We have entered into management services agreements **With Sarovar Hotels & Resorts which** is a leading hotel/Resort management company and one of the fastest growing chain of hotels in India for management and operation of our Resort under our brand name "Phoenix Park Inn Resorts". Who are responsible for the marketing and Promotions of the said Resort, While we are responsible for the management and operations of the said Resort, Consequently, in the event of operations of the hotels being restricted or the hotel being party to a litigation, by reason of the hotel/Resort management company i.e **Sarovar Hotels & Resorts** defaulting on any of its obligations, our reputation, business, and financial condition may be adversely affected.

### *15. The unsecured loans taken by our Company can be recalled by the lenders at any time. In the event of the lenders exercising their right to recall the said loans, our financial position would be adversely affected.*

As on September 30, 2013, our Company had, availed of unsecured loans of Rs. 3,22,72,618. Unsecured loans are repayable on demand and may be recalled by our lenders at any time without notice, or with short notice, upon default or otherwise. If the lenders of such loans exercise their right to recall the said loans, it could have an adverse affect on the financial position of our Company.

***16. The hotel industry is cyclical and sensitive to changes in the economy and this could have a significant impact on our operations and financial results.***

The hotel business is cyclical and sensitive to changes in the economy in general. The hotel sector may be unfavorably affected by such factors as changes in the global and domestic economies, changes in local market conditions, excess hotel supply or reduced demand for hotel rooms and associated services, competition in the industry, changes in interest rates, inflation the availability of finance and other natural and social factors. Since demand for hotels is affected by economic growth in India as well as globally, a global or domestic recession could lead to a downturn in the hotel industry. Such adverse developments in the hotel industry in India or in the cities where our hotels are located would have a negative impact on our profitability and financial condition.

***17. We are subject to operating risks common in the hotel industry. In the event that we are unable to manage operating risks, our profitability and financial position would be adversely affected.***

Our financial results are affected by occupancy and room rate achieved by our hotels, our ability to control cost of developing and running additional rooms and the success of our food and beverage operations. Further our operating margins would be adversely affected by increase in electricity, insurance and environmental compliance expenses. Our hotels would have to be renovated periodically to keep up with the changing trends and such renovation may involve significant development and maintenance costs. Our inability to manage the above operating risk would have a negative impact on our profitability and financial position.

***18. Increased competition in the hotel sector may adversely affect the operation of our hotels, the results of our operations and our financial conditions.***

Hotels/Resort owned, managed or operated by us compete for guests with other hotels in a highly competitive industry. Our success would be dependent on our ability to compete in areas such as room rates, quality of accommodation, service levels, brand recognition among others. Most of our current operations are in Goa where we face competition from existing hotel players, international hotel chains and will also have to compete with any new hotel properties coming up in the city. We expect to face similar competition in the cities where we are expanding or have intentions of expanding. There can be no assurance that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the market in which we operate. Such developments would affect our ability to compete with them and have a negative impact on our profitability and financial condition.

***19. We may continue to be controlled by our Promoters as long as they own a majority of our Equity Shares, and our other shareholders may not be able to affect the outcome of shareholder voting during such time.***

Our Promoters and Promoter Group own approximately 77.20% of our issued Equity Share Capital. As a result, our Promoters and Promoter Group will have the ability to appoint the majority of the members of the Board, in accordance with the Companies Act and our Articles of Association, and determine the outcome of actions requiring the approval of our shareholders. The interests of our Promoter may conflict with the interests of our other investors, and one may not agree with actions they may take. Further, the extent of the Promoters' shareholding in us may result in delay or prevention of a change of management or control of the Company, even if such a transaction may be beneficial to our other shareholders.

***20. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, and capital expenditure.***

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows and capital expenditures. There can be no assurance that we will be able to pay dividends.

**EXTERNAL RISK FACTORS**

**1. A slowdown in economic growth in India could cause our business to suffer. Any slowdown in the Indian economy and the consequent impact on disposable income could adversely affect the Company's economy and consequently affect the results of operations.**

**2. Increased competition in the hotel sector may adversely affect the operation of the hotel**

The Hotel may compete for guests with other hotels in a highly competitive industry. The success of the hotel is dependent on its ability to compete in areas such as room rates, quality of accommodation, service levels, and brand recognition, among others. There can be no assurance that new or existing competitors will not lower their rates or offer greater convenience, services or amenities than those which we will be able to provide, or expand or improve facilities in the markets in which we currently operate or propose to operate. Such developments would affect its ability to compete with them and have a negative impact on its profitability and financial condition. Historically, large multinational hotel chains have not invested in establishing a major presence in India. In the past few years, certain international hotel chains such as Hilton and JW Marriott have begun to increase their presence in India, mainly through management and/or marketing arrangements. Further, hotel groups including Four Seasons and Shangri-La have also entered the Indian market. Major international hotel chains may have some competitive advantages over domestic Indian hotel companies due to their global spread of operations, greater brand recognition and greater marketing and distribution networks.

**3. The hotel industry is subject to numerous regulations.**

The Company is subject to numerous laws and regulations in the jurisdiction in which it operates, including those relating to the preparation and sale of food and beverages, such as health and safety laws. The success of the Company's strategy to set up the hotel properties is contingent upon, among other things, receipt of all required licenses, permits and authorizations, including local land use permits, building and zoning permits, environmental, health and safety permits. Failure to obtain the licenses or permissions could lead to increased costs and delay or prevent completion of the construction or opening of the hotels.

**4. The hotel industry being sensitive to changes in the economy, the Company's operations and profitability may be affected by such changes.**

The hotels / resorts industry is typically impacted by various variables such changes in the world economy, Indian economy, changes in local laws, excessive supply of hotel rooms, reduction in demand for rooms, industry competition etc. All or any of this could lead to a downturn in the hotel industry. This could affect the Company's business operations and profitability.

**5. Dependence on Tax Benefits and Incentives**

The hotel industry presently enjoys certain incentives and concessions by the State as well as Central Government. In case, these are changed or withdrawn, there could be an adverse impact on the hotel industry.



**6. Disruptions or lack of basic infrastructure could adversely affect our operations.**

Being a service industry, the hotel needs continuous supply of power and water and any disruption in these utilities may affect the operations of the hotel and the services to the guests and hence could have an adverse effect on the business, results of operations and financial condition of the Company.

**7. Acts of terrorism, riots or war in India or across the world may affect Indian and worldwide economic markets.**

Acts of terrorism, riots or war in India or across the world may affect Indian and worldwide economic markets. These acts would result in reduction in businesses, travels, tourism thus adversely resulting in loss of business and profitability to the Company.

**8. The Company's operations could be affected by natural calamities at or in the vicinity of its properties.**

The operations of the hotels are dependent on the Company's ability to protect its properties from any natural calamity such as fire, earthquakes, floods, natural and similar events. The occurrence of a natural disaster or other unanticipated problems at its hotel properties can cause interruptions in its operations. Any damage or failure that causes interruptions in its operations could have a negative impact on its profitability and financial condition.

**9. Drastic changes in political situation in India may affect Company's business**

The Company's performance is linked to the stability of Government policies and the political situation in India. The Government of India, for more than a decade and a half, has relentlessly pursued pro-reform policies, thus encouraging privatization and public-private partnerships. Protests and anti-reform agitations could slow the pace of liberalisation and deregulation. This could have a resultant impact on policies related to hotel industry, foreign investment, currency exchange rates etc.

We may change our business plan and consequently our fund *requirements may change*.

*A failure / inability to manage our growth could disrupt our business and reduce profitability:*

*Our profitability is very difficult to predict and are highly dependent upon various internal and external factors which can lead to Uncertainty in the Profits. This may result in fluctuation in the Share Prices of the Company.*

We are subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India. New laws/rules and changes in any law and application of current laws/rules could affect the manner of operations and profitability.

We might not be able to implement our plans, the way we formed them and may not be able to strategize our plans effectively due to various changing factors beyond our control.

As a result of the above factors there may be significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

After this listing, the prices of the Company's equity shares may be volatile, or an active trading market for the Company's equity shares may not develop.

There has been no public market for the Company's equity shares till now and the prices of the Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. The Company's share price could be volatile.

## SECTION III- INTRODUCTION

### SUMMARY OF INDUSTRY OVERVIEW

*The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites/publications. Industry websites/publications generally state that the information contained in therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Information Memorandum is reliable, it has not been independently verified.*

Worldwide the Travel & Tourism ("T&T") activity encompasses transport, accommodation, catering, recreation and services for visitors. This is one of the world's priority industries and generates significant employment opportunity for the economies globally.

#### **OVERVIEW - HOTEL INDUSTRY**

A touch of tenderness, a helping hand, a welcoming visage... the Indian hospitality sector is certainly the most apt replication of the belief 'Atithi devo bhava'. Good quality products and services at affordable prices should be the USP of any successful venture - and hotels in the country boast of exactly this.

According to the world travel and tourism council, the growth in the hospitality industry is pegged at 15% every year, and with 2,00,000 rooms (both luxury and budget) needed in the country, the segment is poised for a stupendous growth.

#### **Travel tales**

While the high influx of foreign tourists has ensured huge footfalls for the sector over the years, internal tourism too has, off late, begun offering great potential. With travellers taking new interests in the country, players in the hospitality sector have had to offer the best of services, at affordable prices. Also, with the USD 23 billion software services sector pushing the Indian economy skywards, more and more IT professionals are flocking to Indian metro cities, thus signaling a boom time for the hotel and hospitality segment. Several other factors such as Commonwealth Games in Delhi are fuelling the need further.

#### **The best bet**

The Indian hospitality industry is projected to grow at a rate of 8.8% between 2007-16, placing India as the second-fastest growing tourism market in the world. Initiatives like massive investment in hotel infrastructure and open sky policies made by the government are all aimed at propelling growth in the hospitality sector.

The government's decision to substantially upgrade 28 regional airports in smaller towns and privatization & expansion of Delhi and Mumbai airport has improved the business prospects of hotel industry in India. Also, the upgrading of national highways connecting various parts of India has opened new avenues for the development of budget hotels in India. Couple this with the availability of qualified human resources and the hospitality sector has already got great growth prospects.

## **The right call**

A focus on quality, behaviour-based evaluation, market choice and market response has predominantly shaped the State's hospitality industry. Increased competition and increase in demand has consolidated the hospitality segment, whilst opening up a plethora of opportunities. Fierce competition has led to innovative ideas by hotel majors, thereby delivering impressive hospitality products and services.

This has, in turn, also prompted them to generate new lines of revenue with creative approaches, be it by reducing transaction costs, increasing productivity or promoting traditional Indian values.

A pioneering initiative, herein, is the concept of mixed-use developments, wherein the real estate typically includes an apartment block of a commercial block along with a hotel. Still in its nascent stages in India, the concept offers inspiring potential. Also, the entry of multinationals and Indian hotel chains expanding internationally only reinforces the segment's untapped business potential.

Combining unparalleled growth prospects and unlimited business potential, this industry is certainly on the foyer towards being a key player in the nation's changing face.

(Source: [www.economictimes.indiatimes.com](http://www.economictimes.indiatimes.com))

## SUMMARY OF BUSINESS OVERVIEW

Our Company was incorporated as Phoenix Township Limited on February 10, 1993, under the Companies Act, 1956, with the Registrar of Companies, Goa. The Company is a Public Limited Company.

The Company is a one of the larger ventures of Hede Business Group. The Company is involved in the business of Hospitality. The Company is focusing on the Development of its Hotels & Resorts Business and is currently having the Hotel "Phoenix Park Inn Resort in Condolim Goa. The Company is planning to expand its Hotels & Resorts business owing to the resounding success of its first project at Goa. The company is proposing to set up a chain of various hotel projects in key locations in the branded budget segment

The company is also analyzing the possibilities of setting up no frills hotels in Mumbai & other destinations which it would set up in association with Sarovar Hotels (a leading hotel management company) under the Hometel Brand. A unique concept developed by them for the budget conscious traveler

The Company classifies its business divisions by the quality of the property, the range of services, and the guests it targets. The Company derives the majority of its revenue from the Phoenix Park Inn Resort in Condolim Goa. The Company is focused on the development of resorts and hotel market.

Prior Amalgamation and Arrangement, of ZFL with PTL, ZFL was engaged in the foreign exchange business. It use to operate a network of branches in Mumbai, Bangalore and Hyderabad and was in the process of setting up a nationwide network along with a presence at key airports. The Company basically offers its services to the incoming foreign tourists who require changing of foreign exchange in form of currency notes and Travellers Cheques into Indian currency. The Company also sells foreign currency in form of currency notes, Travelers Cheques and Prepaid Cards to outgoing Indian nationals visiting other countries for leisure or business as per RBI guidelines.

**SCHEME OF AMALGAMATION AND ARRANGEMENT**

**BETWEEN**

**ZUARI FOREX LIMITED ('Transferor Company')**

**AND**

**PHOENIX TOWNSHIP LIMITED ('Transferee Company')**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**(A) PREAMBLE**

This Scheme of Amalgamation and Arrangement is presented under Sections 391 to 394 read with section 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for the amalgamation of Zuari Forex Limited ("the Transferor Company" or "ZFL") with Phoenix Township Limited ("the Transferee Company" or "PTL"), pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

**(B) RATIONALE FOR THE SCHEME**

1. ZFL and PTL are a part of the Hede Group, which is a leading group established in Goa.
2. The amalgamation of ZFL with PTL is being proposed for the purpose of diversification and expansion of the business operations in the hospitality, realty, and Finance sector.
3. The amalgamation of ZFL with PTL will result into consolidation of land and other assets under one company resulting in ease of development thereof.

**(C) Parts of the Scheme:**

This Scheme is divided into the following parts:

- (i) **PART A** deals with the definitions and share capital;
- (ii) **PART B** deals with the amalgamation of ZFL with PTL;
- (iii) **PART C** deals with General Clauses
- (iv) **PART D** deals with Other Terms & Conditions.

## PART A

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “The Act”** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **“Appointed Date”** means the 1st day of July, 2010, or such other date as may be fixed or approved by the High Court.
- 1.3 **“Court” or “High Court”** means the High Court of Judicature at Bombay, Panaji bench Goa and shall include the National Company Law Tribunal, if and when applicable;
- 1.4 **“Effective Date”** means the last of the dates on which the certified copy of the Order of the High Court sanctioning the Scheme is filed by both the companies with the Registrar of Companies, Goa.
- 1.5 **“PTL” or “the Transferee Company”** means Phoenix Township Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Durga Bhavan, Hede Centre, Tonca Panaji, Goa - 403001.
- 1.6 **“Record Date”** means such date to be fixed by the Board of Directors of PTL or any committee/person duly authorized by the Board of Directors of PTL in this regard, after the Effective Date, to determine the Members of ZFL to whom equity shares of PTL will be allotted in accordance with Clause 5 of the Scheme.
- 1.7 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation and Arrangement in its present form as submitted to the Honorable High Court or with such modification(s), if any made, as per Clause 18 of this Scheme;
- 1.8 **“ZFL” or “the Transferor Company”** means Zuari Forex Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Durga Bhavan, Hede Centre, Tonca, Panjim, Goa - 403001;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.
- 2.2 Any reference in this Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” or “upon the coming into effect of the Scheme” shall mean the Effective Date.

## 3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of PTL as on March 31, 2010 is as under:

Share Capital	Amount (Rs. in Lacs)
<b>Authorized Share Capital</b>	
2,00,00,000 Equity Shares of Rs. 10 each	2,000.00
<b>Total</b>	<b>2,000.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
1,83,25,262 Equity Shares of Rs. 10 each, fully paid up	1,832.52
<b>Total</b>	<b>1,832.52</b>

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of PTL, there has been no change in the authorized, issued, subscribed and paid-up capital of PTL. ZFL holds 4.84% of total paid up equity share capital of PTL.

- 3.2 The authorized, issued, subscribed and paid-up share capital of ZFL as on June 30, 2010 is as under:

Share Capital	Amount (Rs. In Lacs)
<b>Authorized Share Capital</b>	
60,00,000 Equity Shares of Rs. 10 each	600.00
<b>TOTAL</b>	<b>600.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
30,52,200 Equity Shares of Rs. 10 each, fully paid up	305.22
<b>TOTAL</b>	<b>305.22</b>

Subsequent to the above balance sheet date and till the date of the Scheme being approved by the Board of Directors of ZFL, there has been no change in the authorized, issued, subscribed and paid-up capital of ZFL.

## PART B

### AMALGAMATION OF ZUARI FOREX LIMITED WITH PHOENIX TOWNSHIP LIMITED

#### 4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Upon the Scheme becoming effective, and with effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including all its properties and assets of whatsoever nature, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed) all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, tax credits, investments, reserves, provisions, funds, licenses, registrations, copyrights, any brand name, patents, trademarks and other rights and licenses in respect thereof, permits, quotas, approvals, actionable claims, all rights / title or interest in property(ies) by virtue of any court order / decree, contractual arrangement, allotment, grant, possession or otherwise, lease, tenancy rights, permissions, incentives, licenses, Industrial and other licenses, bids, tenders, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, other records whether in physical, electronic form in connection/ relating to the Transferor Company and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Courts or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 4.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Company, shall be deemed to be the debt, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 The transfer and vesting of the entire business and assets and liabilities as aforesaid of the Transferor Company, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however, any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.



Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- 4.4 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand (together with duly executed transfer forms or other documents as may be required), shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 4.5 The investments if any held by the Transferor Company in physical certificate form will be transferred to the Transferee Company by duly executed transfer deeds. The investments held in dematerialised form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Company have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferor Company and the Transferee Company, being a Date after the sanction of the Scheme by the High Court.
- 4.6 Such delivery and transfer shall be made within ninety days from the Effective Date or such other extended date as may be mutually agreed upon between the respective Boards of Directors of the Transferor Company or a committee thereof and the Board of Directors of the Transferee Company or a committee thereof.
- 4.7 In respect of any intangible moveable assets of the Transferor Company other than those mentioned in Clause 4.4 or 4.5 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.8 Upon the Scheme becoming effective, all taxes payable by the Transferor Company under the Income-tax Act, 1961 or any other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company, if so made by the Transferor Company. Similarly any advance tax payment required to be made for the Transferor Company by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company, if so made by the Transferor Company. Any refunds under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 4.9 All taxes of any nature, duties, cesses or any other like payment or deductions made by the Transferor Company to any statutory authorities such as Income Tax, Service Tax etc. or any tax deduction / collection at source, tax credits under Tax laws, relating to the period after the Appointed Date and up to the Effective Date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the High Court upon relevant proof and documents being provided to the said authorities.

- 4.10 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors of the Transferor Company or in favour of any other party, to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company.
- 4.11 The provisions of this Scheme as they relate to the merger of the Transferor Company, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **5. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFEREE COMPANY**

- 5.1 Upon coming into effect of the Scheme and in consideration for amalgamation of ZFL with PTL, PTL shall, without any further application or deed, issue and allot shares, to all the shareholders of ZFL or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the register of members of ZFL as on the Record date in the following proportion:
- “(2) Equity Share(s) of the face value of Rs. 10 each of PTL, credited as fully paid-up, for every  
(1) Equity Share of the face value of Rs. 10 each of the ZFL (“Share Exchange Ratio”)
- 5.2 Any fraction arising out of allotment of equity shares as per clause 5.1 above shall be rounded off to the nearest lower integer.
- 5.3 The Equity Shares to be issued to the shareholders of ZFL as above shall be subject to the Memorandum and Articles of Association of PTL and shall rank *pari passu* with the existing equity shares of PTL in all respects including dividends.
- 5.4 The Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of ZFL in dematerialized form, in to the account in which ZFL shares are held. All those shareholders who hold shares of ZFL in physical form shall receive the Equity Shares in physical form unless the details of their account with the Depository Participant are intimated in writing to PTL and / or its Registrar prior to the record date.
- 5.5 The Board of Directors of PTL shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the shareholders of ZFL pursuant to clause 5.1 of the Scheme.
- 5.6 The equity shares to be issued to the members of ZFL pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trading on the Bombay Stock Exchange Limited, where the shares of ZFL are listed and/or admitted to trading. PTL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

- 5.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of ZFL, the Board of Directors or any committee thereof of ZFL shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising on account of the transfer of shares after the Scheme becomes effective.
- 5.8 Approval of this Scheme by the shareholders of PTL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by PTL to the shareholders of ZFL, as provided in this Scheme.
- 5.9 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under sections 16, 31 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **6. Transferee Company Shares Held by the Transferor Company**

Upon the scheme becoming effective, the shares held by the Transferor Company in the Transferee company shall be deemed to have been transferred to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees") to have and to hold the Transferee Company shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of the Transferee Company subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the 'trust'). It is proposed that the Trustee shall, within a period of 6 years from the Effective Date subject however to the prevailing market conditions (in which case, the said period may be suitably extended in the discretion of the Trustees), sell, transfer or dispose of the Transferee Company shares at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company and consequent thereto all obligations of the Trustees under the Trust Deed shall stand discharged and the trust shall stand terminated.

## **7. REORGANISATION OF EQUITY SHARE CAPITAL OF PTL**

- 7.1 Upon the Scheme coming into effect,
- 7.1.1 Out of every 100 equity shares, of PTL held by a shareholder, 57 equity shares shall stand cancelled. In case such shareholding is not in multiples of 100 or is less than 100, same should be reduced in proportion of 57/100 and fraction arising consequent to such reduction shall also be considered as reduced.
- 7.1.2 Post the reduction as above, the Authorised share capital of PTL shall stand reclassified into:
- (a) 78 lakh Redeemable Preference Shares of Rs. 10 each and
- (b) 122 lakh Equity Shares of Rs. 10 each
- 7.1.3 PTL shall issue 42 Redeemable Preference Share of Rs.10 each ('RPS'), on terms and conditions listed in Schedule-I, for every 100 equity share in PTL (prior to reduction specified in para 7.1.1 above) held by a shareholder. In case such shareholding is not in multiples of 100 or is less than 100, RPS shall be issued in proportion of 42/100 and fraction entitlement, if any, resulting from such proportionate calculation should be ignored.

- 7.1.4 Consequent to the above paid-up capital of PTL of Rs.18.33 crores comprising of 183.25 lakh equity shares of Rs 10 each shall stand reduced to Rs.15.58 crores comprising of 78.80 lakh equity shares of Rs 10 each and 76.97 lakhs redeemable preference shares of Rs 10 each. Thus, a net reduction of Rs.2.75 crores.
- 7.2 PTL shall utilise the amount arising on reduction of Equity Share Capital as per Clause 7.1, for writing-off the accumulated loss as on 31<sup>st</sup> March, 2011
- 7.3 It is expressly clarified that shares issued and allotted pursuant to Clause 5 hereinabove, shall not be subject to reduction proposed in Clause 7.1 above.
- 7.4 Since the proposed reduction of equity share capital contemplated above, does not involve diminution of liability in respect of unpaid share capital of PTL or payment to any shareholder of PTL of any paid up share capital, provisions of Section 101 are not applicable.
- 7.5 PTL shall obtain the necessary approval from its shareholders and creditors, as required, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the Act. PTL shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of paid up share capital.
- 7.6 Notwithstanding the reduction of subscribed and paid up equity share capital of PTL, PTL shall not be required to add "And Reduced" as suffix to its name.

## **8. ACCOUNTING TREATMENT IN THE BOOKS OF PTL**

On the Scheme becoming effective and with effect from the Appointed Date, PTL shall account for the merger in its books as under:

- 8.1 All the assets and liabilities of the ZFL transferred to and vested in PTL shall be recorded by PTL at their respective book values.
- 8.2 The inter company balances, if any, appearing in the books of accounts of PTL and ZFL, will stand cancelled;
- 8.3 If considered appropriate for the purpose of application of uniform accounting methods and policies between ZFL and PTL, PTL may make suitable adjustments.
- 8.4 The difference being the excess of the net assets value of ZFL transferred to and recorded by PTL as per Sub-Clause 8.1 over the face values of shares issued as per sub-clause 5.1 and after considering the adjustments mentioned in Sub-Clause 8.2 and Clause 8.3, and after setting off the debit balance in Profit & Loss Account as on 30-9-2011 remaining after adjustment as per Clause 7.2 above shall be credited to General Reserve. If the result of above is shortfall same should be reduced from securities premium account and any balance remaining thereafter shall be debited to Goodwill account.
- 8.5 Since the proposed utilization of securities premium, if any, contemplated above, does not involve diminution of liability in respect of unpaid share capital of PTL or payment to any shareholder of PTL of any paid up share capital, provisions of Section 101 are not applicable

## **9. COMBINATION OF AUTHORISED SHARE CAPITAL**

Upon sanction of this Scheme, the authorized share capital of PTL shall automatically stand increased, without any further act or deed or payment of Stamp Duty or payment of fees to Registrar of Companies, by the authorised share capital of Transferor Company amounting to Rs. 60,000,000 (Rupees six Crores) divided into 6,000,000 (Sixty lakh) Equity Shares of Rs. 10

each and the Memorandum of Association and Articles of Association of the Transferee Company shall stand amended accordingly without any further act or deed on the part of the Transferee Company.

Pursuant to the Scheme and after the Scheme becomes effective, the authorized share capital of the Transferee Company will be Rs. 260,000,000 (Rupees Twenty Six Crores) comprising of 1,82,00,000 (One Crore Eightytwo Lacs) equity shares of Rs.10 each and 78,00,000 (Seventyeight Lacs) redeemable preference shares.

**10. DISSOLUTION OF ZFL**

On the Scheme becoming effective, ZFL shall stand dissolved without being wound-up.

## PART - C

### GENERAL CLAUSES

#### 11. TRANSACTIONS UPTO THE EFFECTIVE DATE

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

- (a) the Transferor Company shall carry on and deemed to have carried on their business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- (c) the Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.
- (d) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.
- (e) The Transferor Company shall carry on their respective businesses with reasonable diligence and in the same manner as it had been doing hithertofore, and the Transferor Company shall not alter or expand their respective businesses except with the concurrence of the Transferee Company in writing.
- (f) The Transferor Company shall not, without the written concurrence of Board of the Transferee Company, alienate, charge or encumber any of its properties referred to in Clause 4 above except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.
- (g) The Transferor Company shall not vary or alter, except in the ordinary course of business and as may be required for reorganization, the terms and conditions of employment of any of its employees.
- (h) The Transferor Company shall not make any change in its capital structure either by any increase, (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in Clause 5.1 above), except by mutual consent of the respective Boards of Directors of the Transferor Company and the Transferee Company or except as may be expressly permitted. With effect from the Effective Date, Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company.

#### 12. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings 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.

### **13. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

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 immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

### **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4 above and the continuance of legal proceedings by or against the Transferee Company under Clause 12 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

### **15. STAFF, WORKMEN & EMPLOYEES**

- 15.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company respectively on the Effective Date.
- 15.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

### **16. TAXATION MATTERS**

Upon the Scheme coming into effect, the Transferee Company through its respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the returns and other documents filed by the Transferor Company for periods falling prior to the Appointed Date, in relation to taxation and other allied laws, desirable or appropriate by them (i.e., the Board of Directors or the person(s)/ committee).

## PART D

### OTHER TERMS AND CONDITIONS

#### **17. APPLICATION TO HIGH COURT**

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

#### **18. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (b) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company as may be directed by the Hon'ble High Court or any other competent authority, as may be applicable
- (c) The Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 and other applicable provisions of the Act; and
- (d) The certified copies of the Orders of High Court under Sections 391 and 394 of the Act sanctioning the Scheme being filed with the Registrar of Companies, Panaji, Goa by the Transferor Company and the Transferee Company.

#### **19. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

#### **20. EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause 18 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before 31-3-2012 or such other date as may be agreed by the respective Board of Directors of the Transferor Company and the Transferee Company may determine, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

#### **21. COSTS, CHARGES & EXPENSES**

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



### Schedule - I

#### TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES TO THE SHAREHOLDERS OF PTL

Instrument	Cumulative Redeemable Preference Shares
Face value	Re. 10 per Preference Share
Coupon Rate	1% per annum, Cumulative
Redemption	Redeemable at the option of the shareholder at any time after 6 years but not later than of 15 years from the date of allotment at a premium of Rupees fifty per share. However, same can be redeemed at any time at the option of PTL.

#### APPROVALS WITH RESPECT TO THE SCHEME OF ARRANGEMENT

The Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction, vide its Order dated 23/12/2011 sanctioned the Scheme of Amalgamation and Arrangement between Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme"), under Sections 391 to 394 read with sections 78 and 100 to 103 of the Companies Act, 1956. In accordance with the said Scheme, the Equity Shares of PTL issued pursuant to the Scheme, subject to applicable regulations shall be listed and admitted to trading on BSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchange at the time of application by PTL seeking listing.

The Court Order sanctioned by Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction was filed by ZFL and PTL with the Registrar of Companies ("ROC"), Goa office, Panaji-Goa on January 23<sup>rd</sup>, 2012 which is the Effective Date of the Scheme.

PTL has submitted its Information Memorandum containing information and disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites.

This Information Memorandum is made available on the website of PTL ([www.hbgindia.com](http://www.hbgindia.com)). PTL will publish an advertisement in the newspapers containing its details in line with the details required as per CIRCULAR NO. SEBI/CFD/SCRR/01/2009/03/2009 DATED SEPTEMBER 3, 2009. The advertisement will draw a specific reference to the availability of this Information Memorandum on the website of PTL as well as the Stock Exchanges.

PTL also undertakes that all material information about itself shall be disclosed to stock exchanges on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries if any.

## **SUMMARY FINANCIAL AND OPERATING INFORMATION**

The following summary financial and operating information is derived from our audited financial statements as of for the period ended September 30, 2013 fiscal year ended and March 31, 2013 as described in the Auditor's Report in this Information Memorandum. These Financial statements have been prepared in accordance with the Indian GAAP and the Companies Act, 1956.

The summary financial and operating information presented below should be read in conjunction with the financial statements, the notes thereto included, respectively, in this Information Memorandum.

PHOENIX TOWNSHIP LIMITED

Balance Sheet  
As At Sept 30, 2013

(Currency: Indian Rupees)

Particulars	Note No.	As at Sept 30, 2013	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2 (1)	216808680	216808680
(b) Reserves and surplus	2 (2)	-2306523	842652
(c) Money received against share warrants		0	0
		<u>214502157</u>	<u>217651332</u>
<b>(2) Share application money pending allotment</b>	2 (3)	0	0
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	2 (4)	78270459	92554630
(b) Deferred tax liabilities (Net)	2 (5)	15720914	15254968
(c) Other long term liabilities	2 (6)	1510985	1535755
(d) Long-term provisions	2 (7)	0	0
		<u>95502358</u>	<u>109345353</u>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	2 (8)	0	0
(b) Trade payables	2 (9)	16650404	15619316
(c) Other current liabilities	2 (10)	29318818	10007935
(d) Short-term provisions	2 (11)	2666978	3452088
		<u>48636200</u>	<u>29079339</u>
<b>TOTAL</b>		<u><u>358640715</u></u>	<u><u>356076024</u></u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	2 (12)		
(i) Tangible assets		238948049	244977017
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		29242778	26742777
(iv) Intangible assets under development		0	0
		<u>268190827</u>	<u>271719794</u>
(b) Non-current investments	2 (13)	14406165	13847071
(c) Deferred tax assets (net)	2 (5)	0	0
(d) Long-term loans and advances	2 (14)	12325000	11233500
(e) Other non-current assets	2 (15)	0	0
		<u>294921992</u>	<u>296800365</u>
<b>(2) Current Assets</b>			
(a) Current investments	2 (16)	0	0
(b) Inventories	2 (17)	1118654	1433836
(c) Trade receivables	2 (18)	20215292	29420725
(d) Cash and cash equivalents	2 (19)	9600655	6952774
(e) Short-term loans and advances	2 (20)	32784122	21459324
(f) Other Current assets	2 (21)	0	0
		<u>63718723</u>	<u>59275659</u>
<b>TOTAL</b>		<u><u>358640715</u></u>	<u><u>356076024</u></u>

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4

In terms of our report of even date:

For **Bhatter & Co.**

Chartered Accountants

Firm Registration No. 131092W

*dhbhattar*

**Daulal H. Bhattar**

Proprietor

Membership No. 16937

Place: Mumbai

Date: 27.12.2013

For and on behalf of the Board of Directors of  
**PHOENIX TOWNSHIP LIMITED**

*Dr. P.R. Hede* *Samir Hede* *Lalit Kumar*

Dr. P.R. Hede — Samir Hede — Lalit Kumar  
Vice Chairman — Executive Director — Manager

Place: Mumbai

Date: 27.12.2013



PHOENIX TOWNSHIP LIMITED

Statement of Profit and Loss  
For the half year Ended Sept 30, 2013

(Currency: Indian Rupees)

Particulars	Note No.	Year ended Sept 30, 2013	Year ended March 31, 2013
I. Revenue from operations	3 (1)	42800916	95550622
II. Other income	3 (2)	2381792	3278861
III. <b>Total Revenue (I + II)</b>		<b>45182708</b>	<b>98829483</b>
IV. Expenses:			
Cost of materials consumed	3 (3)	0	0
Purchases of stock-in-trade	3 (4)	0	0
Changes in inventories of finished goods, work-in-progress	3 (5)	315182	4714
Employee benefits expense	3 (6)	9103712	17320465
Finance costs	3 (7)	2371752	6362188
Depreciation and amortization expense	2 (12)	7206622	15272708
Other expenses	3 (8)	28779695	58623723
<b>Total Expenses</b>		<b>47778963</b>	<b>97583798</b>
V. Profit before Prior Period items and extraordinary items and tax (III-IV)		-2596255	1245685
VI. Prior Period items	3 (9)	86976	166219
VII. Profit before extraordinary items and tax (V-VI)		-2683231	1079466
VIII. Extraordinary items	3 (10)	0	0
IX. Profit before tax (VII - VIII)		-2683231	1079466
X. Tax Expenses:			
(1) Current Tax		0	67460
(2) Deferred Tax	2 (5)	465946	629929
XI. Profit / (Loss) for the period from continuing operations (VII-VIII)		-3149177	382077
XII. Profit/(Loss) from discontinuing operations	3 (11)	0	0
XIII. Tax expense of discontinuing operations	3 (11)	0	0
XIV. Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)		0	0
XV. Profit/(Loss) for the year (XI + XIV)		<b>-3149177</b>	<b>382077</b>
Balance of Profit b/f from last year		0	0
Adjusted Against Amalgamation Account		0	0
Balance carried to Balance Sheet		<b>-3149177</b>	<b>382077</b>
XVI. Earnings per equity share:	3 (12)		
(1) Basic		0	0.027
(2) Diluted		0	

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Statement of Profit and Loss	3
Other Notes	4

In terms of our report of even date  
**For Bhatler & Co.**

Chartered Accountants  
Firm Registration No. 131092W

*D. H. Bhatler*

**Daulal H. Bhatler**  
Proprietor  
Membership No. 16937

Place: Mumbai  
Date: 27.12.2013



For and on behalf of the Board of Directors  
**PHOENIX TOWNSHIP LIMITED**

*[Signatures]*

**Dr. P.R. Hede**    **Sanjit Hede**    **Lalan Kumar**  
Vice Chairman    Executive Director    Manager

Place: Mumbai  
Date: 27.12.2013

PHOENIX TOWNSHIP LIMITED

Cash Flow Statement  
For the half year Ended Sept 30,2013

(Currency: Indian Rupees)	Year ended Sept 30,2013	Year ended March 31, 2013
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	(2,683,231)	(2,177,715)
<u>Adjustments for:</u>		
Depreciation on fixed assets	7,206,622	13,965,665
Loss on sale of fixed assets	-	-
Interest expense	2,373,752	-
<u>Debit:</u>		
Profit on sale of fixed assets	-	-
Interest income	113,027	-
<b>Operating Profit before Working Capital changes</b>	<b>6,784,116</b>	<b>11,787,950</b>
<u>Adjustments for:</u>		
(Increase) / Decrease in inventories	315,182	(340,606)
(Increase) / Decrease in trade receivables	9,190,149	(4,473,085)
(Increase) / Decrease in loans and advances	(12,955,172)	(1,112,262)
Increase / (Decrease) in liabilities	20,341,971	(8,445,894)
Increase / (Decrease) in provisions	(785,110)	249,217
<b>CASH GENERATED FROM OPERATIONS</b>	<b>22,891,137</b>	<b>(2,734,680)</b>
Income tax Paid	-	-
<b>Net Cash inflow from / (outflow) from Operating ac</b>	<b>22,891,137</b>	<b>(2,734,680)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of investments	559,094	-
Purchase of fixed assets	3,677,654	(2,472,164)
Sale Proceeds from investments	-	-
Sale Proceeds from fixed assets	-	-
Interest received	113,027	-
Dividend received	9,429	-
<b>Net Cash inflow from / (outflow) from Investing ac</b>	<b>4,114,292</b>	<b>(2,472,164)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of shares including premium	-	3,519,291
Proceeds from borrowings	-	-
Repayment of borrowings	17,717,483	-
Interest paid	2,373,752	-
Dividend paid	-	-
<b>Net Cash inflow from / (outflow) from Financing ac</b>	<b>(20,091,235)</b>	<b>3,519,291</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6,914,194</b>	<b>(1,687,553)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	778,404	792,158
Bank balances	1,908,057	3,581,856
	<b>2,686,461</b>	<b>4,374,014</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	1,181,891	778,404
Bank balances	8,418,764	1,908,057
	<b>9,600,655</b>	<b>2,686,461</b>
<b>Non cash transactions:</b>		
1	0	-
2		

In terms of our report of even date  
For Bhatler & Co.  
Chartered Accountants  
Firm Registration No. 131092W

*D. Bhatler*

Daulal H. Bhatler  
Proprietor  
Membership No. 16937

Place: Mumbai  
Date: 27.12.2013



For and on behalf of the Board of Directors  
PHOENIX TOWNSHIP LIMITED

*Dr. P.R. Hede* *Samit Hede* *Lalan Kumar*  
Chairman Executive Director Manager



**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

**1 - SHARE CAPITAL**

**a. Details of authorised, issued and subscribed share capital**

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>Authorised Capital</b>		
20200,000 Equity Shares of Rs.10/- each	202000000	202000000
78,00,000 Preference Shares of Rs. 10/-each	78000000	78000000
<b>Issued Capital</b>		
13984260 Equity Shares of Rs.10/- each	139842600	139842600
7696608 Preference Shares of Rs. 10/-each	76966080	76966080
	0	0
<b>Subscribed and Paid up</b>		
13984260 Equity Shares of Rs.10/- each	139842600	139842600
7696608 Preference Shares of Rs. 10/-each	76966080	76966080
	<b>216808680</b>	<b>216808680</b>

**b. Information on shareholders**

Name of Shareholder	As at Sept 30, 2013		As at March 31, 2013	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Dr. Prafulla Hede	2572303	18	2572303	18
Hede Consultancy Company Pvt. Ltd.	2274880	16	2274880	16
Hede Investments Pvt. Ltd.	1223140	9	1223140	9
Hede Transports Pvt. Ltd.	1043015	7	1043015	7
Sanquelim Investments Pvt. Ltd.	1058178	8	1058178	8

**c. Reconciliation of number of shares**

Particulars	Equity Shares		Preference Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	13984260	139842600	7696608	76966080
Shares Issued during the year				
(Alloted pursuant to merger)	0	0		
Shares bought back during the year	0	0		
Shares outstanding at the end of the year	13984260	139842600	7696608	76966080



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

2 - RESERVES AND SURPLUS

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>a. Capital Reserves</b>		
Opening Balance	425000	425000
(+) Current Year Transfer	0	0
(-) Written Back in Current Year	0	0
Closing Balance	425000	425000
<b>b. Securities Premium Account</b>		
Opening Balance	0	0
Add : Securities premium credited on Share issue	0	0
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	0	0
For Issuing Bonus Shares	0	0
Closing Balance	0	0
<b>c. Surplus</b>		
Opening balance	417652	35575
(+) Net Profit/(Net Loss) For the current year	-3149176	382077
(+) Transfer from Reserves	0	0
(-) Proposed Dividends	0	0
(-) Tax on Proposed Dividends	0	0
(-) Transfer to Reserves	0	0
Closing Balance	-2731524	417652
<b>GRAND TOTAL</b>	<b>-2306524</b>	<b>842652</b>



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

4 - LONG-TERM BORROWINGS

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>SECURED</b>		
<b>Term loans</b>		
From Banks		
1) HDFC Bank Ltd. (Against Hypothecation of car)	42666	218062
From other parties		
1) EDC Ltd. Interest Accrued and due on Term Loan (Secured against Equitable Mortgage of the Building and Landed Property and Building Situated at Candolim and personal Guarantee of Directors)	34870105 1021870	36887440 1103045
2) Kotak Mahindra Prime Ltd. (Hypothecation of Motor Car)	1023074	1187671
<b>(b) Cash Credit</b>		
IDBI Bank Ltd (Secured by Receivable)	1012024	920042
IDBI Bank-Zuari Forex	8028102	9114891
<b>TOTAL</b>	<b>45997840</b>	<b>49431151</b>

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>UN-SECURED</b>		
<b>Other loans and advances</b>		
From Directors & Others	0 32272618 0	0 43123479 0
<b>TOTAL</b>	<b>32272618</b>	<b>43123479</b>

<b>TOTAL OF SECURED AND UN-SECURED</b>	<b>78270459</b>	<b>92554630</b>
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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

**5 - DEFERRED TAX LIABILITY (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	15720914	15254968
	15720914	15254968
<b>Deferred Tax Asset</b>		
Provision for Employee benefits	0	0
Expenses disallowed under Sec 43B	0	0
Carry forward business loss and unabsorbed depreciation	0	0
Others	0	0
	0	0
<b>Net</b>	<b>15720914</b>	<b>15254968</b>
	465946	629929
Deferred Tax Charge / (Credit) for the year		

**6 - OTHER LONG-TERM LIABILITIES**

Particulars	As at Sept 30, 2013	As at March 31, 2013
Time share Money	1510985	1535755
<b>Total</b>	<b>1510985</b>	<b>1535755</b>



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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

**9 - TRADE PAYABLES**

Particulars	As at Sept 30,2013	As at March 31, 2013
Trade Payables	16650404	15619316
Due to Micro and Small Enterprises	0	0
Other than Micro and Small Enterprises	0	0
	<b>16650404</b>	<b>15619316</b>

**10 - OTHER CURRENT LIABILITIES**

Particulars	As at Sept 30,2013	As at March 31, 2013
Advances towards Compensation for use	4892180	4972380
Payments towards Cost of Soft Furnishing	742013	754177
Payments towards Legal Professional Fees.	1334706	1356586
Advance towards Customer Services	7338902	7459212
Time Share Money	0	0
Sponsorship Payable	0	11782
Security Deposit	0	100000
Duties & Taxes	2032215	2823142
Other Liabilities	1842702	4832375
Inter Company Bal	11136101	-12301718
<b>Total</b>	<b>29318818</b>	<b>10007936</b>

**11 - SHORT-TERM PROVISIONS**

Particulars	As at Sept 30,2013	As at March 31, 2013
Provison for taxation (MAT)	0	67460
Provison for expenses	2666978	3384628
	0	0
<b>Total</b>	<b>2666978</b>	<b>3452088</b>



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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(continued: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

PTL

II - FIXED ASSETS

PARTICULARS	As at April 1, 2013		Additions (Decreases) during the Year		Gross Block		Revaluations/ (Impairments)	As at Sept 30, 2013	dep. chart	Accumulated Depreciation				Net Block	
	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013				As at Sept 30, 2013	As at Sept 30, 2013	As at Sept 30, 2013	As at Sept 30, 2013	As at Sept 30, 2013	As at Sept 30, 2013
Tangible Assets															
Land	1,02,78,718	1,02,78,718	0	0	1,02,78,718	0	0	1,02,78,718		0	0	0	0	1,02,78,718	1,02,78,718
Buildings	28,03,144	28,03,144	54,96,275	0	82,99,419	0	0	82,99,419		0	0	0	0	82,99,419	82,99,419
Plant & Equipment	1,02,78,718	1,02,78,718	3,62,785	0	1,06,41,503	0	0	1,06,41,503		0	0	0	0	1,06,41,503	1,06,41,503
Office Equipment	0	0	43,500	0	43,500	0	0	43,500		0	0	0	0	43,500	43,500
Leasehold Intangibles	0	0	10,500	0	10,500	0	0	10,500		0	0	0	0	10,500	10,500
Goodwill	0	0	18,550	0	18,550	0	0	18,550		0	0	0	0	18,550	18,550
Intangible Assets	0	0	82,550	0	82,550	0	0	82,550		0	0	0	0	82,550	82,550
Total	1,02,78,718	1,02,78,718	1,76,86,848	0	1,77,14,566	0	0	1,77,14,566		0	0	0	0	1,77,14,566	1,77,14,566
II - FIXED ASSETS	1,02,78,718	1,02,78,718	1,76,86,848	0	1,77,14,566	0	0	1,77,14,566		0	0	0	0	1,77,14,566	1,77,14,566
Gross Block															
Acquired through business combinations															
Revaluations/ (Impairments)															
As at Sept 30, 2013															
dep. chart															
Accumulated Depreciation															
Depreciation charge for the year															
Adjustment due to revaluations															
Adjustments On disposals															
As at Sept 30, 2013															
Net Block															
As at Sept 30, 2013															
As at March 31, 2013															
Gross Block															
Acquired through business combinations															
Revaluations/ (Impairments)															
As at Sept 30, 2013															
dep. chart															
Accumulated Depreciation															
Depreciation charge for the year															
Adjustment due to revaluations															
Adjustments On disposals															
As at Sept 30, 2013															
Net Block															
As at Sept 30, 2013															
As at March 31, 2013															

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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

13 - NON-CURRENT INVESTMENTS

Particulars	As at Sept 30,2013	As at March 31, 2013
<b>Other Investments (Refer B below)</b>	559094	0
(a) Investment Properties	0	0
Investment in Equity instruments	70250	70250
Equity Share	8875000	8875000
Investment in Trust	4901821	4901821
Goodwill	14406165	13847071
TOTAL	14406165	13847071
Less : Provision for diminution in the value of Investments	0	0
	<b>14406165</b>	<b>13847071</b>

Particulars	As at Sept 30,2013	As at March 31, 2013
Aggregate amount of quoted investments (Market value of ₹ __ (Previous Year ₹ __)	0	0
Aggregate amount of unquoted investments	70250	70250



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

14 - LONG-TERM LOANS AND ADVANCES

Particulars	As at Sept 30, 2013	As at March 31, 2013
Security & Other Deposits	11200000	11233500
Lease Deposit	1100000	0
Impalla A/c	25000	0
Kerala vaidhyashala a/c		
<b>TOTAL</b>	<b>12325000</b>	<b>11233500</b>



**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

**17 - INVENTORIES**

Particulars	As at Sept 30, 2013	As at March 31, 2013
Finished goods	1118654	1433836
<b>TOTAL</b>	<b>1118654</b>	<b>1433836</b>

**18 - TRADE RECEIVABLES**

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>Trade receivables outstanding for a period less than six months</b>	0	0
Secured, considered good	-1876284	7313865
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful debts	-1876284	7313865
<b>Trade receivables outstanding for a period exceeding six months</b>	0	0
Secured, considered good	22091576	22115860
Unsecured, considered good	0	0
Doubtful	0	0
Less: Provision for doubtful debts	22091576	22115860
	<b>20215292</b>	<b>29429725</b>



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

19 - CASH AND CASH EQUIVALENT

Particulars	As at Sept 30, 2013	As at March 31, 2013
Cash in hand	1181891	1346417
Balance with Schedule Banks	7362809	5000543
Balances with Bank in Fixed Deposit Receipt	1055955	605814
d. Others (specify nature)	0	0
	<b>9600655</b>	<b>6952774</b>



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 2: Notes to the Balance Sheet

20 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at Sept 30, 2013	As at March 31, 2013
<b>b. Others (specify nature)</b>	0	0
Advances recoverable in cash or in kind or for value to be received	0	0
TCS Paid on Liquor Purchases	5058	75850
TDS Travel Agent	0	95960
TDS interest	1732	0
TDS Amontee	53128	0
TDS UWB A/c	36539	0
TDS on contractor	59790	0
Deposit on empty bottles	1501600	1500900
Telephone Deposit	50039	0
Prepaid Expenses	330400	416478
Electricity Deposit	25000	0
Guest Ledger Balance	703456	120342
Deposit against Gas Supply	106000	100000
Rent Receipts Receivable	0	0
Staff Advances	57486	69295
Advances of ZFL	19025216	17500000
Tax deducted at Source	11338	0
Other Advances	10817340	1580499
	<b>32784122</b>	<b>21459324</b>



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

1 - REVENUE FROM OPERATIONS

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
Room Revenues	30230252	73017979
Food & Beverages	12570664	22532643
Other Operating Revenues	0	0
	<b>42800916</b>	<b>95550622</b>

2 - OTHER INCOME

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
Revenue from Shop Rental	24476	153426
Laundry Income	45101	227498
Sight Seeing & Transports	240761	311452
Foreign Exchange	11163	144975
Dividend - Goa State Co.OP. Bank	9429	0
Sale of Tobacco	31424	27637
Telephone, Fax Etc.	28198	18102
Revenue from Ayur Spa	714354	0
Revenue from Time share money	259324	0
Miscellaneous Income	97205	1193385
Agricultural Income	231552	385920
Interest on FDR Received	113027	139757
Scrap Sales	16091	181244
Banquet Rent	559687	454945
Sundry Creditors Cr/Dr Bal W/off	0	40520
	<b>2381792</b>	<b>3278861</b>



PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

5 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
<u>Opening Inventory</u>	1433836	1336511
Finished Goods	0	0
Work-In-Progress	1433836	1336511
<u>Closing Inventory</u>	1118654	1331797
Finished Goods	1118654	1331797
Work-In-Progress		
	<b>315182</b>	<b>4714</b>



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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

**6 - EMPLOYEE BENEFIT EXPENSES**

Particulars	Year Ended Sept 30,2013	As at March 31, 2013
Salaries and incentives	8682850	16551736
Staff -Conveyance	420861	768729
	<b>9103712</b>	<b>17320465</b>

**7 - FINANCE COST**

Particulars	Year Ended Sept 30,2013	Year Ended March 31, 2013
Interest expense	2373752	6362188
	<b>2373752</b>	<b>6362188</b>



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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

**8 - OTHER EXPENSES**

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
Room Expenses	1780791	7773078
Food & Beverages Expenses	6894748	12634879
Heat, Light & Power Expenses	3644389	9260446
Basic & Incentive Management Fees	469539	818751
Staff Welfare Expenses	742943	818751
Franchise Fees	1430653	4041566
Printing & Stationary	188032	335817
Legal & Professional Fees	959335	520881
Books & Periodicals	17668	41554
Postage, Telex & Telephones	26978	58753
Membership & Subscriptions , RCI enrollment fees	141330	167637
Miscellaneous Exp.	15241	5028
Bank Charges	118408	216765
Lease Rent	0	190000
Fines and Penalties	9391	704739
Audit Fees	56180	386125
Tax Audit Fees	0	0
Internal Audit Fees	3494	0
Business Promotion Expenses	53813	0
Bad Debts	80531	125240
Telephone , Fax Expenses	507991	670251
Travelling & Desk Expenses	4947749	4232183
Repairs & Maintenance	3205468	5160016
Tobacco Expenses	0	17953
Laundry Expenses	1022188	2120573
Laundry & Uniform Expenses	4775	43607
Commission on Credit Card	70340	138428
Licence, Rates & Taxes	161417	727374
Advertisement Expenses	301541	244297
Insurance Charges	358675	158294
Security Charges	253872	558237
Entertainment Expenses	54045	225899
Sitting Fees	0	160000
Freight & Handling	99705	169720
General Expenses	0	319660
Spa and Parlor Exp	494889	164177
Incentive Management Fees	607896	2576844
Office Expenses	55678	
	<b>28779695</b>	<b>58623723</b>





**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

**9 - EXCEPTIONAL ITEMS**

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
Prior Period Item	86976	166219
	86976	166219

Brief description

**10 - EXTRA ORDINARY ITEMS**

Particulars	Year Ended Sept 30, 2013	Year Ended March 31, 2012
Broad Heading (as applicable)	0	0
	0	0

Brief description

**11 - DISCONTINUING OPERATIONS**

Particulars	Year Ended Sept 30, 2013	Year Ended March 31, 2012
<u>Profit/ (Loss) from discontinuing operations</u> Broad Heading (as applicable)	0	0
<u>Tax expenses of discontinuing operations</u> Broad Heading (as applicable)	0	0



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PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the half year ended Sept 30, 2013

(Currency: Indian Rupees)

NOTE 3: Notes to the Statement of Profit and Loss

12 - EARNINGS PER EQUITY SHARES

Particulars	Year Ended Sept 30, 2013	As at March 31, 2013
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	-3149177	386792
Weighted average number of equity shares	13984260	13984260
<b>Basic Earnings Per Share</b>	0	0
<b>Face value per Share</b>		
<b>Dilutive Earnings per Share</b>		
Profit after adjusting interest on potential equity shares	0	0
Weighted average number of equity share after considering potential equity shares	0	0
<b>Dilutive Earnings per Share</b>		



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**PHOENIX TOWNSHIP LIMITED**  
**Accompanying notes to the financial statements**  
*for the half year ended September 30, 2013*

**NOTE 1: Significant Accounting Policies**

- Depreciation on other fixed assets is provided on written down value Method on a pro rata basis over its economic useful lives, estimated by the management or at the rates prescribed under Schedule XIV of the Act whichever is higher.

Fixed Assets	Rates adopted(WDV)	Schedule XIV Rates (WDV)
Office Building	5%	5%
Plant & Machinery	13.91%	13.91%
Furniture & Fixtures	18.10%	18.10%
Vehicles	25.89%	25.89%
Office Equipment	13.91%	13.91%
Computer & Software	32.72%	32.72%

- Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

**e) Inventories**

Inventories: Phoenix Park Inn Resort

Stock of food and beverages and operating supplies and consumables stores are valued at cost (FIFO). As the market value of these items of the stock is unascertainable to their basic nature.

As the turnover of the company is in respect of hotel stay and food and beverages it is not possible to quantitative wise details of the turnover. However the break up of food and beverages is provided as under:-

Inventories: Zuari Forex

Inventory of foreign exchange currencies and travelers' cheques on hand at the end of half year are valued and accounted at the market closing rates





**PHOENIX TOWNSHIP LIMITED**

**Accompanying notes to the financial statements**  
*for the half year ended September 30, 2013*

**NOTE 1: Significant Accounting Policies**

**f) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Service Income*  
Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.
- *Interest income*  
Interest income is recognized on time proportion basis.

**g) Investments**

Investments are classified under Non-current and current categories.

'Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.

**h) Retirement and Other Employee Benefits**

The Company provides for retirement benefits to employees. However there is no liability on this account at end of the half year under the applicable laws.

**i) Leases**

Lease Rent pertains to Agricultural Land taken on Lease & sub-lease for 99 years by the Company.

**j) Taxation**

Provision for Income Tax has been made in accordance with the provision of Income Act, 1961. Deferred tax liability is provided for on the basis of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



**PHOENIX TOWNSHIP LIMITED**  
Accompanying notes to the financial statements  
for the half year ended September 30, 2013

**NOTE 2: Notes to the Balance Sheet**

**1. Contingent Liabilities (as applicable)**

(a). Guarantees:

Particulars	As at Sept 30, 2013	As at March 31, 2013
Guarantees given by Banks on behalf of the Company	850000	850000
<b>TOTAL</b>	<b>850000</b>	<b>850000</b>



PHOENIX TOWNSHIP LIMITED

Accompanying notes to the financial statements  
for the year ended September 30, 2013

NOTE 3: Notes to the Statement of Profit and Loss

1. Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

(e). Earnings in foreign currency (on accrual basis):

Particulars	Half Year Ended September 30, 2013	Year Ended March 31, 2013
Earnings in foreign currency	210373	43967183

2. Information pursuant to para 5(ii) and 5(iii) of the General Instructions to the Statement of Profit and Loss

(f). Particulars of services rendered: (for service companies)

Services rendered	Half Year Ended September 30, 2013	Year Ended March 31, 2013
Room Services	30230252.00	73017979.37
Food & Beverages	12570664.00	22532642.99
Others	2381792.00	2705605.00
TOTAL	45182708.00	98256227.36

3. Auditor Remuneration

Particulars	Half Year Ended September 30, 2013	Year Ended March 31, 2013
As Auditor	50000.00	70000.00
For taxation matter		30000.00
For reimbursement of expenses	-	-
Service Tax	6180.00	12360.00
TOTAL	56180.00	112360.00

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**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended September 30, 2013

**NOTE 4: Other Notes**

**1. Related Party disclosures**

**a. List of related parties**

Name of the Party	Relationship
Colaba Real Estate P.Ltd.	Associate Company
Dr. Prafulla R Hede-Mine Owner A/c	Associate Firm
Hede Consultancy Co. Pvt. Ltd.	Associate Company
Hede Investment Pvt. Ltd. A/c	Associate Company
Sanquelim Investment Pvt. Ltd. A/c	Associate Company

**b. Balance Outstanding of Related Parties :**

Name of Party	Receivable/ Payable	As at Sept 30, 2013	As at March 31, 2013
Intercompany & Directors	Payable, Loans & Advances	32272618	43123479





**PHOENIX TOWNSHIP LIMITED**

Accompanying notes to the financial statements  
for the half year ended September 30, 2013

**NOTE 4: Other Notes**

**2. Amalgamation**

The Scheme of Amalgamation and Arrangement ("the Scheme") under sections 391 to 394 read with sections 78, 100 and other applicable provisions of the Companies Act, involving amalgamation of Zuari Forex Limited ("Zuari") with the Company w.e.f. 1-7-2010, was approved by the Hon'ble High Court of Bombay at Goa vide Order dated 23rd December 2011. The Scheme, though operative from 1-7-2010, will be effective from the date the certified copy of the order is filed with the ROC. As the court has already approved the Scheme, eventhough certified copy of order is not received, impact of the Scheme is already included in the accounts.

Pursuant to the Scheme, following Assets and Liabilities of Zuari are received and recorded by the Company  
(Rs. in lakhs)

Fixed Assets	25.89
Investments	88.81
Net Current Assets	289.66
Secured Loans	91.32

Pursuant to the Scheme, the Equity capital was reduced and the company is required to issue preference shares. As per the order of the Court, the Company is required to increase its authorised capital for issue of preference shares. Consequently, pending the allotment, amount of Rs. 769.66 lakhs is included in share capital account.

As per the Scheme, the company is required to fix record date for issue of shares to the shareholders of Zuari. Pending the allotment the amount of 610.44 lakhs is included in share capital account.

Pursuant to cl. 8 of the Scheme dealing with "Accounting Treatment" Goodwill of Rs. 52.67 lakhs has been recognised on 31.03.2011. The Scheme provided for set-off of loss upto 30-9-2011 in computation of Goodwill. After given the effect of results for the half year ending 30-9-2011, Goodwill of Rs. 49.02 lakhs has been recognised.

**3. Prior period comparatives**

Previous year's figures are presented as per the Revised Schedule VI to make comparables with the half year. However, groupings of previous year's figures presented in these financial statements are not matching with those presented in previous year's financial statements.

In term of our report of even date attached

For and an behalf of the Board of Directors of

**For Bhatler & Co.**

Chartered Accountants

Firm Registration No: 131092W

**PHOENIX TOWNSHIP LIMITED**

**D.H.Bhatler**

Proprietor

Membership No. 016937

Place: Mumbai  
Date: 27.12.2013



**Dr. P.R. Hede**  
Vice Chairman

**Samir Hede**  
Executive Director

**Lalan Kumar**  
Manager

Place: Mumbai  
Date: 27.12.2013

## GENERAL INFORMATION

### PHOENIX TOWNSHIP LIMITED

#### INCORPORATION

PHOENIX TOWNSHIP LIMITED was incorporated on February 10, 1993 under the Companies Act, 1956, as A Public Limited Company.

The Certificate for Commencement of Business was issued by the ROC, Goa, Daman & Diu on March 22, 1993.

**CORPORATE IDENTITY NUMBER:** U67190GA1993PLC001327

#### ADDRESS OF REGISTERED OFFICE OF THE COMPANY

Durga Bhavan, Hede Centre, Tonca Panaji, Goa-403001.

Tel.: (91-832) – 6642 724/ 6453 265, Fax: (91-832) 2461394,

E-mail: [complaince@hbgindia.com](mailto:complaince@hbgindia.com) ; Website: [www.hbgindia.com](http://www.hbgindia.com)

#### ADDRESS OF CORPORATE OFFICE OF THE COMPANY

Balaji Bhavan, 2<sup>nd</sup> floor, 14, BEST Marg, Colaba, Mumbai 400001.

Tel.: (91-22) – 6159 0900/ 2283 1312/ 2283 1325, Fax: (91-22) – 2202 8212,

E-mail: [complaince@hbgindia.com](mailto:complaince@hbgindia.com); Website: [www.hbgindia.com](http://www.hbgindia.com)

#### ADDRESS OF REGISTRAR OF COMPANIES

**Registrar of Companies**

**ROC-Goa**

Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji

Goa, Goa-403001.

India.

#### BOARD OF DIRECTORS AS ON THE DATE OF FILING OF THIS INFORMATION MEMORANDUM:

Sr. No.	Name of the Director	Address	Designation	Date of Appointment
1	Surendra Ambalal Dave	17/31, MHB Colony, Bandra Reclamation, Bandra (West), Mumbai, 400050. Maharashtra, India	Non-Executive & Independent Director	30/06/1998
2	Ram Sukhraj Tarneja	Godrej Planet , 21st Floor, Tower - II, Flat No. 2102, Jacob Circle, K.K.Road, Mahalaxmi, Mumbai-400011, Maharashtra, India	Non-Executive & Independent Director	14/10/2002
3	Dattatraya Mahadeo Sukthankar	"Priya" (5th Floor), 9, Khan Abdul Gafar Khan Road, Worli Sea Face, Mumbai- 400030. Maharashtra. India.	Non-Executive & Independent Director	10/02/1993
4	Shibani Manish Harlalka	501, Venus Apartment, 5 <sup>th</sup> Floor, Tardeo Road, Near Sardar Pav Bhaji Wala, Mumbai- 400034. Maharashtra. India.	Alternate Director	16/08/2007
5	Prafulla Rajaram Hede	D15 Marbella Lamarvel, Dona Paula, Panaji-403004. Goa. India.	Director & Promoter	10/02/1993
6	Pralhad Bhagwant	Ft 22 Bl / Shivanjali 141	Non-	22/11/1994

	Desai	Jai Prakash Road, Amboli Andheri, Mumbai, 400053. Maharashtra., India.	Executive & Independent Director	
7.	Samit Prafulla Hede	H No 644 D-15 Marbella La Marvel, Dona Paula, Panaji, 403002, Goa, India	Executive Director & Whole-time director	01/04/2005
8.	Paul David Talbot Willcox	Wood Farm Clay Lane, Hemingstone, Suffolk, Ip60sh, United Kingdom.	Non-Executive (Chairman) & Director	15/09/1993

**SR. ACCOUNTANT & COMPLIANCE OFFICER:**

MR. LALAN KUMAR

Balaji Bhavan,  
2<sup>nd</sup> floor, 14,  
BEST Marg,  
Colaba, Mumbai-400001.  
**Tel.:** (91-22) - 6159 0900/ 2283 1312/ 2283 1325  
**Fax:** (91-22) - 2202 8212  
**E-mail:** [complaine@hbgingdia.com](mailto:complaine@hbgingdia.com)

**BANKERS TO THE COMPANY:**

AXIS BANK- Fort Branch

Address: Universal Insurance Building,  
Ground Floor, Sir P.M.Road,  
Fort, Mumbai - 40001.

IDBI Bank - Fort Branch.

Address: Venkatesh Prescott Road,  
P.B.No. 714, Fort,  
Mumbai- 400001.

## COMPANY SECRETARIES

### **KOTHARI H. & ASSOCIATES, Practising Company Secretary**

208, IInd Floor, BSE Building,  
Dalal Steet, Fort Mumbai -400 001  
Tel : 022- 2272 1831  
Telfax : 022- 2272 1831  
Cell : +91 98693 38263/ 09702246060  
Email: [hiteshkotharics@yahoo.co.in](mailto:hiteshkotharics@yahoo.co.in)

## STATUTORY AUDITORS

### **M/s. Bhatner & Co.,**

Chartered Accountants  
307, Tulsiani Chambers,  
Nariman Point,  
Mumbai - 400 021  
Tel : 022- 30208868/22853039  
Telfax : 022- 66301318  
Cell : +91 9320030451  
Email: [dhbhatner@gmail.com](mailto:dhbhatner@gmail.com)

## REGISTRAR & SHARE TRANSFER AGENT

### **ADROIT CORPORATE SERVICES PRIVATE LIMITED**

17/20, Jaferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (East),  
Mumbai-400 059.  
**Tel:** 022 2859 0942  
022 4227 0400  
**Fax:** 2850 3748  
**Email:** - [sshetty@adroitcorporate.com](mailto:sshetty@adroitcorporate.com), [pratapp@adroitcorporate.com](mailto:pratapp@adroitcorporate.com)  
**Website:** [www.adroitcorporate.com](http://www.adroitcorporate.com)  
**Contact Person:** Mr. Pratap Pujare



## SHARE CAPITAL STRUCTURE

### I. SHARE CAPITAL - PRE SCHEME OF ARRANGEMENT

PARTICULARS	AMOUNT (RS.)
<b>Authorised Share Capital</b>	
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued , Subscribed and Paid-up Share Capital</b>	
1,83,25,262 Equity Shares of Rs.10/- each	1,83,252,620
<b>Total</b>	<b>1,83,252,620</b>

### II. SHARE CAPITAL - POST SCHEME OF ARRANGEMENT

Consequent to issue and allotment of shares pursuant to the Scheme, the Share Capital of the Company is as follows:

PARTICULARS		AMOUNT (RS.)
<b>Authorised Share Capital</b>		
20,200,000 Equity Shares of Rs.10/- each	20,20,00,000	
7,800,000 Redeemable Preference Shares of Rs. 10/- each	7,80,00,000	
<b>Total</b>		<b>28,00,00,000</b>
<b>Issued , Subscribed and Paid-up Share Capital</b>		
13,984,260 Equity Shares of Rs.10/- each	13,984,2600	
7,696,608 Redeemable Preference Shares of Rs. 10/- each	76,966,080	
<b>Total</b>		<b>216,808,680</b>
Share Premium Account Before the Scheme		28,038,936
After the Scheme		28,038,936

### NOTES TO CAPITAL STRUCTURE:

#### AUTHORISED SHARE CAPITAL

The Authorised Share Capital of the Company at the time of pre merger was of Rs. 20,00,00,000 divided into 2,00,00,000 Equity Shares of Rs.10/- each.

Pursuant to Scheme of Amalgamation and Arrangement between Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme") under Sections 78 and 100 to 103 and other applicable provisions of the Companies Act, 1956, the authorised capital of the Company shall be reclassified in following manner:

- a. 78 Lacs Redeemable Preference Shares of Rs. 10/- each and
- b. 122 Lacs Equity Shares of Rs. 10 each

Further, as per clause 9 of Scheme of Amalgamation and Arrangement Authorised Equity Capital of Zuari Forex Limited ("ZFL") Rs. 60,000,000 divided into 6,000,000 Equity Shares of Rs.10/- each will be merged in Phoenix Township Limited ("the Company" or "PTL")

Further, Increase in Authorised Share Capital of the Company by Rs. 2,00,00,000 vide resolution passed by the Members at their Extra Ordinary General Meeting held on 23/03/2012.,

The Present Authorised share Capital of the Company is Rs. 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 78,00,000 (Seventy Eight Lakh) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) and 20,200,000 (Two Crore Two Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only)

### **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

Pursuant to Scheme of Amalgamation and Arrangement between Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme") 57 equity shares of Phoenix Township Limited be cancelled out of every 100 equity shares and fraction arising consequent to such reduction shall also be consider as reduced for total 18325262 issued and paid up equity shares of the Company in terms of the Scheme, without requiring the Company to add words "And Reduced" as suffix to its name.

In terms of the Scheme of arrangement the company has allotted 6,104,400 equity shares of Rs.10/- each fully paid-up to the equity shareholders of Zuari Forex Limited, on March 31, 2012, as per its Register of Members as on March 30, 2012 ("the Record Date").

Further, 7,696,608 Redeemable Preference Shares of Rs. 10/- each be allotted to shareholders of Phoenix Township Limited ("the Company" or "PTL")

The Present Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 216,808,680 /- (Rupees Twenty One Crores Sixty Eight Lakh Eight Thousand Six Hundred Eighty Only) divided into 76,96,608 (Seventy Six Lakh Ninety Six Thousand Six Hundred and Eight) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) and 13,984,260 (One Crore Thirty Nine Lakh Eighty Four Thousand Two Hundred Sixty) Equity Shares of Rs. 10/- (Rupees Ten Only)

### **SHARE CAPITAL HISTORY OF THE COMPANY:**

Date of Allotment/ Instrument	Face Value Rs.	Issue Price Rs.	No of Shares	Cumulative Paid-up Share Capital (in Rs.)	Nature of allotment	Consideration
12.02.1993	10	10	45	450	Subscribers	Cash
23.06.1993	10	10	195405	1954500	Further allotment	Cash
05.10.1993	10	10	240000	4354500	Further allotment	Cash
05.12.1993	10	10	60000	4954500	Further allotment	Cash
26.12.1993	10	10	275000	7704500	Further allotment	Cash
26.02.1994	10	10	475000	12454500	Further allotment	Cash
12.11.1994	10	10	1590000	28354500	Further allotment	Cash
27.10.1995	10	10	1660000	44954500	Further allotment	Cash
27.02.1996	10	10	2000000	64954500	Further allotment	Cash
24.06.1999	10	10	1450000	79454500	Further allotment	Cash
10.06.2000	10	10	1033500	89789500	Further	Cash

					allotment	
25.03.2009	10	13	9346312	183252620	Further allotment	Cash
1102.2012	10	10	10445402	104454020	Cancellation of shares pursuant to the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 78 and 100 to 103	
31.3.2012	10	10	6104400	61044000	Under Scheme of arrangement to the Equity Share holders Zuari Forex Limited	Other than Cash

Date of Allotment/ Instrument	Face Value Rs.	Issue Price Rs.	No of Shares	Cumulative Paid-up Share Capital (in Rs.)	Nature of allotment	Consideration
1102.2012 Preference	10	10	7,696,608	76966080	Fresh Issue	Cash

The Promoters of the Company, their relatives and associates and its directors have not purchased or sold or financed, directly or indirectly, any equity shares of PTL from the date of approval of the Scheme by the Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction till the date of submission of this Information Memorandum.

#### **LIST OF THE PERSONS/ENTITIES COMPRISING PROMOTER GROUP**

As on the date of this Information Memorandum, the Shareholding of the Promoter group of the Company is as under:

Sr. No.	Name	No. of Shares	% Holding
1	Colaba Real Estate Pvt. Ltd.	468715	3.35
2	Dr. Prafulla R. Hede	2572303	18.39
3	Hede Consultancy Company Private. Ltd.	2274880	16.27
4	Hede Investments Private. Limited	1223140	8.75
5	Hede Plantation Private Limited	678124	4.85
6	Hede Transports Private. Limited.	1043015	7.46
7	Mrs. Shibani M. Harlalka	73100	0.52
8	Mr. Samit P. Hede	77873	0.56
9	Sanquelim Investments Private	1058178	7.57

	Limited.		
10	Glacier Trades Private Limited	336700	2.41
11	Jwala Investments And Trading Private Limited	172000	1.23
12	Star Galaxy Trades Private Limited	210807	1.51
13	Jackson Marine (India) Limited	225600	1.61
14	HBG Trust	381625	2.73
	<b>TOTAL</b>	<b>10796060</b>	<b>77.20</b>

**THE LIST OF TOP 10 SHAREHOLDERS OF THE COMPANY AND THE NUMBER OF EQUITY SHARES HELD BY THEM**

**TOP TEN SHAREHOLDERS AS ON THE DATE OF INFORMATION MEMORANDUM**

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>Number of Equity shares</b>
1.	DR.PRAFULLA R.HEDE	2572303
2.	HEDE CONSULTANCY COMPANY PVT LTD	2242880
3.	HEDE INVESTMENTS PRIVATE LTD	1223140
4.	SANQUELIM INVESTMENTS PVT LTD	1058178
5.	HEDE TRANSPORTS PRIVATE LIMITED	1043015
6.	HEDE PLANTATION PVT LTD	678124
7.	COLABA REAL ESTATE PVT. LIMITED	314600
8.	HBG TRUST	381625
9.	GLACIER TRADES PRIVATE LIMITED	336700
10.	RATIBHAI VISHRAM PATEL	232400

**TOP TEN SHAREHOLDERS 10 DAYS PRIOR TO THE DATE OF THE INFORMATION MEMORANDUM**

<b>Sr. No.</b>	<b>Name of Shareholder</b>	<b>Number of Equity shares</b>
1.	DR.PRAFULLA R.HEDE	2572303
2.	HEDE CONSULTANCY COMPANY PVT LTD	2242880

3.	HEDE INVESTMENTS PRIVATE LTD	1223140
4.	SANQUELIM INVESTMENTS PVT LTD	1058178
5.	HEDE TRANSPORTS PRIVATE LIMITED	1043015
6.	HEDE PLANTATION PVT LTD	678124
7.	COLABA REAL ESTATE PVT. LIMITED	314600
8.	HBG TRUST	381625
9.	GLACIER TRADES PRIVATE LIMITED	336700
10.	RATIBHAI VISHRAM PATEL	232400

NOTES:

1. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of the Company.
2. There was no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court till listing of the Equity Shares allotted as per the Scheme.
3. There is only one denomination for the Equity Shares of the Company, subject to applicable regulations and the Company will comply with such disclosure and accounting norms specified by SEBI, from time to time.
4. The Company has 1303 (including shareholders of Zuari Forex Limited who have allotted shares of Phoenix Township Limited as per Scheme) members as on the date of filing this Information Memorandum.
5. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.
6. The Company has not instituted any employee stock option scheme as on the date of this Information Memorandum.
7. The Equity Shares held by the Promoters are not subject to any pledge.
8. As on date there are no partly paid up shares.
9. None of the key managerial personnel holds Equity Shares in the Company.

**SHAREHOLDING PATTERN**

Statement showing Shareholding Pattern of the Company before and after the Scheme (as on the date of Information Memorandum)

		<b>PTL (Transferee Company)</b>			
		<b>Pre-arrangement shareholding</b>		<b>**Post-arrangement shareholding</b>	
		No. of shares	% of shares	No. of shares	% of shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian@</b>				
(a)	Individuals/ Hindu Undivided Family	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate	4181452	53.07	7691159	55.00
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others(Specify)				
(e-i)	Directors	2723276	34.56	2723276	19.47
(e-ii)	Trusts	-	-	381625	2.73
	<b>Sub Total(A)(1)</b>	<b>6904728</b>	<b>87.63</b>	<b>10796060</b>	<b>77.20</b>
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others(Specify)	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6904728</b>	<b>87.63</b>	<b>10796060</b>	<b>77.20</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(a)	Mutual Funds/ UTI	-	-	197400	1.41

(b)	Financial Institutions / Banks	-	-	1000	0.01
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other (specify)	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>198400</b>	<b>1.42</b>
<b>B 2</b>	<b>Non-institutions</b>				
(a)	Bodies Corporate (Including Foreign Bodies Corporates)	975132	12.37	684825	4.89
(b)	Individuals	-	-		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	-	-	1346800	9.63
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	737775	5.27
(c)	Any Other (specify) NRIs	-	-	220400	1.58
	<b>Sub-Total (B)(2)</b>	<b>975132</b>	<b>12.37</b>	<b>2989800</b>	<b>21.37</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>975132</b>	<b>12.37</b>	<b>3188200</b>	<b>22.79</b>
	<b>TOTAL (A)+(B)</b>	<b>7879860</b>	<b>100</b>	<b>13,984,260</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued				
1	Promoter and Promoter Group	-	-	-	-
2	Public	-	-	-	-
	GDRs/ ADRs/ ADSs	-	-	-	-
	<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>*7879860</b>	<b>100</b>	<b>**13984260</b>	<b>100</b>



- \* As per the terms of the Scheme, 10,445,402 equity shares of PTL held by its promoter and Hede Group of Companies have been cancelled by according Members' approval on 05.12.2011.
- \*\* After cancellation of shares and allotment made to Zuari Forex Limited shareholders as per Scheme.

## STATEMENT OF TAX BENEFITS



**Bhatler & Co.**  
CHARTERED ACCOUNTANTS

307, Tulsiani Chambers, Nariman Point, Mumbai - 400 021  
Tel.: 2285 3039 / 3020 8868 • Fax : 91-22-6630 1318 • E-mail : dhbhatler@gmail.com

Cert No. / BC / CERT / 79/ 2013-14.

### STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Phoenix Township Limited,  
Panjim,  
Goa – 403 001.

Dear Sir,

#### **Statement of Possible Tax Benefits available to the Company & its Shareholders**

We hereby report that the enclosed statement states the possible tax benefits available to the company & to its shareholders as per the provisions of the Income Tax Act, 1961, Wealth Tax Act, 1957 and the Gift Tax Act, 1958 presently in force in India, Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the company faces in the future, the company may or may not choose to fulfil.

The current position of tax benefits available to the company or its shareholders is provided for general information purpose only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue. The current position is given based on the Income tax provision applicable for the financial year 2013-14.

Unless otherwise specified, selection referred to below are sections of the Income Tax Act, 1961 (the "Act"). All the provisions set out below are subject to conditions specified in the respective sections for the applicable period.

We do not express any opinion or provide any assurance as to whether:-

1. The company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been /would be met with.



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The contents of the enclosed annexure are based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operation of the company.

*No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the view consequent to such changes. We shall not be liable to the company for any claims, liability or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or international misconduct. We are not liable to any other person in respect of this statement.*

This certificate is provided solely for the purpose of assisting the addressee company in discharging its responsibilities under the Securities and Exchange Board of India Issue of capital and Disclosure Requirements) Regulations, 2009.

**SPECIAL TAX BENEFITS TO THE COMPANY: - NIL**

**GENERAL TAX BENEFITS TO THE COMPANY (Under the Income Tax Act):-**

I.

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In case of loss under the head of "Profit and Gains from Business & Profession", it can be set-off with other income and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment years.
3. In accordance with section 32(1)(ii), the company can claim depreciation on specified tangible ( being Buildings, Plant & Machinery, computer, Furniture & Fixtures, Office Equipments and vehicles) and intangible assets (being Knowhow, copyrights, patents, goodwill or any other business or commercial rights of similar nature acquired on or after 01<sup>st</sup> April, 1998) owned by it and used for the purpose of its business.
4. If the company invests in the equity shares of the another company, as per the provisions of section 10(38), any income arising from the transfer of a long term capital asset being an



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equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.

5. Income received in respect of the units of Mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertaking or income received in respect of units from the specified company is exempt from tax in the hand of the company, under section 10(35) of the I.T. Act.
6. In accordance with section 112, the tax on capital gain on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-
  - a) 20 percent (plus applicable surcharge & Education cess) of the capital gains as computed after indexation of the cost. Or
  - b) 10 percent (plus applicable surcharge & Education cess) of the capital gains as computed without indexation of the cost.
7. In accordance with section 111A capital gain arising from the transfer of a short term assets being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus applicable surcharge & Education cess) and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.
8. In accordance with section 35D, the company is eligible for deduction in respect of specified preliminary expenditure incurred by the company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5 of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.
9. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employee in connection with their voluntary retirement for an amount equal to 1/5 of the amount so paid for that previous year, and the balance in four equal instalments for each of the succeeding previous years subject to condition specified in that section.
10. In accordance with section 35, the company is eligible for-
  - a) Deduction in respect of any expenditure (not being the nature of capital expenditure) on scientific research related to the business subject to condition specified in that section.





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## A. RESIDENT

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. Shares of the company held as capital assets for a period of more than 12 months preceding the date of transfer will be treated as a long term capital asset.
3. In accordance section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
4. As per the provision of section 71, if there is a loss under the head "capital gain", it cannot be set-off with the income under any other head. Section 74 provides that the short term capital loss can be set-off against any long term capital gain but long term capital loss cannot be set-off against short term capital gain.
5. In accordance with section 112, the tax on capital gain on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:-
  - a) 20 percent (plus applicable surcharge & Education cess) of the capital gains as computed after indexation of the cost. Or
  - b) 10 percent (plus applicable surcharge & Education cess) of the capital gains as computed without indexation of the cost.
6. In accordance with section 111A capital gain arising from the transfer of a short term assets being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus applicable surcharge & Education cess) and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.
7. In accordance with section 54EC, Long term capital gain arising or transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within 6 months from the date of transfer in the purchase of long term specified assets. The long term specified assets notified for the purpose of investment is Bond of REC & NHAI. Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 Lakhs in one financial year.
8. In accordance with section 54F, utilization of the sales condition arising from the sale of the company's share held for a period more than 12 months(which is not exempt u/s 10(38)), for



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purchase/construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein to avail exemption under this section.

## A. NON-RESIDENT

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In accordance section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
3. In accordance with section 48, capital gain arising out of transfer of capital asset being shares in the company and such transaction is not chargeable to STT, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gain computed in foreign currency shall be converted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the company.
4. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% ( plus applicable surcharge & Education cess).
5. In accordance with section 111A capital gain arising from the transfer of a short term assets being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus applicable surcharge & Education cess) and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.
6. In accordance with section 54EC, Long term capital gain arising or transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within 6 months from the date of transfer in the purchase of long term specified assets. The long term specified assets notified for the purpose of investment is Bond of REC & NHAI. Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 Lakhs in one financial year.
7. In accordance with section 54F , utilization of the sales condition arising from the sale of the company's share held for a period more than 12 months(which is not exempt u/s 10(38)), for



# Bhatler & Co.

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purchase/construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein to avail exemption under this section.

## UNDER THE WEALTH TAX ACT, 1957

The shares of the company held by the shareholders will not be treated as an asset within the meaning of section 2(ea) of the wealth tax act, 1957. Hence wealth tax is not leviable on share held in the company.

## UNDER THE GIFT TAX ACT:-

Gift of shares of the company made on or after October 1, 1998 are not liable to gift tax, however the same is taxable u/s 56 (2) of the income tax act.

For Bhatler & Company

(Chartered Accountants)

D.H.BHATTER

(Proprietor)

MNO:016937

FRN: 131092W



Place: Mumbai

Date : 07.11.2013



## **SECTION IV- ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

#### **PURPOSE OF INDUSTRY OVERVIEW**

This overview is designed to provide industry-related information to the Large Business & International (LB&I) Division. This is the first step in the effort of LB&I to develop a greater level of expertise in the industry or industries to which you will be assigned. This overview is one of a series of industry specific overviews. See the Appendix for a complete listing of available overviews

The hotel industry is a mature industry marked by intense competition. Market share increases typically comes at a competitor's expense. Industry-wide, most growth occurs in the international, rather than the domestic, arena.

#### **INDIAN ECONOMY OVERVIEW**

##### **ECONOMIC OVERVIEW**

The world's 4 largest economy had seen a slowdown during 2011. As per the Central Statistical Organization (CSO) advance estimates, the country's GDP during FY 2011-12 is expected to grow at 6.9%, which is a considerable shortfall from initial forecasts of 9%. The industries that have been attributed to fallback are the 'mining and quarrying' segment, due to the bans imposed in the state of Karnataka and Goa as part of the government's efforts to control illegal mining. In addition to this, the 'manufacturing' industry had also seen a slowdown due to the Euro Zone crises and rising prices of raw material. Rising inflation has caused great concerns for the economy. With rising capital costs and the sluggish movement of Foreign Direct Investments (FDI) into the country which have experienced a drop of nearly 33%, as indicated in the advance estimates by the Reserve Bank of India (RBI).

With the value of the Rupee falling, the imports for the country have become more expensive, however for hoteliers this has been seen in a positive sense, as the country becomes a comparatively cheaper destination for foreign travel. FY 2011-12 has also brought in some significant optimistic changes for the economy, like the policy decision taken by the Central Government to allow Qualified Foreign Investors (QFI's) to directly invest in the Indian equity market to increase the depth of the market and to reduce market volatility. The government also announced, with respect to the Hotel and Tourism sector, an allowance of up to 100% in FDI permitted through automatic route.

As per the World Travel & Tourism Council (WTTC), Travel and Tourism accounted for 6.4% of India's GDP in 2011, and forecasts a rise to 7.3% by 2012. Leisure travel spending (inbound and domestic) generated 73.8% of the Travel and Tourism GDP, in contrast to 26.2% for business travel spending. The Ministry of Tourism also notifies a growth of 9% in Foreign Tourist Arrivals, and approximately 17% increase in Foreign Exchange Earnings.

(Source: A Cushman & Wakefield Research Publication)

##### **ECONOMIC IMPACT RESEARCH**

WTTC's latest Economic Impact Research shows that world Travel & Tourism continues to grow in spite of continuing economic challenges.

- Despite progressive downgrades to growth forecasts through 2011, the industry grew by 3% over the course of the year (in terms of Travel & Tourism's contribution to GDP).
- Tourism's direct contribution to GDP in 2011 was US\$2 trillion and the industry generated 98 million jobs.
- Taking account of its direct, indirect and induced impacts, Travel & Tourism's total contribution in 2011 was US\$6.3 trillion in GDP, 255 million jobs, US\$743 billion in investment and US\$1.2 trillion in exports. This contribution represented 9% of GDP, 1 in 12 jobs, 5% of investment and 5% of exports.

- Growth forecasts for 2012, although lower than anticipated a year ago, are still positive at 2.8% in terms of the industry's contribution to GDP.
- Longer-term prospects are even more positive with annual growth forecast to be 4.2% over the ten years to 2022.

*(Source: World Travel and Tourism Council (WTTC), Travel & Tourism Economic Impact).*

### **FOREIGN EXCHANGE EARNINGS FROM TOURISM (FEE)**

The Foreign Exchange Earnings from tourism in India during 2010 was US\$ 14.19 billion as compared to US\$ 8.6 Billion in 2006. The CAGR during 2007 to 2010 in FEE from tourism In India was 9.78% as compared to 29.15% during 2002 to 2006 (10th Plan Period). Though the rate of growth of FEE from tourism in India has witnessed a decline in 11th Plan period as compared to 10th Plan period, India's share in world tourism receipts has improved from 1.16% in 2006 to 1.54% in 2010. There is noteworthy improvement in India's ranking in world tourism receipts from 22nd position in 2006 to 16th in 2010.

(Source: Report of The working group on tourism 12th FIVE YEAR PLAN (2012- 17)

### **FOREIGN TOURIST ARRIVALS (FTAS)**

The country witnessed a compounded annual growth rate (CAGR) of 3.18% in FTAs during 2007-2010, as against a 16.93% growth during the 10th Plan period. FTAs witnessed a negative growth of 2.2% in 2009, mainly attributed to the severe economic recession in the main source markets. However, this performance of tourism sector in India was better than the world average (-) 4%. Since then, the growth in FTAs have rebounded to an impressive 8.1% during 2010. The first seven months of 2011 have also registered an upward growth of 10.9% and this trend is expected to continue

(Source: Report of The working group on tourism 12th FIVE YEAR PLAN (2012- 17)

### **GOVERNMENT INITIATIVE**

The campaign 'Visit India Year 2009' was launched at the International Tourism Exchange in Berlin, aimed to project India as an attractive destination for holidaymakers. The govern men joined hands with leading airlines, hoteliers, holiday resorts and tour operators, and offered the wide range of incentives and bonuses.

Euro monitor International's Travel And Tourism in India report states that the Government of India increased spend on advertising campaigns (including for the campaigns 'Incredible India' and 'Atithi Devo Bhava' - Visitors are like God) to reinforce the rich variety of tourism in India. The ministry promoted India as a safe tourist destination and undertook various measures, such as stepping up vigilance in key cities and at historically important tourist sites. It also deployed increased manpower and resources for improving security checks at key airports and railway stations.

(Source: [www.ibef.org](http://www.ibef.org))

### **OVERVIEW - HOTEL INDUSTRY**

Hotel Industry in India has witnessed tremendous boom in recent years. Hotel Industry is inextricably linked to the tourism industry and the Growth in the Indian tourism industry has fuelled the growth of Indian Hotel industry. The thriving economy and increased business Opportunities in India have acted as a boon for Indian hotel industry. The Arrival of low cost airlines and the associated price wars have given domestic tourists a host of options. The 'Incredible India' destination campaign and the recently launched 'Atithi Devo Bhavah' (ADB) campaign have also helped in the growth of domestic and international tourism and consequently the hotel industry. According to a report, Hotel Industry in India currently has supply of 110,000rooms and there is a shortage of 150,000 rooms fuelling hotel room rates across India. According to estimates demand is going to exceed supply by at least 100%over the next 2 years. The future scenario of Indian hotel industry looks extremely rosy. It is expected that the budget and mid-market hotel segment will witness huge growth and expansion while the luxury segment will continue to perform extremely well over the next few years.

According to the latest Tourism Satellite Accounting (TSA) research, released by the World Travel and Tourism Council (WTTC), the demand for travel and tourism in India is expected to grow by 8.2 % between 2010 and 2019. This will place India at the third position in the world. India's travel and tourism sector is expected to be the second largest employer in the world. Capital investment in India's travel and tourism sector is expected to grow at 8.8 % between 2010 and 2019. The report forecasts India to get more capital investment in the travel and tourism sector and is projected to become the fifth fastest growing business travel destination from 2010 through 2020.

### **INDIAN HOTEL INDUSTRY REPORTS ROBUST GROWTH IN 2011**

India's hotel industry has shown robust growth in the fiscal (2011-2012) till November, notwithstanding the global and local economic slowdown, reporting continuous revenue-per-available-room (RevPAR) growth and the hotel inventory is expected to add another 61,000 rooms in the next three years, according to a survey. Based on the market survey by STR Global, the global market watch on hospitality industry, India's hotel industry showed overall revenue growth in 2011. "India, with a population over 1.2 billion and a growing economy, is allowing the Indian hotel market to prosper as hotel brands continue to expand their portfolio in the main cities and in the regions," says Elizabeth Randall, managing director for STR Global. "Our partnership with Horwath HTL-India will help us to better assist our existing and future clients across India and provide more market visibility for international and national operators and investors alike," she adds.

The year-to-date (YTD) hotel performance results showed that all major regions, with the exception of Kerala and Maharashtra, reported continuous revenue-per-available-room (RevPAR) growth with Goa reporting an eight percent increase. Looking at the hotel pipeline, India's hotel inventory is expected to increase by more than 61,000 rooms in the next three years with over 30,000 rooms currently under construction based on STR Global's pipeline database.

*(Source: Indian Hotel Industry survey 2011-12)*

## ABOUT PHOENIX TOWNSHIP LIMITED

### BUSINESS OVERVIEW

#### **OVERVIEW**

Our Company was incorporated as Phoenix Township Limited on February 10, 1993, under the Companies Act, 1956, with the Registrar of Companies, Goa. The Company is a Public Limited Company.

The Company is a one of the larger ventures of Hede Business Group. The Company is involved in the business of Hospitality. The Company is presently focusing on the Development of its Hotels & Resorts Business and is currently having the Hotel "Phoenix Park Inn Resort in Condolim Goa.

The Company classifies its business divisions by the quality of the property, the range of services, and the guests it targets. The Company derives the majority of its revenue from the Phoenix Park Inn Resort in Condolim Goa and also analyzing the possibilities of setting up no frills hotels in Mumbai & other destinations which it would set up in association with Sarovar Hotels under the Hometel Brand. A unique concept developed by them for the budget conscious traveler.

Company is planning to expand its Hotels & Resorts business owing to the resounding success of its first project at Goa. The company is proposing to set up a chain of various hotel projects in key locations in the branded budget segment.

Economic growth and increased travel activity into India shall help the Company's growth over the last decade. The Company believes that economic growth and increased travel activity in India will continue as a result of India's continuing economic liberalization programme.

The key elements of the Company's strategy are to strengthen its position in Hotel and Resort Business in India, to migrate up the value chain by entering into joint ventures and management contracts, if any opportunity comes up in near future, to expand selectively in international markets, to focus on shareholder value enhancement and to reorganize and rationalize its assets so as to improve returns.

The Company aims to achieve the following:

(a) Strengthen the Leading Position in India: This includes

1. Maintaining leadership in existing products and service offerings.
2. To expand the product offering.
3. To expand presence in various locations: The Company plans to expand its presence in key cities and secondary cities by entering into management and operating contracts, if any opportunity comes up in near future.
4. To expand presence at different price points.

(b) International Expansion:

The Company intends to diversify its existing revenue stream by establishing a presence Outside India as well, but as of the date of this Information Memorandum the Company has not entered into any definitive agreements to give effect to such plans.

- (c) A strong brand image backed by service excellence;
- (d) Diversified portfolio of properties with presence at different price points and in various locations, including in selective international locations;
- (e) Strength in the food and beverage sector;
- (f) A sales force with extensive reach and penetration in the market;
- (g) Maintaining, renovation and repositioning of properties to maintain market leadership.

## **BUSINESS OF ZUARI FOREX LIMITED**

(Merged with Phoenix Township Limited (“the Company” or “PTL”) as sanctioned by the Hon’ble High Court of Bombay at Panaji, Goa Original jurisdiction, vide its Order dated 23/12/2011)

### **OVERVIEW**

The Company basically uses to offer its services to the incoming foreign tourists who require changing of foreign exchange in form of currency notes and Travellers Cheques into Indian currency. The Company also uses to sell foreign currency in form of currency notes, Travelers Cheques and Prepaid Cards to outgoing Indian nationals visiting other countries for leisure or business as per RBI guidelines.

The Company believed in providing quality service to its customers and has therefore built up a highly experienced and reliable team so necessary for maintaining a high standard of Customer Services.

The Company had been appointed as an Associate Agent for Western Union Money Transfer and Services. All its branches were well connected to the online system provided by Western Union and all remittances received from abroad are paid out instantly.

The Company was a Merchant Establishment Member with AXIS Bank for providing Cash Advances to NRI’s and foreign nationals against their International Credit Cards.

The Company offered ICICI Bank’s International Travel Cards and IDBI’s World Currency Cards for outbound tourists and Project executives of various Software Companies who are based in foreign projects and receive their income on regular intervals.

The Company also offered TATA INDICOM prepaid calling cards against Indian Rupees to outbound travelers to enable them to use such cards for making telephone calls to INDIA thereby saving the Foreign Exchange.

### **DETAILS OF THE BUSINESS OF THE COMPANY (“PHOENIX TOWNSHIP LIMITED”)**

Location of the project: The Company presently has the following hotel/Resort in operation

Hotel Overview: **Phoenix Park Inn** Resort, Goa

#### ***PHOENIX PARK INN RESORT - CONDOLIM, GOA***

#### **GOA, INDIA**

Tourism and Goa are synonymous with each other. Goa is one of the most preferred places of holiday in India. It may not be the state to receive maximum number of tourists in India but the state is well known to receive international tourists on a large scale, more than probably any other state in the country. Thus, it is evident that tourism is the main source of income for the state government as well as residents who rely heavily on the tourists to boost of their trade. Notably, Goa is the state with the highest GDP in India

The first project developed by the Company has been operational since August, 2003. This project is situated at the famous **Calangute Candolim** area about 2 kms from the Taj Fort Aguada Beach Resort and 500 meters from the sea

The Park Inn Resort is managed through **Sarovar Hotels Pvt. Ltd.** a winner of the World Travel Market Global 1998 Award. A franchisee of Carlson **Hospitality**, they are leader in the marketing, Hotel, restaurant, cruise, business and leisure travel and hospitality industries. It operates in five of the World's leading hotel brands throughout the Asia Pacific region – Radisson Hotel and Resorts, Park Plaza Hotel and Resorts, Country Inn & Suits, and Park Inn. It is the one of the largest privately held corporations in the United States of America which is been established nearly 70 years ago, and today with operations spanning more than 150 countries. It provides the management expertise and financial capacity to achieve substantial growth.

**Sarovar Hotels & Resorts** is a leading hotel management company and one of the fastest growing chain of hotels in India. Headed by a team of industry veterans, the Company manages and franchises 58 operational hotels across 40 cities in India and overseas, under Sarovar Premiere, Sarovar Portico, Homotel, Park Plaza and Park Inn brands. The brands cover the 3, 4 and 5 star spectrum.

**Sarovar Hotels & Resorts** pioneered in venturing into the mid-market segment in the Indian hospitality landscape. The Company over a period of 18 years has successfully churned the demand in this segment, and is now the third largest chain in India, with 58 operational hotels across 40 cities in India and overseas. It has a diverse portfolio encompassing hotels, resorts, restaurants and corporate hospitality. The properties vary by type, size and the market niche they serve. It provides a consummate and unmatched international hospitality experience at competitive price offerings.

**Experience:** The Company is managed by competent professionals endowed with a wealth of experience. It is their keen understanding of the hospitality business and their experts in technical knowledge that has propelled the Company to the forefront of the hotel industry.

Sarovar Hotels continues to enter into strategic tie-ups and excels through innovative hospitality solutions. It has pioneered unique food and beverage concepts. Geoffrey's T Pubs are unanimously hailed as some of the finest in the country. It has been associated with a number of prestigious projects from time share groups, construction giants, premier educational institutes and other industry leaders.

**Expertise:** Sarovar Hotels is one of the few hospitality groups that have access to a vast reservoir of experienced professionals and technical experts.

**The Company offers its partners:**

- A team of thorough professionals with an exemplary track record, all of whom have held senior management positions with the finest hotel companies in India and overseas.
- A strong team of corporate operating heads supported by senior specialists in Food and Beverage, Kitchen, Housekeeping, Engineering, Finance and Sales and Marketing.
- A strong sales network across India backed by the support of the global sales offices of Carlson Hospitality Worldwide.
- A strong nationwide network with the ability to deliver business to hotels.
- Continuous training and upgrade opportunities.
- Young and very motivated team of mid-level managers.
- Strong adaptability, proactiveness and ability to predict and adjust to environmental forces.
- Ability to identify market gaps / niches and expand rapidly to fill the same.
- Ability to attract, retain, train and develop a level of talent otherwise difficult to achieve for a single unit property.
- Value for money marketing strategy.

Park Inn serves a range of guests in suburban and leisure destinations. These full service 3 - 4 star hotels offer clean, comfortable rooms, friendly, helpful staff and special amenities and services for business and leisure travelers. Park Inn presently has presence in Goa. The in detail description of the Park Inn's Hotel/Resort's luxuries/facilities is discussed as below:

Sr. No.	Address	Brief Details of the Hotel/Resort
1.	<b>Phoenix Park Inn Resort</b> Sequera Vado, Candolim, Goa 403 515.	<p><b>Rooms in Phoenix Park Inn :</b></p> <p>Total Rooms : 128            Superior Room : 73            Deluxe Rooms : 25            Premium Rooms : 30            Physically challenged : 01</p> <p><b>Phoenix Park Inn Room Facilities :</b></p> <ul style="list-style-type: none"> <li>• Air-conditioning Room</li> <li>• Bottled water in room (complimentary)</li> <li>• Cable/satellite TV</li> <li>• Coffee/tea maker</li> <li>• Complimentary toiletries</li> <li>• Hair dryer available on request</li> <li>• Iron/ironing board</li> <li>• Cribs available</li> <li>• Refrigerator</li> <li>• Rollaway beds</li> <li>• Smoking rooms</li> <li>• Television</li> <li>• Telephone</li> <li>• Rooms are wheelchair accessible</li> <li>• Hot and Cold running water</li> <li>• Temperature Control</li> <li>• Attached Bathroom</li> <li>• Mini Bar</li> </ul> <p><b>Phoenix Park Inn Hotel Facilities :</b></p> <ul style="list-style-type: none"> <li>• Bar/lounge</li> <li>• Business center</li> <li>• Complimentary breakfast</li> <li>• Complimentary Newspapers in lobby</li> <li>• Currency exchange</li> <li>• Front desk</li> <li>• Health club</li> <li>• In Room dining</li> <li>• Wi-Fi Service</li> <li>• Foreign Exchange</li> <li>• Swimming Pool</li> <li>• Gymnasium</li> <li>• Laundry facilities</li> <li>• Medical services</li> <li>• Multilingual staff</li> <li>• Parking (free)</li> <li>• Porter/bellhop</li> <li>• Restaurant</li> <li>• Room service (24 hours)</li> <li>• Secretarial services</li> <li>• Security guard</li> <li>• Swimming pool</li> <li>• Travel counter</li> </ul> <p><b>Dining at Phoenix Park Inn :</b></p> <p><b>SAL :</b> The Open air Coffee Shop</p> <p><b>Chapora-</b> The multi-cuisine restaurant lays an amazing buffet and a la carte</p>



	<p>selections. Indulge in delectable snacks and bites along with a refreshing range of beverages at Sal - The lounge.</p> <p>The poolside bar &amp; barbeque – Colval boasts scrumptious grill delicacies and live music.</p> <p><b><u>MEETING YOUR NEEDS</u></b></p> <p>The Conference and Banquet facilities at the hotel can accommodate upto 150 guests. From intimate social gatherings to parties, our professional staff will cover every detail seamlessly.</p> <p>Rejuvenate at the newly launched Ayur Spa with extensive therapies.</p> <p>Other facilities include Business Centre, Fitness Centre, Shopping Arcade and complimentary Wi-Fi access.</p>
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**COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS:**

There are two separate agreements for Sarovar Hotels Pvt. Ltd.

- (A) HOTEL FRANCHISE AGREEMENT with SAROVAR HOTELS PVT. LTD.
- (B) HOTEL OPERATION AGREEMENT with SAROVAR HOTELS PVT. LTD

A summary of the main terms of the agreements is as under:

S.NO	PARTICULARS	TERMS
A)	HOTEL FRANCHISE AGREEMENT	
1.	Party with whom Agreement entered	Sarovar Hotels Pvt. Ltd.
2.	Effective Date of Agreement	14.04.1999
3.	Tenure	15 years, with Subsequent two five year renewal option subject to mutual agreement.
4.	Services to be rendered by Sarovar Hotels Pvt. Ltd	<p>Sarovar Hotels Pvt. Ltd to provide:</p> <ul style="list-style-type: none"> <li>A. <b><u>Traning</u></b>. In co-operation with the franchisee, offer educational and training meetings &amp; seminars for Franchisee employees.</li> <li>B. <b><u>Reservation System</u></b>. Maintain and make available to all hotels in the system an international reservation System.</li> <li>C. <b><u>Directory</u></b>. Publish and make available to all hotels in the System the park Inn International Directory.</li> <li>D. <b><u>Advertising</u></b>. Cause materials to be prepared for advertising , promotion and marketing of the system for the benefit of hotels in the system in the country or general area in which the Hotel is located, administer advertising and marketing programmers, and review proposed marketing materials prepared by Franchisee for approval.</li> <li>E. <b><u>Manual</u></b>. Provide and maintain a System Operations and Building Standards' Manual ("Manual") containing standards &amp; requirements for construction, conversion, equipping, furnishing and supplying hotels within the system and setting forth management operational standards, procedures 7 techniques.</li> <li>F. <b><u>Inspection</u></b>. Conduct periodic inspections</li> </ul>

		<p>of the services and facilities provided to the public at the Hotels.</p> <p>G. <b><u>Advice and consultation.</u></b> Provide continuing consultation and advice to Franchisee in the management, operation and marketing of the Hotel.</p> <p>H. <b><u>Park Inn Association</u></b> Park Inn may form an association of international hotels within the system depending upon Park Inn 's assessment of the value and need of such association. If it elects to form such an association or hold conference for international users of the system , Franchisee will be participant.</p> <p>I. <b><u>Modification to System.</u></b> It is agreed that the system will be subject to modification and change by Franchisor and/or Park Inn from time to time in its sole discretion , including, without limitation, the reservation system the Marks employed within the system, the Manual &amp; related procedures and standards set forth therein.</p> <p>J. Franchisor also will have the right to modify the System Assesment and to increase them if necessary to accommodate increases in the costs of maintenance of the reservations system, and in other respects if approved by a majority of international hotels in the System, and only upon the consent of Franchisee.</p>
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S.No	Particulars	Terms
B)	HOTEL OPERATION AGREEMENT	
1.	Party with whom Agreement entered	Sarovar Hotels Pvt. Ltd.
2.	Effective Date of Agreement	14.04.1999
3.	Tenure	10 years, and renewal for further period of 5 years at one time. Renewed for a further period of 5 years w.e.f. 1st August, 2013 to 31st July, 2018.
4.	Services to be rendered by Sarovar Hotels Pvt. Ltd.	<p>Sarovar Hotels Pvt. Ltd (Here in after refer to as 'Operator')to provide:</p> <ol style="list-style-type: none"> <li>1. Shall Supervise and Direct the operations of the Hotel and shall have, within the limits stipulated in the Agreement, complete and exclusive control and discretion over the operation of the Hotel and all operation plans including use of space and facilities, Prices entertainment and amusement policies, labour policies, wage rates, hire and discharge of employees and all phases of promotion, publicity and advertising save and except as herein otherwise provided.</li> <li>2. All directions, suggestions, guidance and advice given by the owner to the Operator from time to time, shall be honored and implemented by the operator in so far as they are compatible with the smooth and efficient running of the Hotel.</li> <li>3. In the event of any Liability to the Operator and/or Owner in connection with the Operation</li> </ol>

		<p>of the Hotel, arising on employees, Workers or customers claims not covered by insurance, the amount thereof shall be a proper expenses and shall be included in Gross Operating Expenses.</p> <ol style="list-style-type: none"><li>4. Operator shall operate the Hotel and all its facilities and activities in the same manner as is customary and usual in the operation of other similar hotels including supervisory services, in any event, shall provide such services at the Hotel as are normally provided by operators of Hotels of comparable class and standing consistent with the Hotel's Facilities.</li><li>5. Owner may advise the Operator to reject employment of any person or person whose background or behavior is determinately to the interest of the Hotel and such advise shall not be ordinarily rejected by the Operator without sufficient reason.</li><li>6. Operator shall deliver to the Owner prior to the end of each month, a profit and loss statement showing results of operation of the Hotel for the preceding calendar month and the year to date, and containing the computation of the operating fees payable. And operator agrees to deliver the same within Ninety days after the end of the Fiscal Year.</li><li>7. Operator shall not pledge the credit of the owner, nor shall the operator in the name or on behalf of the owner borrow any money or execute any promissory notes, or other are legally obligatory on the operator, and/or owner</li><li>8. No litigation or legal proceedings against any third party relating to Hotel Operation shall be initialed by the Operator without the Prior written consent of the owner, All legal claims/suits filed against the Hotel shall be immediately brought to the choice of the owner and owner must be consulted for each mater.</li></ol>
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## HISTORY AND OTHER CORPORATE AFFAIRS

Our Company was incorporated as Phoenix Township Limited on February 10, 1993, as a Public Limited Company under the Companies Act, 1956, with the Registrar of Companies, Goa. The registration no. assigned to our Company was U67190GA1993PLC001327. The Company entered into a Scheme of Amalgamation and Arrangement between Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme") which became effective on January 23, 2012. On the scheme becoming effective the Zuari Forex Limited ("ZFL") (Transferor Company) was merged in the Company.

Prior to the Amalgamation and Arrangement, ZFL was engaged in the foreign exchange business. It used to operate a network of branches in Mumbai, Bangalore and Hyderabad and is in the process of setting up a nationwide network along with a presence at key airports. ZFL was incorporated on 10<sup>th</sup> June 1988 under the provisions of the Companies Act, 1956 under the name and style of 'Zuari Financial Services Private Limited'. The said name of the Company was changed to 'Zuari Financial Services Limited' consequent to conversion into a Public Company vide fresh certificate of Incorporation dated 7<sup>th</sup> November 1991 issued by the Registrar of Companies, Goa. Further, name of the Company was changed to "Zuari Finance Limited" vide fresh certificate of Incorporation consequent to change of name dated 10<sup>th</sup> March 1994 issued by the Registrar of Companies, Goa. The name of the Company was changed to its present name "Zuari Forex Limited" vide fresh certificate of incorporation consequent to change of name dated 11<sup>th</sup> January 2002 issued by the Registrar of Companies, Goa. The registered office of ZFL is situated at Durga Bhavan, Hede Centre, Tonca, Panjim, Goa - 403 001 listed on the BSE in the year 1995.

In accordance with the Scheme of Arrangement Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme"), as sanctioned by the Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction, vide its Order dated 23/12/2011 it will result in diversification and expansion of the business operations in the hospitality, realty, and Finance sector.

### MAIN OBJECTS:

The Main Objects of PTL as set out in its Memorandum of Association are as follows:

- 1 To carry on the business of Estate Developers, Land Developers, Builders, Civil Contractors, buying, selling, leasing or otherwise dealing in properties, residential and commercial premises, community centers and to act as engineers, real estate agents, designers, building experts, advisors, manufacturers and dealers in building materials of all types and also to act as consultants on all matters of architecture, structural, engineering, interior designing and graphic and to prepare complete scheme, drawings, plans, estimates including layouts of building, township and other civil work.
- 2 To acquire by concession, grant, purchase, lease, license, or otherwise any land in India or elsewhere, together with such rights as may be agreed upon and granted by Government or owners thereof and to spend such sums of money as may be deemed requisite and advisable in the exploration, survey and development thereof, and to buy, purchase, sell, lease, take on lease, exchange or otherwise acquire land, buildings and here detements or Any tenure of description in India or elsewhere either for investment or re-sale or for trafficking in account as may deem expedient and construct, alter, improve, decorate, develop furnish and maintain offices, flats, houses, factories, warehouses, godowns shops, buildings another structures, works and conveniences of all kinds of any of the lands immovable properties or acquire by the company and to lease, sell, deal or otherwise dispose of the same.
- 3 To establish, build, erect, hold, promote, operate, administer, manage, furnish chamber, apartment house, cottages, houses, Hotels rooms, Restaurant, suits, chalets, caravans, offices, concert halls, water sports, fairs, premises, side shows, fashions show, boutiques, parking facility, convention halls, public parks, entertainment parks, fashions centers' handi-crafts, objects of rafts and connected facilities and to provide for by way of contract, license, rent, hire purchase, sell, exchange time sharing basis, or otherwise the same and to permit the members of the company or other persons the use of such facilities on payment.

- \*\*4. To underwrite, invest and acquire by gift, right or otherwise and to hold, sell, buy or otherwise deal in shares, debentures, debentures-stocks, bonds, notes, saving certificates, mutual funds, unites, obligations and securities issued or guaranteed by Indian or Foreign Government, Company, Corporation, Firm or person whether incorporated or established in India or elsewhere and to provide finance, venture capital, seed capital, loan capital, to give guarantee and to act as Financial/Management Consultants, Capital Issue House, Issue Managers, Registrars, Brokers, Dealers, Agents and to carry on the business of share broking, exchange broking, bill broking and general brokers for all types of securities, commodities and currencies and to manage the funds of any person or company by investment in various avenues like Growth Funds, Income Funds, Risk Funds, Tax Exempt Funds, Pension/ Superannuation Funds and to pass on the benefit of portfolio investments to the investors as dividends, bonus, interest, etc., and to provide a complete range of corporate/personal financial services in various fields and to promote industrial finance and to carry on and undertake the business of finance, investment and trading, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring, or letting on hire all kind of plant, machinery and equipment and to assist in financing of all the every kind of description of hire-purchase or deferred payment or similar transaction and to subsidies, finance or assist in subsidizing or financing the sale and maintenance of any goods, articles, or commodities of all and every kind and description, upon any terms whatsoever and to purchase or otherwise deal in all forms of moveable property including plant and machinery, equipment, ships aircrafts, automobiles, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless of whether the property purchased and leased be new and/ or used.
- \*\*5. To provide and to deal in all kinds of financial documents like commercial paper, bill of exchange, hundis, I. O. U.'s, Promissory Notes, and other negotiable instruments including Bill discounting and to act as money changers, brokers, buyers and sellers of all foreign currencies s subject to Reserve Bank of India approval, to take positions and trade on the movements of foreign currencies on behalf of the customers or otherwise, to hold, operate and transact in foreign currency by maintaining foreign currency bank account or otherwise and to issue or act as agent for travelers cheques, credit cards and all instruments in any currency, subject to all rules, regulations and approvals as may be necessary.
- \*\*6. To undertake the business of importers, exporters and merchandising of all kinds of goods and articles and to aid financially for purchase or for carrying on the business of proprietors and hirers of motor and other vehicles, including taxi, caterer of clubs, baths, dressing rooms, laundries, reading, writing, newspaper and smoking rooms, libraries, places of amusements, recreation sports, entertainment and instruments of all kinds, departmental stores, agents for railway, shipping and airplane companies and carriers, theatrical and opera box office proprietors, insurance agents and any other business which can be conveniently carried on in connection therewith.

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\*\* Inserted new clauses 4, 5 and 6 in the Main Object Clause vide Special Resolution passed by members at their Extra Ordinary General Meeting held on September 5, 2011.

**CHANGE IN MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE COMPANY SINCE ITS INCEPTION:**

Since the Incorporation of our Company, there have been following Changes in its Memorandum of Association and Articles of Association.

DATE	PARTICULARS
EOGM ON 22.03.1993	Increase in Authorised Share Capital from Rs. 20,00,000 (Rupees Twenty Lakh Only) to Rs. 3,00,00,000 (Rupees Three Crore Only) by creation of 28,00,000 (Twenty Eight Lakh Only) Equity Shares of Rs.10/- (Rupees Ten only) each
	During the Year there was Increase in Authorised Share Capital from Rs. 3,00,00,000 (Rupees Three Crore Only) to Rs. 15,00,00,000 (Rupees Fifteen Crore Only) ) by creation of 1,20,00,000 (One Crore Twenty Lakh Only) Equity Shares of Rs.10/- (Rupees Ten only) each.
EOGM ON 20.12.1995	Increase in Authorised Share Capital from Rs. Rs. 15,00,00,000 (Rupees Fifteen Crore Only) to Rs. 20,00,00,000 (Rupees Twenty Crore Only) by creation of 50,00,000 (Fifty Lakh Only) Equity Shares of Rs.10/- (Rupees Ten only) each.
EOGM ON 05.09.2011	Inserted new clauses 4, 5 and 6 in the Main Object clause vide Special Resolution passed by members at their Extra Ordinary General Meeting held on September 5, 2011  Adoption of New set of Articles of Association as approved by the Members.
EOGM ON 05.12.2011	Reclassified the Authorised Share Capital Pursuant to order of Hon'ble High court Goa Bench in the matter of Amalgamation and Arrangement between Zuari Forex Limited and Phoenix Township Limited vide Order dated 23/12/2011 and Company Petition No. 30 of 2011.  cancellation of 57 equity shares out of every 100 equity shares and fraction arising consequent to such reduction shall also be consider as reduced for total 18325262 issued and paid up equity shares of the Company in terms of the Scheme, without requiring the Company to add words "And Reduced" as suffix to its name.
EOGM ON 23.03.2012	Increase in the Authorised Share capital from Rs. 20,00,00,000 (Rupees Twenty Crore Only) to Rs. 22,00,00,000 (Twenty Two Crore Only) by creation of 20,00,000 (Twenty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten only) each. Purusuant to the matter of Amalgamation and Arrangement between Zuari Forex Limited and and Phoenix Township Limited

**SUBSIDIARY COMPANY:**

Phoenix Township Limited does not have any Subsidiary Company.

## OUR MANAGEMENT

### BRIEF PROFILE OF THE DIRECTORS OTHER THAN OUR PROMOTER DIRECTORS:

#### MR. PAUL DAVID TALBOT WILLCOX

M.A. (Hons.), M.B.A, Eton College, Cambridge University, London Business School, "Continuing Executive Programme", belonging to the Eggar Forrester Group offices U.K. He is also Chairman of Eggar Forrester (Holdings) Ltd., Eggar Forrester Ltd., Douglas & Company Ltd., Eggar Forrester Sale & Purchase Ltd., C.W. Kellock & Company Ltd. He is the Director of Eggar Bailey Futures Ltd., Wilks Shipping Co. Ltd., Vision Shipbroker Ltd., Drainsheid Ltd., Eggar Forrester Financial Services Ltd. and Seatracker Ltd.

#### DR. RAM S. TARNEJA

B.A.(Hon.), M.A. (Virginia) Ph.D.(Cornell). Dr. Tarneja is a Past President of Asia Association of Management Organisation, All India Management Association, Indian Institute of Personnel Management, Indian Merchant Chambers etc. He is at present on the board of many Public Ltd. Companies in various industries in India. He currently holds Directorship in H.D.F.C. He has worked in the capacity as consultant to U.N.D.P on a Project relating to Private sector in development in Maharashtra State. He is considered to be one of the key specialists in movement of management and organizational structure, since he has been in these areas for last three decades.

He has in the past been the Managing Director of Bennett Coleman & Company Ltd., who is the Publishers and Proprietors of The Times of India, The Economic Times, and other leading Newspapers & Magazines. He is the Chairman of Jolly Board Ltd., and Vice-Chairman of Arim Metal Industries Pvt. Ltd, and also on Board of Housing Development Finance Corporation Limited, Bharat Gears Limited, Phillips Carbon Black Limited and many other Public Limited Companies, Dr. Tarneja is also a Member of Bodies Corporate other than Public Limited Companies- Pan Asian Management and Rural Research Organisation, India Institute of of Health Management & Research, Jaipur, Employer's Federation Of India, Mumbai, and few others reputed concerns.

#### MR. D.M. SUKTHANKAR

Master of Commerce, I.A.S. During his tenure he worked as "Chief Secretary" to Govt. of Maharashtra. He also held positions as the Municipal Commissioner of Bombay Municipal Corporation, Revenue Secretary to the Government of Maharashtra and Secretary to Ministry of Urban Development, Government of India.

He presently holds the Directorship in Housing Development Finance Corporation (H.D.F.C.), H.D.F.C. Developers Ltd., IDFC AMC Trustee Company Limited. Mr. Sukthankar with his vast experience with different Government Agencies especially in the field of Housing Development would be of extensive help to the Company.

#### MR. P. B. DESAI

B.Com., I.R.S. During his career he worked as Dy. Commissioner and as Commissioner of Income Tax (Appeal), Director, Dept. of Atomic Energy, Bombay deputed abroad as principle Tax Advisor Government of British Virgin Island under Common Wealth Fund for Technical Co-operation, London, Director General of Income Tax (Investigation), Bombay. His long period in taxation would help as Advisor to the Company. At present he is a whole time Advisor for taxation matters to IDBI.

He presently holds the Directorship in Hindoostan Mills Limited., West End Investment & Finance Consultancy (P) Ltd.



**DR. S.A. DAVE**

A Commerce Graduate and Ph.d, Inducted on to the Board of Phoenix Township Ltd. has been former Chairman of the Unit Trust of India for several years the largest government owned mutual fund. He is currently Financial Advisor to the IDBI and a Director of Indo-National Limited, Escorts Limited a number of other Public Limited Companies including HDFC.

**BOARD OF DIRECTORS AS ON THE DATE OF THE INFORMATION MEMORANDUM**

<b>Name, Designation, Fathers name, Occupation</b>	<b>Age</b>	<b>Address</b>	<b>Other Directorship</b>
SURENDRA AMBALAL DAVE Non-Executive & Independent Director S/o AMBALAL DAVE	77	17/31, MHB Colony, Bandra Reclamation, Bandra (West), Mumbai- 400050. Maharashtra. India.	<ul style="list-style-type: none"> <li>➤ HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED</li> <li>➤ INDO-NATIONAL LIMITED</li> <li>➤ NITIN FIRE PROTECTION INDUSTRIES LIMITED</li> <li>➤ ESCORTS LIMITED</li> <li>➤ SHRENUJ AND COMPANY LIMITED</li> <li>➤ SBI DFHI LIMITED</li> <li>➤ DECCAN CEMENTS LIMITED</li> <li>➤ HDFC STANDARD LIFE INSURANCE COMPANY LIMITED</li> <li>➤ HDFC Pension Management Company Limited</li> <li>➤ CENTRE FOR MONITORING INDIAN ECONOMY PRIVATE LIMITED</li> <li>➤ ANKAR CAPITAL INDIA PRIVATE LIMITED</li> <li>➤ INDIA VALUE FUND TRUSTEE COMPANY Private LIMITED</li> <li>➤ IVF TRUSTEE COMPANY PRIVATE LIMITED</li> </ul>
RAM SUKHRAJ TARNEJA Non-Executive & Independent Director S/o SUKHRAJ TARNEJA	81	Godrej Planet, 21st Floor, Tower-II, Flat No.2102,, Jacob Circle, K.K.Road, Saatrasta, Mahalaxmi,, Mumbai, 400011, Maharashtra, INDIA	<ul style="list-style-type: none"> <li>➤ HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED</li> <li>➤ JOLLY BOARD LIMITED</li> <li>➤ BHARAT GEARS LIMITED</li> <li>➤ GATI LIMITED</li> <li>➤ GIVO LIMITED</li> <li>➤ NESCO LIMITED</li> </ul>

			<ul style="list-style-type: none"> <li>➤ OTIS ELEVATOR CO (INDIA)LTD</li> <li>➤ PHILLIPS CARBON BLACK LIMITED</li> <li>➤ TRANS CORP INTERNATIONAL LIMITED</li> <li>➤ SOWIL LIMITED</li> <li>➤ ARIM METAL INDUSTRIES PVT.LTD</li> <li>➤ NISSIN ABC LOGISTICS PRIVATE LIMITED</li> <li>➤ RITCO TRAVELS AND TOURS PVT.LTD.</li> </ul>
DATTATRAYA MAHADEO SUKTHANKAR Non-Executive & Independent Director S/o MAHADEO SUKTHANKAR	81	"Priya" (5th floor), 9, Khan Abdul Gafar Khan Road, Worli Sea Face, Mumbai- 400030. Maharashtra. India.	<ul style="list-style-type: none"> <li>➤ HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED</li> <li>➤ IDFC AMC TRUSTEE COMPANY LIMITED</li> <li>➤ HDFC DEVELOPERS LIMITED</li> </ul>
SHIBANI MANISH HARLALKA Non-Executive & Alternate Director D/o PRAFULLA RAJARAM HEDE	41	501, Venus Apartment, 5 <sup>th</sup> Floor, Tardeo Road, Near Sardar Pav Bhaji Wala, Mumbai-400034. Maharashtra. India.	<ul style="list-style-type: none"> <li>➤ HEDE INVESTMENTS PRIVATE LIMITED</li> <li>➤ HEDE PLANTATION PRIVATE LIMITED</li> <li>➤ HEDE CONSULTANCY COMPANY PRIVATE LIMITED</li> <li>➤ RAMA CAPFIN PRIVATE LIMITED</li> </ul>
PRAFULLA RAJARAM HEDE Promoter Director S/o RAJARAM HARI HEDE	75	D15 Marbella Lamarvel, Dona Paula, Panaji, 403004, Goa, India	<ul style="list-style-type: none"> <li>➤ JACKSON MARINE (INDIA) LIMITED</li> <li>➤ HEDE RESOURCES LIMITED</li> <li>➤ COLABA REAL ESTATE PRIVATE LIMITED</li> <li>➤ RAMA CAPFIN PRIVATE LIMITED</li> <li>➤ SANQUELIUM INVESTMENT PRIVATE LIMITED</li> </ul>
PRALHAD BHAGWANT DESAI Non-Executive & Independent Director S/o BHAGWANT DESAI	78	Ft 22 bl / Shivanjali 141 Jai Prakash Road, Amboli, Andheri, Mumbai- 400053. Maharashtra. India.	<ul style="list-style-type: none"> <li>➤ HINDOOSTAN MILLS LIMITED</li> <li>➤ WEST END INVESTMENT AND FINANCE CONSULTANCY PRIVATE LIMITED.</li> <li>➤ HEDE RESOURCES LIMITED</li> <li>➤ THE HINDOOSTAN SPINNING AND</li> </ul>

			WEAVING MILLS LIMITED
SAMIT PRAFULLA HEDE Executive Director & Whole-time Director S/o PRAFULLA RAJARAM HEDE	39	H no 644 d-15 Marbella la Marvel, Dona Paula, Panaji, 403002, Goa, India	<ul style="list-style-type: none"> <li>➤ HEDE NAVIGATION LIMITED</li> <li>➤ JACKSON MARINE (INDIA) LIMITED</li> <li>➤ COLABA REAL ESTATE PRIVATE LIMITED</li> <li>➤ RAMA CAPFIN PRIVATE LIMITED</li> <li>➤ SANQUELIUM INVESTMENTS PRIVATE LIMITED</li> <li>➤ HEDE INVESTMENTS PRIVATE LIMITED</li> <li>➤ HEDE TRANSPORTS PRIVATE LIMITED</li> <li>➤ HEDE PLANTATION PRIVATE LIMITED</li> </ul>
PAUL DAVID TALBOT WILLCOX Non-Executive Chairman S/o TALBOT WILLCOX	61	Wood Farm Clay Lane, Hemingstone, Suffolk, Ip60sh, United Kingdom	<ul style="list-style-type: none"> <li>➤ EGGAR FORRESTER (HOLDING) LTD.</li> <li>➤ EGGAR FORRESTER LTD.</li> <li>➤ DOUGLAS &amp; COMPANY LTD.</li> <li>➤ EGGAR FORRESTER SALE &amp; PURCHASE LTD.</li> <li>➤ C.W KELLOCK &amp; COMPANY LTD.</li> <li>➤ EGGAR BAILEY FUTURES LTD.</li> <li>➤ WILKS SHIPPING CO. LTD.</li> <li>➤ VISION SHIPBROKER LTD.</li> <li>➤ DRAINSHEILD LTD.</li> <li>➤ EGGAR FORRESTER FINANCIAL SERVICES LTD.</li> <li>➤ SEATRACKER LTD.</li> </ul>

**NATURE OF ANY FAMILY RELATIONSHIP BETWEEN ANY OF THE DIRECTORS:**

Mr. Samit P. Hede and Ms. Shibani Harlalka are the son and daughter of Dr. P. R. Hede.

**COMPENSATION OF MANAGING DIRECTORS/WHOLE TIME DIRECTORS/DIRECTOR:**

Sr. No.	Name of the Director	Designation	Remuneration
1	SURENDRA AMBALAL DAVE	Non-Executive & Independent Director	-
2	RAM SUKHRAJ TARNEJA	Non-Executive & Independent Director	-
3	DATTATRAYA MAHADEO SUKTHANKAR	Non-Executive & Independent Director	-
4	SHIBANI MANISH HARLALKA	Alternate Director	-
5	PRAFULLA RAJARAM HEDE	Promoter Director	-
6	PRALHAD BHAGWANT DESAI	Non-Executive & Independent Director	-
7	SAMIT PRAFULLA HEDE	Executive Director & Whole-time Director	12,00,000 p.a
8	PAUL DAVID TALBOT WILLCOX	Non-Executive Chairman	-

**INTEREST OF THE DIRECTORS IN THE COMPANY:**

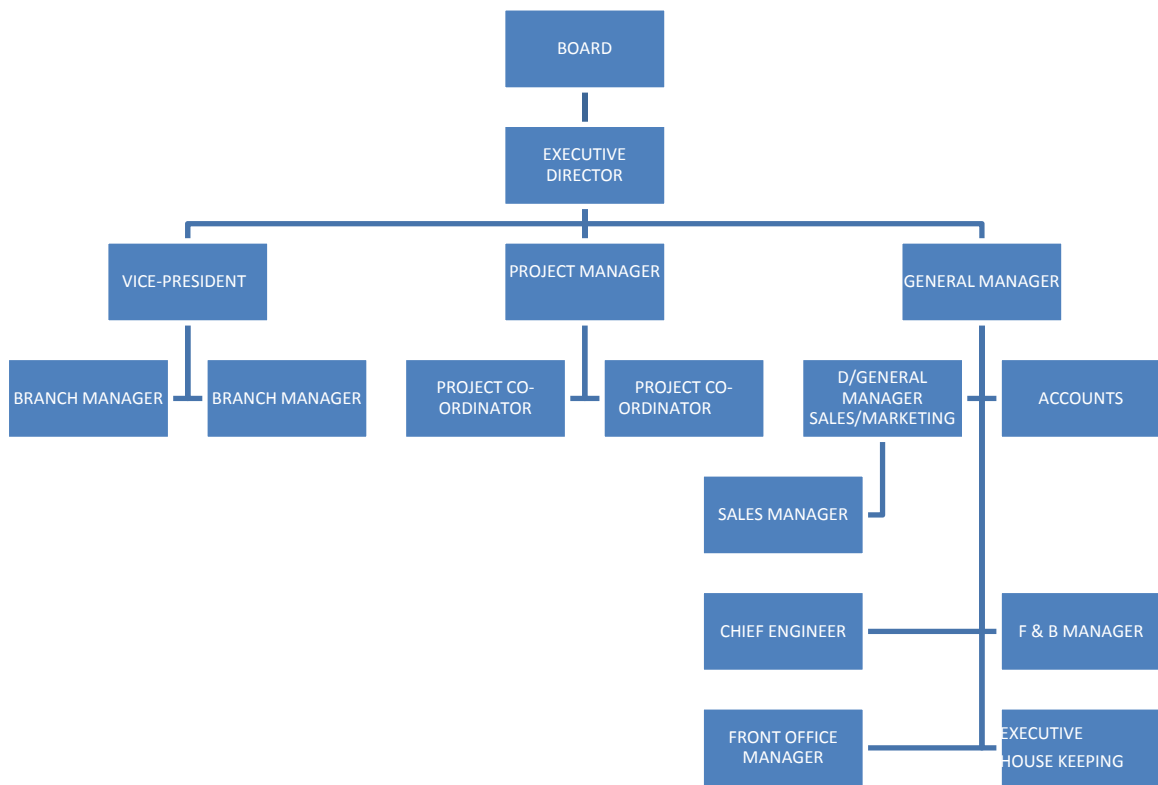
In terms of the Articles of Association, the Directors are not required to hold any qualification shares. The list of Directors holding Equity Shares is set forth below:

Sr. No.	Name of the Director	No. of Shares held as on the date of this Information Memorandum
1	SURENDRA AMBALAL DAVE	Nil
2	RAM SUKHRAJ TARNEJA	Nil
3	DATTATRAYA MAHADEO SUKTHANKAR	Nil
4	SHIBANI MANISH HARLALKA	73100
5	PRAFULLA RAJARAM HEDE	2572303
6	PRALHAD BHAGWANT DESAI	Nil
7	SAMIT PRAFULLA HEDE	77873
8	PAUL DAVID TALBOT WILLCOX	Nil

**CHANGE IN THE DIRECTORS IN LAST THREE YEARS:**

There is no Change in the Directorship of the Company in the Past Three Years

**MANAGEMENT ORGANIZATION STRUCTURE:**



## COMPLIANCE WITH CORPORATE GOVERNANCE CODE:

The Company has complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Company has a Board constituted in compliance with the Companies Act and listing agreement to be entered in to with the Stock Exchanges and in accordance with best practices incorporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of the Company provides the Board detailed reports on its performance periodically.

Currently, the Board of Directors has Eight Directors and the Chairman of the Board of Directors is an Non Executive Director. In compliance with Clause 49 of the equity listing agreement, the Company has two executive Directors and four non-executive independent Directors, and one Alternate Director on its Board of Directors.

The Status of the Company's compliance with the provisions of Clause 49 of the Listing Agreement is given below:

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No/ N.A.)	Comments
<b>I. Board of Directors</b>	49(1)		
(A) Composition of Board	49 (IA)	Yes	
(B) Non-executive Directors' compensation & disclosures	49 (IB)	N.A.	No compensation is paid to Non-Executive Directors at present. It Will be complied with to the extent required, as and when applicable.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
<b>II. Audit Committee</b>	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	Additional requirements will be complied with as and when applicable.
<b>III. Subsidiary Companies</b>	49 (III)	N.A.	At present the Company does not have any Subsidiary
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	Will be complied with as and when applicable.

(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	No Proceeds have been raised through public issues, rights issues, preferential issues, etc.
(E) Remuneration of Directors	49 (IV E)	Yes	Will be complied with as and when applicable.
(F) Management	49 (IV F)	(i) Yes (ii) Yes	(i) Will be complied with in its next Annual Report of 2013-14. (ii) Will be complied with as and when applicable.
(G) Shareholders	49 (IV G)	Yes	The Company has constituted a Shareholders / Investors Grievance Committee of the Board. The Board has delegated the power to the Registrar and Share Transfer Agents i.e. ADROIT CORPORATE SERVICES PRIVATE LIMITED to approve transfer/ transmission of shares. Additional requirements, if any, will be complied with in its next Annual Report of 2013-14.
<b>V. CEO/CFO Certification</b>	49 (V)	N.A.	Will be complied with in its next Annual Report of 2013-14.
<b>VI. Report on Corporate Governance</b>	49 (VI)	(i) N.A. (ii) Yes	(i) Will be complied with in its next Annual Report of 2013-14. (ii) Will be complied as and when required.
<b>VII. Compliance</b>	49 (VII)	N.A.	Will be complied with in its next Annual Report of 2013-14.



## COMMITTEES OF THE BOARD

Sr. No.	Name of the Director	Category	Member of the Audit Committee	Member of the Shareholder's/Investors Grievance Committee	Member of the Remuneration Committee
1	SURENDRA AMBALAL DAVE	Non-Executive & Independent Director	Yes	Yes	Yes
2	RAM SUKHRAJ TARNEJA	Non-Executive & Independent Director	Yes	--	Yes
3	DATTATRAYA MAHADEO SUKTHANKAR	Non-Executive & Independent Director	Yes	Yes	---
4	SHIBANI MANISH HARLALKA	Alternate Director	--	--	--
5	PRAFULLA RAJARAM HEDE	Promoter Director	--	--	--
6	PRALHAD BHAGWANT DESAI	Non-Executive & Independent Director	Yes	Yes	Yes
7	SAMIT PRAFULLA HEDE	Executive Director & Whole-time Director	--	--	--
8	PAUL DAVID TALBOT WILLCOX	Non-Executive Chairman	--	--	--

The role, power, scope of functions and duties of Audit Committee, Shareholders/ Investors' Grievance Committee and Remuneration Committee of the Board are as per the applicable provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement and the Company's Corporate Governance Code of Conduct.

### AUDIT COMMITTEE

The Audit committee was re-constituted on February 11, 2012.

#### The terms of reference of the Audit Committee are:

1. Oversight of the Issuers financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  9. Discussion with internal auditors any significant findings and follow up there on.
  10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## **REMUNERATION COMMITTEE**

The Remuneration Committee was re-constituted by a meeting of the Board of Directors held on February 11, 2012.

### **The terms of reference of the Remuneration Committee:**

1. Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable including any revision in the remuneration payable to executive / non executive Directors is to be made.
2. To recommend the Board, the remuneration package of the Company's Directors.
3. All information about the Directors / Managing Directors / Whole Time Directors i.e. background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders.
4. The Committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Act, while recommending remuneration of managing directors / whole time directors.
5. While recommending the remuneration, the Committee shall take into account financial position of the Company, trend in the Industry, qualification, experience and past performance of the appointee.
6. Specific disclosures on the remuneration of directors shall be made in the section on the Corporate Governance of the annual report.

## **SHARE HOLDERS/INVESTORS GRIEVANCES COMMITTEE**

The Share holders/Investors Grievances Committee was constituted on February 11, 2012.

The terms of reference of the Shareholders / Investors Grievances Committee are to look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

## **COMPLIANCE WITH LISTING AGREEMENT**

The Company in terms of this Information Memorandum intends to list its equity shares on BSE and intends to comply with the requirements under the respective Listing Agreement of the above-mentioned stock exchanges. Further, we are in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time.

## KEY MANAGERIAL PERSONNEL

THE KEY MANAGERIAL PERSONNEL OF THE COMPANY ARE AS FOLLOWS:

Sr. No.	Name of the Key Managerial Personnel	Designation	Educational Qualification	Experience in years
1	Kumar Shekhar	Executive Director of Zuari Forex Limited	Economics and Law Graduate	20
2	Anil Shinde	Project Manger	Graduate	7
3	Gautam Chowdhary	General Manager	Graduate	8
4	Kaushik Benerjee	Front Office Manager	Graduate	5
5	Armstrong Barretto	Accounts Manager	Graduate	5
6.	Lalan Kumar	Compliance Officer	Graduate	5

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Name of the Key Managerial Personnel	Designation	No. of Shares held as on the date of this Information Memorandum
Kumar Shekhar	Executive Director of Zuari Forex Limited	Nil
Anil Shinde	Project Manger	Nil
Gautam Chowdhary	General Manager	Nil
Kaushik Benerjee	Front Office Manager	Nil
Armstrong Barretto	Accounts Manager	Nil
Lalan Kumar	Compliance Officer	Nil

## EMPLOYEES:

Consequent to Amalgamation and Arrangement between Zuari Forex Limited and Phoenix Township Limited, the employees of the Zuari Forex Limited have been transferred to the Company and their services will be treated as uninterrupted for the purposes of calculating retirement benefits.

## OUR PROMOTERS AND PROMOTER GROUP

### PROMOTERS



**MR. DR. PRAFULLA R. HEDE**

**PAN NO.: AAIPH6374A**  
**PASSPORT NO.: G9962217**

He is an eminent industrialist with vast experience in various fields. He was a Member of the Industrial Development Bank of India (IDBI) WRC which happens to be India's Apex Financial Institution and is ranked as the 7th largest development bank in the world. This position was held by him for a period of 9 years. He was a Director of The Indian Overseas Bank which has the distinction of having branches at most Cities in the Asia Pacific region including Hong Kong, Singapore and Seoul. He was also one of the core promoters of Sterling Holiday Resorts (India) Ltd., which has grown to become one of the largest timeshare resort companies in the country. He also has had the distinction of being one of the founder Director of the Gujarat Maritime Board (Government of Gujarat).

He is presently Vice- Chairman of the Phoenix Township Limited



**MR. SAMIT P. HEDE**

**PAN NO.: AAIPH6372G**  
**PASSPORT NO.: Z1094034**

Mr. Samit Heide, Director, a Commerce Graduate. He is Group Director of HBG. He has been actively associated with the operations of the Company and has substantially contributed to the growth by his active participation and personal involvement

He is presently Executive Director of the Phoenix Township Limited



**MRS. SHIBANI HARLALKA**

**PAN NO.: AAIPH6373H**  
**PASSPORT NO.: Z1591933**

Mrs. Shibani Harlalka, Director, a Commerce Graduate. A young Industrialist with Knowledge of finance. She through her network and contacts has been instrumental in generating a sizeable volume of business to the Company. Her active participation has paid rich dividends to the Company.

She is presently Alternate Director to Mr. Paul David Talbot Willcox and is on the Board in many companies of Hede Business Group.

*Further, the Promoters have not been declared as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or are pending against the Promoters.*

**INTERESTS OF OUR PROMOTERS:**

The number of Equity Shares held by each of our Promoters as on the date of this Information Memorandum is as under:

<b>Name of the Promoter</b>	<b>No. of Equity Shares held as on the date of this Information Memorandum</b>	<b>% of shareholding post - demerger</b>
Mr. DR. PRAFULLA R. HEDE	2572303	18.39
MR. SAMIT P. HEDE	77873	0.56
MRS. SHIBANI HARLALKA	73100	0.52

Except as stated otherwise in this Information Memorandum, the Promoters do not have any interest in Company other than to the extent of any dividend payable to them, if any, and other distributions in respect of their shareholding and directorship in the Company

**COMMON PURSUITS:**

None of the Promoter or the Promoter Group entities has pursuits common with us.

Apart from our Promoters, the following individuals and companies form part of our Promoter Group

**GROUP COMPANIES (FORM PART OF PROMOTER OF THE COMPANY):**

1. Hede Consultancy Company Private Limited
2. Hede Investments Private Limited
3. Hede Transports Private Limited
4. Hede Plantation Private Limited
5. Sanquelim Investments Private Limited
6. Colaba Real Estate Private Limited
7. Glacier Trades Private Limited
8. Jwala Investments And Trading Private Limited
9. Star Galaxy Trades Private Limited
10. Jackson Marine (India) Limited
11. HBG Trust

**HEDE CONSULTANCY COMPANY PRIVATE LIMITED**

<b>Background</b>	The Company was incorporated on 27 <sup>th</sup> September, 1979 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000378 of 1979.
<b>Details of change in Control or Management</b>	There is no change in control and management of the Company.
<b>PAN</b>	AAACH4659M
<b>CIN</b>	U45203GA1979PTC000378
<b>Date of Incorporation</b>	27/09/1979
<b>Address</b>	Durga Bhavan, Hede Centre, Tonca, Panajim, Goa- 403001
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji , Goa-403001. India.
<b>Nature of Business</b>	To carry on in India and/or abroad as civil, mechanical and electrical engineers, planners, designers, technical and construction management consultants, coordinators, builders, contractors, architects, decorators, surveyors, valuers, estate agents, consultants, and to undertake all types constructions and building works including structural steel, pre cast prefab concrete, dense concrete, prestressed and lightweight foundations.

**BOARD OF DIRECTORS:**

At present there are 2 Directors on the Board of Hede Consultancy Company Private Limited  
The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SHIBANI MANISH HARLALKA	Director	00507607	501, Venus Apartment, 5 <sup>th</sup> Floor, Tardeo Road, Near Sardar Pav Bhaji Wala, Mumbai, 400034, Maharashtra, India
SHYAMSUNDAR SANTU THANEKAR	Director	02472789	B/175/1, Sonar Bhat, Reis Magos, Bardez, Reis Magos, 403101, Goa, India

Hede Consultancy Company Private Limited owns 2272880 Equity Shares, representing 16.27 % of the share capital of the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	Category	No. of shares held	% of shareholding
A	Promoters & Promoter Group	297108	100
B	Non-Promoters	-	-
	Total	2,97,108	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	01/07/2010 to 31/03/2011)
Authorised Equity Capital	30,500,000	30,500,000	30,500,000
Paid up Equity Capital	29,710,800	29,710,800	29,710,800
Sales & other income	14,893,267	7,663,398	45,182,447
Net Profit/Loss after tax	186,334	(20,402,644)	147,852
Reserves & Surplus	(13,673,801)	(13,860,135)	9,709,074

**HEDE INVESTMENTS PRIVATE LIMITED**

<b>Background</b>	The Company was incorporated on 05 <sup>th</sup> September, 1972 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000238 of 1972.
<b>PAN</b>	AAACH4660A
<b>CIN</b>	U65993GA1972PTC000238
<b>Date of Incorporation</b>	05/09/1972
<b>Address</b>	Rua Asmael Gracias, dr. Malbarao house, Panaji, Goa- 403001
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji, Goa-403001. India.
<b>Nature of Business</b>	To carry on the business as an Investment Company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any Company wherever incorporated or carrying on business and debentures, debenture stock, bond, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, supreme, dependent , municipal, local or otherwise in any part of the world.



**BOARD OF DIRECTORS:**

At present there are 3 Directors on the Board of Hede Investments Private Limited. The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji, 403002, Goa, India
SHIBANI MANISH HARLALKA	Director	00507607	501, Venus Apartment, 5 <sup>th</sup> Floor, Tardeo Road, Near Sardar Pav Bhaji Wala, Mumbai, 400034, Maharashtra, India
SHYAMSUNDAR SANTU THANEKAR	Director	02472789	B/175/L, Sonar Bhat, Reis Magos, Bardez, Reis Magos, 403101, Goa, India

Hede Investments Private Limited owns 1223140 Equity Shares, representing 8.74 % of the share capital of the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A	Promoters & Promoter Group	2103	100
B	Non-Promoters	-	-
	Total	2,103	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Authorised Equity Capital	300,000	300,000	300,000
Paid up Equity Capital	210,300	210,300	210,300
Sales & other income	15,889	4,473	0.00
Net Profit/Loss after tax	(5,089)	(16,367)	(7,079)
Reserves & Surplus	(2,756,988)	(2,751,899)	(2,735,532)

## HEDE TRANSPORTS PRIVATE LIMITED

<b>Background</b>	The Company was incorporated on 28th August, 1984 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000587 of 1984.
<b>PAN</b>	AAACH4657F
<b>CIN</b>	U63090GA1984PTC000587
<b>Date of Incorporation</b>	
<b>Address</b>	Rua Asmael Gracias, Dr. Malbarao House, Panaji, Goa- 403001
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji. Goa-403001. India.
<b>Nature of Business</b>	To carry on the business of transport, a clearing and forwarding agents, in respect of goods, luggage, metallic arc, freight and parcels, whether commercial or otherwise, to and from any part of India and for this purpose to own hire or otherwise acquire trucks, tippers, dumpers and other vehicles capable of transporting goods.

### BOARD OF DIRECTORS:

At present there are 3 Directors on the Board of Hede Transports Private Limited .The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji, 403002, Goa, India.
SHOBHA PRAFULLA HEDE	Director	00651507	31 Satyam, 68 Nepeansea Road, Mumbai, 400006, Maharashtra, India
SHYAMSUNDAR SANTU THANEKAR	Director	02472789	B/175/L, Sonar Bhat, Reis Magos, Bardez, Reis Magos, 403101, Goa, India

Hede Transports Private Limited owns 1043015 Equity Shares, representing 7.46 % of the share capital of the Company.

### SHAREHOLDING PATTERN AS ON MARCH 31, 2013

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A	Promoters & Promoter Group	10020	100
B	Non-Promoters	-	-
	Total	10,020	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	1,500,000	1,500,000	1,500,000
Paid up Equity Capital	1,002,000	1,002,000	1,002,000
Sales & other income	189,266	381,770	501, 110
Net Profit/Loss after tax	(329,617)	(200,339)	(207,881)
Reserves & Surplus	479,619	809,236	1,009,575

**HEDE PLANTATION PRIVATE LIMITED**

<b>Background</b>	The Company was incorporated on 21st September, 1984 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000588 of 1984.
<b>PAN</b>	AAACH4661B
<b>CIN</b>	U01122GA1984PTC000588
<b>Date of Incorporation</b>	21/09/1984
<b>Address</b>	Rua Ismael Gracias, Dr. Malbarao House, Panaji, Goa- 403001
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji, Goa-403001. India.
<b>Nature of Business</b>	To purchase take on lease, exchange or otherwise deal in any other land for agriculture, horticulture and to sell, give on lease, exchange or otherwise any land and to carry on the business as agriculturists and horticulturists.

**BOARD OF DIRECTORS:**

At present there are 3 Directors on the Board of Hede Plantation Private Limited. The details of the same are as follows:

Name	Designation	DIN	Address
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji-403002. Goa. India.
SHIBANI MANISH HARLALKA	Director	00507607	501, Venus Apartment, 5 <sup>th</sup> Floor, Tardeo Road, Near Sardar Pav Bhaji Wala, Mumbai-400034. Maharashtra.India.
SABIYA ALI DINATH	Director	00510160	Dinath Chs, E/2, Opp City Light Cinema, LTT Road, Mahim, Mumbai- 400016. Maharashtra. India.

Hede Plantation Private Limited owns 678124 Equity Shares, representing 4.85 % of the share capital of the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	Category	No. of shares held	% of shareholding
A	Promoters & Promoter Group	90020	100
B	Non-Promoters	-	-
	Total	90020	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	1,000,000	1,000,000	1,000,000
Paid up Equity Capital	900,200	900,200	900,200
Sales & other income	17,542	0.00	0.00
Net Profit/Loss after tax	(1,178)	(10,880)	(5,586)
Reserves & Surplus	30,182	31,360	42,240

**SANQUELIM INVESTMENTS PRIVATE LIMITED**

<b>Background</b>	The Company was incorporated on 05th September, 1975 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000239 of 1975.
<b>Details of change in Control or Management</b>	There is no change in control and management of the Company
<b>PAN</b>	AACC56609Q
<b>CIN</b>	U65993GA1975PTC000239
<b>Date of Incorporation</b>	05/09/1975.
<b>Address</b>	Rua Ismael Gracias, Dr. Malbarao House, Panaji, - 403001. Goa.
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji, Goa-403001. India.
<b>Nature of Business</b>	To carry on the business as an Investment Company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any Company wherever incorporated or carrying on business and debentures, debenture stock, bond, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.

**BOARD OF DIRECTORS:**

At present there are 4 Directors on the Board of Sanquelim Investments Private Limited. The details of the same are as follows:

Name	Designation	DIN	Address
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji- 403002. Goa. India.
SABIYA ALI DINATH	Director	00510160	Dinath Chs, E/2, Opp City Light Cinema, L.T.T. Road, Mahim, Mumbai-400016. Maharashtra. India.
SHYAMSUNDAR SANTU THANEKAR	Director	02472789	B/175/L, Sonar Bhat, Reis Magos, Bardez, Reis Magos-403101. Goa. India.
PRAFULLA RAJARAM HEDE	Director	00651441	D15 Marbella Lamarvel, Dona Paula, Panaji- 403004. Goa. India.

Sanquelim Investments Private Limited owns 1058178 Equity Shares, representing 7.57% of the share capital of the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	Category	No. of shares held	% of shareholding
A	Promoters & Promoter Group	3450	100
B	Non-Promoters	-	-
	Total	3,450	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	500,000	500,000	500,000
Paid up Equity Capital	345,000	345,000	345,000
Sales & other income	9,900	8,517	0.00
Net Profit/Loss after tax	(4,278)	(4,662)	(19,021)
Reserves & Surplus	(2,826,635)	(2,822,357)	1,912,351

## COLABA REAL ESTATE PRIVATE LIMITED

<b>Background</b>	The Company was incorporated on 28 <sup>th</sup> February, 1986 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000664 of 1986.
<b>PAN</b>	AABFC0745R
<b>CIN</b>	U70101GA1986PTC000664
<b>Date of Incorporation</b>	28/02/1986
<b>Address</b>	Dr. Malbarao Houserua Ismael Gracias, P.O.Box No.181, Panjim, Goa - 403001
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji, Goa-403001. India.
<b>Nature of Business</b>	To purchase, acquire, take on lease or in exchange or any other lawful manner any area, plots, land, structures, and to turn the same into account, develop the same and dispose off or maintain the same to build townships, markets, or other buildings, or conveniences thereon and to equip the same or any part thereof or with all any amenities or conveniences, drainage facility, electric, television installations, communication facilities.

### BOARD OF DIRECTORS:

At present there are 3 Directors on the Board of Colaba Real Estate Private Limited. The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji- 403002, Goa. India.
PRAFULLA RAJARAM HEDE	Director	00651441	D15 Marbella Lamarvel, Dona Paula, Panaji-403004. Goa. India.
SHOBHA PRAFULLA HEDE	Director	00651507	31 Satyam, 68 Nepeansea Road, Mumbai-400006. Maharashtra. India.

Colaba Real Estate Private Limited owns 468715 Equity Shares, representing 3.35 % of the share capital of the Company.

### SHAREHOLDING PATTERN AS ON MARCH 31, 2013

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A	Promoters & Promoter Group	100200	100
B	Non-Promoters	-	-
	Total	100,200	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Authorised Equity Capital	2,500,000	2,500,000	2,500,000
Paid up Equity Capital	1,002,000	1,002,000	1,002,000
Sales & other income	1,203,233	3,398,091	593,376
Net Profit/Loss after tax	45,261	2,442,760	(452,528)
Reserves & Surplus	(4,619,683)	(4,644,944)	0.00

**GLACIER TRADES PRIVATE LIMITED**

<b>Background</b>	The Company was incorporated on 17th November, 1995 as a Private Limited Company under the Companies Act 1956. Its registration no. is 094555 of 1995.
<b>PAN</b>	AABCG4767G
<b>CIN</b>	U51900MH1995PTC094555
<b>Date of Incorporation</b>	17/11/1995
<b>Address</b>	Puran Niwas, Arthur Bunder Road, Colaba, Mumbai-400005. Maharashtra. India.
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Mumbai</b> 100, Everest, Marine Drive, Mumbai- 400 002. Maharashtra. India.
<b>Nature of Business</b>	To carry on the business in India or elsewhere as Trader, dealer, exporter, importer, distributors & stockiest, of scientific, household, domestic, automobiles, farms and forest product, goods, plant, machineries, equipment, apparatus and other gadgets, appliances, spare parts, software, chemical, minerals, wool, silk, yarn, fibres, garments, textiles, timber products, rubber, plastic, iron, and steel, gold, silver, precious stones and jewellery, ferrous and non ferrous metals or any other merchandise on ready or forward basis.

**BOARD OF DIRECTORS:**

At present there are 3 Directors on the Board of Glacier Trades Private Limited. The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SHAILESH RATNAKAR BHARNE	Director	00593178	D-14-D, Govt. Colony, St.Inez, Panaji- 403001, Goa.
CHARUDATT KUTU PARAB	Director	02210962	F.no.1, Near Shantadurga Temple, Alto Betim,, Penha-de-franca, Porvorim, North Goa- 403101. Goa. India.
SABIYA ALI	Director	00510160	Dinath Chs, E/2,



DINATH			Opp citylight cinema, L.T.T Road, Mahim, Mumbai- 400016. Maharashtra. India.
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Glacier Trades Private Limited owns 336700 Equity Shares, representing 2.41 % of the share capital of the Company.

#### SHAREHOLDING PATTERN AS ON MARCH 31, 2013

	Category	No. of shares held	% of shareholding
A	Promoters & Promoter Group	100200	100
B	Non-Promoters	-	-
	Total	100,200	100

#### SUMMARY OF FINANCIAL STATEMENTS (IN RS.)

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	1,500,000	1,500,000	1,500,000
Paid up Equity Capital	100,020	100,020	100,020
Sales & other income	304,128	2,044,935	704,739
Net Profit/Loss after tax	245,782	350,647	(10,161)
Reserves & Surplus	457,070	211,288	0.00

#### IWALA INVESTMENTS AND TRADING PRIVATE LIMITED

<b>Background</b>	The Company was incorporated on 20 <sup>th</sup> April, 1982 as a Private Limited Company under the Companies Act 1956. Its registration no. is 000482 of 1982.
<b>PAN</b>	AACJ4753A
<b>CIN</b>	U31200GA1982PTC000482
<b>Date of Incorporation</b>	20/04/1982
<b>Address</b>	House No. 175 Verem, Betim, Bardez, Goa-403001.
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji, Goa-403001. India.
<b>Nature of Business</b>	To carry on the business as an Investment Company and to buy, underwrite, invest, in and acquire, hold and deal in shares, stocks, debentures, debenture-stock, bonds, notes, obligations and securities issued or guaranteed by any Government, sovereign ruler, commissioner, public body or authority, supreme, municipal or local or otherwise in any part of the world and either by original subscription, contract, tender, purchase, exchange, underwriting and by participation in syndicates or otherwise, and whether or not fully paid, and to subscribe for the same subject to such terms and conditions (if any) as may be

	thought fit, and to dispose of the same and generally to carry on the business of dealers, in shares, stocks, debentures, debenture-stocks, bonds, obligations, units, securities and other investments.
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**BOARD OF DIRECTORS:**

At present there are 2 Directors on the Board of Jwala Investments And Trading Private Limited. The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
SHAILESH RATNAKAR BHARNE	Director	00593178	D-14-D, Govt. Colony, St. Inez, Panaji- 403001, Goa.
SABIYA ALI DINATH	Director	00510160	Dinath Chs, E/2, Opp citylight cinema, L.T.T Road, Mahim, Mumbai- 400016. Maharashtra. India.

Jwala Investments And Trading Private Limited owns 172000 Equity Shares, representing 1.23 % of the share capital of the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A	Promoters & Promoter Group	110,020	100
B	Non-Promoters	---	---
	Total	110,020	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Authorised Equity Capital	1,500,000	1,500,000	1,500,000
Paid up Equity Capital	1,100,200	1,100,200	1,100,200
Sales & other income	90,000	90,000	90,000
Net Profit/Loss after tax	6,822	20,688	25,631
Reserves & Surplus	42,524,694	42,517,872	42,497,184

## STAR GALAXY TRADES PRIVATE LIMITED

<b>Background</b>	The Company was incorporated on 31 <sup>st</sup> October, 1995 as a Private Limited Company under the Companies Act 1956. Its registration no. is 094038 of 1995.
<b>PAN</b>	AAFCS8325N
<b>CIN</b>	U51900MH1995PTC094038
<b>Date of Incorporation</b>	31/10/1995
<b>Address</b>	Puran Niwas, Ground Floor, Arthar Bunder Road, Colaba, Mumbai-400005. Maharashtra. India.
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Mumbai</b> 100, Everest, Marine Drive, Mumbai- 400 002. Maharashtra. India.
<b>Nature of Business</b>	To carry on the business in India or elsewhere as Trader, dealer, exporter, importer, convertors, conductors, distributors, stockiests, scientific, household, domestic, automobiles, farms and forest product, goods, plant, machineries, equipment, apparatus, and other gadgets, appliances, accessories, spare parts, software, chemical, minerals, wool, silk, yarn, fibres, garments, textiles, timber products, rubber, plastic, iron & steel, gold, silver, precious stones and jewellery, ferrous & non ferrous metals, or any other merchandise on ready or forward basis.

### BOARD OF DIRECTORS:

At present there are 2 Directors on the Board of Star Galaxy Trades Private Limited. The details of the same are as follows:

<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
CHARUDATT KUTU PARAB	Director	02210962	F.no.1, Near Shantadurga Temple, Alto Betim,, Penha-de-franca, Porvorim, North Goa-403101. Goa. India.
SABIYA ALI DINATH	Director	00510160	Dinath Chs, E/2, Opp citylight cinema, L.T.T Road, Mahim, Mumbai- 400016. Maharashtra. India.

Star Galaxy Trades Private Limited owns 210807 Equity Shares, representing 1.51 % of the share capital of the Company.

### SHAREHOLDING PATTERN AS ON MARCH 31, 2013

	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
A	Promoters & Promoter Group	10000	100
B	Non-Promoters	---	---
	Total	10,000	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	100,000	100,000	100,000
Paid up Equity Capital	100,000	100,000	100,000
Sales & other income	45,000	45,000	45,000
Net Profit/Loss after tax	33,662	(1,335,878)	(7,748)
Reserves & Surplus	(1,434,541)	(1,468,203)	0.00

**JACKSON MARINE (INDIA) LIMITED**

<b>Background</b>	The Company was incorporated on 28 <sup>th</sup> September, 1983 as a Limited Company under the Companies Act 1956. Its registration no. is 000548 of 1983.
<b>PAN</b>	AAACJ4755G
<b>CIN</b>	U63090GA1983PLC000548
<b>Date of Incorporation</b>	28/09/1983
<b>Address</b>	Rua Ismail Gracias, Post Box No 181, Panaji, Goa-403001.
<b>Address of the Registrar of Companies</b>	Registrar of Companies, <b>ROC-Goa</b> Company Law Bhawan, EDC Complex, Plot No. 21, Patto Panaji Goa Goa-403001 India.
<b>Nature of Business</b>	Carry on the business of trades or business of air transport, shippers, ship owners, ship brokers, ship repairs, shipping agents, dry dockers and insurance brokers.

**BOARD OF DIRECTORS:**

At present there are 3 Directors on the Board of Jackson Marine (India) Limited. The details of the same are as follows:

Name	Designation	DIN	Address
SAMIT PRAFULLA HEDE	Director	01411689	H No 644 D-15 Marbella la Marvel, Dona Paula, Panaji-403002, Goa. India.
PRAFULLA RAJARAM HEDE	Director	00651441	D15 Marbella Lamarvel, Dona Paula, Panaji-403004. Goa. India.
SABIYA ALI DINATH	Director	00510160	Dinath Chs, E/2, Opp citylight cinema, L.T.T Road, Mahim, Mumbai- 400016. Maharashtra. India.

Jackson Marine (India) Limited owns 225600 Equity Shares, representing 1.61 % of the share capital of

the Company.

**SHAREHOLDING PATTERN AS ON MARCH 31, 2013**

	Category	No. of shares held	% of shareholding
A	Promoters & Promoter Group	15030	100
B	Non-Promoters	--	--
	Total	15030	100

**SUMMARY OF FINANCIAL STATEMENTS (IN RS.)**

Particulars	31.03.2013	31.03.2012	31.03.2011
Authorised Equity Capital	5,000,000	5,000,000	5,000,000
Paid up Equity Capital	1,503,000	1,503,000	1,503,000
Sales & other income	49,500	49,500	49,500
Net Profit/Loss after tax	(5,183)	(5,470)	(4,287)
Reserves & Surplus	(392,419)	(387,236)	0.00

**HBG TRUST**

<b>Background</b>	HBG Trust was established on June 01, 2011 pursuant to a composite scheme of arrangement filed with the Hon'ble High Court of Bombay between Zuari Forex Limited (Transferor Company ZFL or) with Phoenix Township Limited (Transferee Company or PTL). ZFL had 3,72,750 equity shares in PTL which constituted 4.84% . In terms of the scheme, the shares in PTL held by ZFL will be deemed to have been transferred to an individual trustee or a board of trustees or a corporate trustee to hold shares in PTL in trust together with all additions or accretions thereto upon trust exclusively for the benefit of PTL.	
<b>Management</b>	Mrs. Seema Pawar	Trustee
	Mr. Masood Peshimam	Trustee
<b>PAN</b>	AABTH2092N	
<b>Date of Formation of Trust</b>	01/06/2011	
<b>Address</b>	Balaji Bhavan, 2nd Floor, 14 BEST Marg, Colaba, Mumbai-400 001.	

For the above mentioned Promoter Group Companies, There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against the Companies other than as mentioned in this Information Memorandum.

None of the companies constituting our Promoter Group have their Equity Shares listed on any Stock Exchanges in India.

Further, unless otherwise stated, none of the Companies constituting our Promoter Group have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or are under winding up proceedings.

## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements including those required for Expansion, New Projects and overall Financial Condition.

The Company has not made any payment of dividend in the past five years. The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.



**SECTION V- FINANCIAL INFORMATION**

**FINANCIAL INFORMATION OF OUR COMPANY**



**Bhatler & Co.**  
CHARTERED ACCOUNTANTS

307, Tulsiani Chambers, Nariman Point, Mumbai - 400 021  
Tel.: 2285 3039 / 3020 8868 • Fax : 91-22-6630 1318 • E-mail : dhbhatler@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**PHOENIX TOWNSHIP LIMITED.**

We have audited the accompanying financial statements of Phoenix Township Limited ("the Company"), which comprise the Balance Sheet for the half year ended on September 30, 2013, and the Statement of Profit and Loss Statement & Cash Flow Statement for the half year ended September 30, 2013, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so





# Bhatler & Co.

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Required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
- b) in the case of the Statement Profit and Loss Account, of the Loss for the half year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flow for the half year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on September 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Mumbai

Date: 27.12.2013

For Bhatler & Company

Chartered Accountants

*D. H. Bhatler*

Daulal H. Bhatler

(Proprietor)

Membership No. : 16937

FRN : 131092 W







# Bhatler & Co.

CHARTERED ACCOUNTANTS

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## Annexure to the Independent Auditor's Report

Referred to in paragraph 1 of our report of even date to the members of Phoenix Township Limited on the accounts of the company for the half year ended 30<sup>th</sup> September, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the half year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the half year by the management at reasonable intervals.  
  
(b) In our opinion and according to the information and explanations given to us, 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.  
  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956;
  - (a) The Company has not granted any interest free unsecured loans and advance to Associate Enterprises.
  - (b) In our opinion the terms & conditions of such loans are prima facie not prejudicial to the interest of the company.
  - (c) Therefore the question of overdue principal amount does not arise.



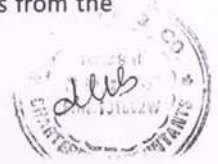


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4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
  
b) According to the information and explanation given to us, the transactions made in pursuance of such contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the half year to Rs. 5 lakhs or more in respect of any party have been made at prices which are reasonable having regards to the prevailing market prices.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained in respect of manufacturing of polymer packaging films.
9. (a) According to the records of the company, 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 to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
10. (a) information and explanations given to us there were no outstanding statutory dues as on 30<sup>th</sup> September, 2013 for a period of more than six months from the date they became payable.







# Bhat & Co.

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(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

11. The Company has not accumulated loss and has not incurred cash loss during the period covered by our audit and in the immediately preceding period.
12. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders except some instances of delay payment.
13. According to the information and explanations 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.
14. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
15. In our opinion the Company is not a dealer or trader in Shares, Mutual funds & other Investments. Investments whichever made by the company are in the name of the company.
16. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
17. In our opinion and according to the information and explanation given to us, the no term loans have been applied for the purposes for which they were obtained.
18. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company during the half year.
19. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made preferential allotment of shares during the half year as per the applicable provisions of the Companies Act, 1956.
20. The Company has no outstanding debentures during the period under audit. *20.08.2007*
21. The Company has not raised any money by public issue during the half year.



# Bhatter & Co.

CHARTERED ACCOUNTANTS

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22. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the half year, nor have we been informed of such case by the management.

Place: Mumbai  
Date: 27.12.2013

For Bhatter & Company  
Chartered Accountants

*D. H. Bhattar*

Daulal H. Bhattar  
(Proprietor)

Membership No. : 16937  
FRN : 131092 W



## MANAGEMENT DISCUSSION AND ANALYSIS

### **OVERVIEW OF THE BUSINESS OF THE COMPANY**

Our Company was incorporated as Phoenix Township Limited on February 10, 1993, as a Public Limited Company under the Companies Act, 1956, with the Registrar of Companies, Goa. The registration no. assigned to our Company was U67190GA1993PLC001327. *PHOENIX PARK INN RESORT* the first project developed by the Company has been operational since August, 2003. Company planning to expand its Hotels & Resorts business owing to the resounding success of its first project at Goa and also proposing to set up a chain of various hotel projects in key locations in the branded budget segment. The Company entered into a Scheme of Amalgamation and Arrangement between Zuari Forex Limited ("ZFL") and Phoenix Township Limited ("the Company" or "PTL") and their respective shareholders ("the Scheme") which became effective on January 23, 2012. On the scheme becoming effective the Zuari Forex Limited ("ZFL") (Transferor Company) was merged in the Company.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST BALANCE SHEET DATE**

Save as mentioned herein-below in this Information Memorandum, in the opinion of the Board of Directors of the Company, there have not arisen any circumstances since April 01, 2013 which materially and adversely affect, or are likely to materially and adversely affect, the Company's business or the profitability of the Company, or the value of the assets, or the Company's ability to pay its liabilities within the next 12 months.

### **FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS**

The Company's results of operations are primarily affected by room revenue and food and beverage revenue in its hotels. Room revenue is dependent upon the number of hotel rooms occupied by guests and the rate at which such guests can be charged. Food and beverages revenue is dependent upon number of hotel rooms occupied, number of non-resident guests visiting the hotel, utilization of banquet space and rate at which the guests can be charged. The occupancy rates reflect, as a percentage of overall rooms available, the rooms occupied by guests. Average Room Rate ("ARR") reflects the average rate charged to guests for the rooms occupied by such guests over a given period.

The Company's revenue consists of operating revenue from its hotel/Resort activities, and other income.

The Company's results of operations are subject to seasonal fluctuations during the fiscal year.

The first half of the Company's fiscal year includes India's summer and monsoon seasons and visitor levels to India are generally substantially lower than in the second half of the year. This seasonality has been mitigated to some degree as business travel, which is less sensitive to seasonal variations than leisure travel, has in recent years accounted for a larger share of travel to India.

The Company's results of operations during the first half of the year, historically, have not been indicative of its results for the full year.

## SECTION VI- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

This section should be read in conjunction with the Section “Risk Factors”.

There are no outstanding material litigations against or any disputes, tax liabilities, nonpayment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956) against PTL, its Group Companies, its Directors and its Promoters except the following:-

No disciplinary action has been taken against PTL by any of the statutory authorities to which PTL is a subject, its Directors, its Promoters and the Group Companies.

#### Outstanding Litigations, Defaults and Material Developments

##### Against the Company

#### 12. In terms of Clause 12 of the **SCHEME OF AMALGAMATION AND ARRANGEMENT**

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings 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.

#### **Outstanding Litigations/proceedings against PTL**

There are no outstanding litigations/proceedings against PTL

#### **Outstanding Litigations/proceedings against the Directors of PTL**

There are no outstanding litigations/proceedings against the Directors of PTL

#### **Outstanding Litigations/proceedings against the Promoter/Promoter Group of PTL**

There are no outstanding litigations/proceedings against the Promoter/Promoter Group of PTL

#### **Labour Disputes**

There are no Labour Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.

#### **Income Tax Disputes**

There are no Income Tax Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.

#### **Excise & Customs Disputes**

There are no Excise & Customs Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.

#### **Service Tax Disputes**

There are no Service Tax Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.



**Sales Tax Disputes**

There are no Sales Tax Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.

**Octroi**

There are no Disputes initiated or pending by or against the Company, its Directors, its Promoters and the Group Companies with respect to Octroi Duty.

**Property Tax Dispute**

There are no Property Tax Disputes filed by or against the Company, its Directors, its Promoters and the Group Companies.

**Civil Cases**

There are no Civil Cases initiated or pending by or against the Company, its Directors, its Promoters and the Group Companies.

## GOVERNMENT APPROVALS

Our Company was incorporated under Companies Act, 1956 bearing Registration No: 001327 (CIN U67190GA1993PLC001327)

- ✚ **Certificate of Incorporation dated February 10, 1993.**
- ✚ **Certificate of Commencement of Business dated March 22, 1993.**
- ✚ **Permanent Account No.: AABCP1502G**
- ✚ **Tax Deduction Account No.: BLRP05039G**
- ✚ **Central Sales Tax Registration No.: B/CST/5819**
- ✚ **Value added Tax Registration No.: 30280303888**
- ✚ **Establishment Registration No. (Under Bombay Shops and Establishments Act, 1948): S&E/III/MAP-Y2K/149**
- ✚ **P.T.E.C. No.: N.A**
- ✚ **Central Excise Registration No.: FCL/1541**
- ✚ **Service Tax Code (Registration No.): AABCP1502GST001**
- ✚ **Provident Fund Registration No.: GOA/10940**
- ✚ **Importer-Exporter code: 1707000310**
- ✚ **Luxury Tax No: BRD/GTL/275**
- ✚ **ESIC No. 32000027160001101**

Pursuant to the Scheme, all the permissions, approvals, licenses etc. granted by the Government and Government agencies in connection with or relating to foreign exchange business have been transferred to and vested in and/or deemed to be transferred to and vested in the Company.

## **SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **APPROVAL OF THE SCHEME**

The Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction, vide its order dated on December 23, 2011 has approved the Scheme of Arrangement between ZFL and PTL and their respective shareholders and creditors (the "Scheme").

### **PROHIBITION BY SEBI**

The Company, its Directors, its Promoters, Other Companies promoted by the promoters and Companies with which the Company's Directors' are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

### **GENERAL DISCLAIMER FROM THE COMPANY**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **DISCLAIMER - BSE**

As required, a Copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated September 23, 2011 approved the Scheme of Arrangement and stated its No Objection to the same under clause 24(f) of the Listing Agreement and by virtue of that approval, the BSE's name is included in this Information Memorandum as the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or warrant that this Company's securities will be listed or will continue to be listed on the BSE; or take any responsibility for the financial or other soundness of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **FILING**

This Information Memorandum has been filed with BSE.

### **LISTING**

Applications will be made to BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above.

### **ALLOTMENT**

The Company has allotted 6104400 Fully Paid- up Equity Shares of Rs. 10/- each to the shareholders of ZFL as reflected in the Register of Members as on March 30, 2012 (the Record Date). The aforesaid allotment was made on 31.03.2012.

## **DEMAT CREDIT**

The Company has executed Tripartite Agreements with the Depositories i.e. NSDL & CDSL for admitting its securities in Demat Form and has been allotted ISIN INE977M01024

## **EXPERT OPINIONS**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES IF ANY**

The Company has not made any previous public issue since incorporation.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

## **COMPANIES UNDER THE SAME MANAGEMENT**

There are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, other than included in this Information Memorandum.

## **PROMISE VIS-À-VIS PERFORMANCE**

Not Applicable, since this is the first time the Company is getting listed on the Stock Exchange

## **STOCK MARKET DATA FOR EQUITY SHARES OF THE COMPANY**

Equity shares of the Company are not listed on any of the Stock Exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

## **DISPOSAL OF INVESTOR GRIEVANCES**

Mr. Lalan Kumar is the Sr. Accounts Manager & Compliance Officer of the Company. Therefore, he may be contacted in case of any problems at the following address:

BALAJI BHAVAN,  
2<sup>ND</sup> FLOOR,  
14, BEST MARG,  
COLABA,  
MUMBAI-400 001.

**E-mail:** [accounts@hbgindia.com](mailto:accounts@hbgindia.com); **Website:** [www.hbgindia.com](http://www.hbgindia.com)  
**Tel.:** (91-22) - 6159 0900/ 2283 1312/ 2283 1325,  
**Fax:** (91-22) - 2202 8212,

## **REGISTRAR AND SHARE TRANSFER AGENT**

### **ADROIT CORPORATE SERVICES PRIVATE LIMITED**

17/20, Jaferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (East), Mumbai-400 059.

**Tel:** 022 2859 0942  
022 4227 0400

**Fax:** 2850 3748

**Email:** - [sshetty@adroitcorporate.com](mailto:sshetty@adroitcorporate.com), [pratapp@adroitcorporate.com](mailto:pratapp@adroitcorporate.com)

**Website:** [www.adroitcorporate.com](http://www.adroitcorporate.com)

**Contact Person:** Mr. Pratap Pujare.

## SECTION VIII -MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF PTL

### Capital Increase and Reduction of Capital

- Capital
3. a. The Authorised Capital of the Company is Rs.28,00,00,000/- (Rupees Twenty Eight Crore Only) divided into 78,00,000 (Seventy Eight Lakh) Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) and 20,200,000 (Twenty Crore Two Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may for the time being be permitted by provided by regulations of the company and the statutory provisions for the time being in force.
- \* Reclassified the Authorised Share Capital Pursuant to order of Hon'ble High court Goa Bench in the matter of Amalgamation and Arrangement between Zuari Forex Limited and Phoenix Township Limited vide Order dated 23/12/2011 and Company Petition No. 30 of 2011 and approved by the Members at their Extra Ordinary General Meeting held on 05/12/2011
- \* Increase in Authorised Share Capital of the Company by Rs. 2,00,00,000 Pursuant to the matter of Amalgamation and Arrangement between Zuari Forex Limited and and Phoenix Township Limited approved by the Members at their Extra Ordinary General Meeting held on 23/03/2012
- \* Merger of the Authorised Share Capital Pursuant to order of Hon'ble High court Goa Bench in the matter of Amalgamation and Arrangement between Zuari Forex Limited and Phoenix Township Limited vide Order dated 23/12/2011 and Company Petition No. 30 of 2011.
- b. *"The minimum Paid-up Share Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lacs only)."*
- Increase of capital by the Company and how carried into effect.
4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction is given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.
- New Capital same as existing capital
5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. Provided however that all the equity shares issued by the Company to the Members

shall be of the same class and shall be alike ranking parri passu in all respect and the holders thereof shall be entitled to identical rights and privileges including, without limitation, to identical rights and privileges with respect to dividend, voting rights, payment of calls, liens, transfers, transmission, forfeiture, and the distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company on a pro rata basis. Provided that the above provision does not prohibit the Company from issuing redeemable preference shares. Subject to Article 6 hereinbelow, the Company in general meeting may also, from time to time, by special resolution capitalise the undistributed profits standing to the credit of the Company's Free Reserves and to apply the same in paying up new equity shares in the share capital of the Company and to appropriate the same as capital and not as income and allot and distribute as fully paid-up bonus shares to and amongst the persons registered in the Register of Members as the holders of equity shares of the Company on such date and in such proportion as may be decided by the Board of Directors.

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| Redeemable Preference Shares                                 | 6. | Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.   |
| Provisions to apply on issue of Redeemable Preference Shares | 7. | On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect: - <ul style="list-style-type: none"> <li>(a) no such shares shall be redeemed except out of the 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;</li> <li>(b) no such shares shall be redeemed unless they are fully paid;</li> <li>(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;</li> <li>(d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise 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 redeemed and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</li> </ul> |
| Reduction of Capital   | 8. | The Company may (subject to the provisions of Section 78, 80 and 100 to 105 inclusive, of the Act) from time to time by Special Resolution, reduce its share capital and any capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.  |

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| Sub-division and consolidation of shares | 9.  | Subject to the provisions of Section 94 of the Act, the Company, in General Meeting, may, from time to time, sub-divide or consolidate its shares, or any of them or any part of them, and the resolution whereby any share is sub-divided, may determine that as between the holder of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject to aforesaid, the Company, in General Meeting, may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.  |
| Modification of rights                   | 10. | Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act be varied, modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted. |
| Shares at a discount                     | 11. | Subject to the provisions, the Company may issue Shares at a discount of a class already issued, if the conditions contained in Section 79 of the Act are fulfilled.   |
| Shares without voting rights             | 12. | Subject to the provisions of the Act, the Company may issue shares without voting right attached to them, upon such terms and conditions and with such rights and privileges attached thereto, as the Board may deem fit.  |
| Issue of Sweat Equity shares             | 13. | <i>"Company shall subject to and in accordance with the provisions of section 79A of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of either of the Company or of any of its subsidiary or holding Company."</i>   |

#### Shares and Certificates

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| Register and Index of Members | 14. | <p>The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a Branch Register of Members resident in that State or Country.</p> <p>(a) Notwithstanding anything herein contained, a person, whose name is at any time entered in the Register of Members of the Company as the holders of a share in the Company, but who does not hold the beneficial interest in such share, shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons, who hold the beneficial interest in such share in the manner provided in Section 187-C of the Act;</p> |
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- (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187-C of the Act;
- (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 187-C of the Act;
- (d) Notwithstanding anything herein contained in Section 153 of the Act and Sub-Article (a), (b), (c) above, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

Shares to be numbered progressively and no share to be sub-divided 15. Save and except for dematerialisation of Share or Shares held in fungible form with a Depository, the shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

Further Issue of capital 16. (a) Subject to the provisions of the Act, where at any time after the expiry of two years from the formation of the Company or the expiry of one year from the allotment of shares made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the 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 these shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to above hereof shall contain this statement of this right, provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may:-

- i) by a special resolution; or
- ii) where no such special resolution is passed, if the votes cast (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 vote, 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 Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company, offer further shares to any person or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company, provided however that the terms of the debentures or loans include a term providing for such option is in conformity with the rules, if any made by the Central Government in this behalf and has also been approved by a special resolution in the General Meeting.

Employee Stock  
Option Scheme

- 17 (a) Subject to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the Articles of Association, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Executive Chairman, Vice-Chairman, the Managing Directors and the Whole time Directors such number of equity shares of the Company, in one or more tranches on such terms as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari passu with the existing equity shares of the Company.
- (b) The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.
- (c) In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities as may be permitted in law, from time to time. All such issues as above are to be made in pursuance of Employees' Stock Option Scheme (ESOP) to be drawn up and approved by the Board.

Shares under  
control of Directors

- 18. Subject to the provisions of these Articles and of the Act, the shares (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 to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at premium or at par or a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

19. The Board shall observe the restrictions as to allotment of shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
- Power also to  
Company to issue  
shares in General  
Meeting
20. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration 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.
- Acceptance of  
Shares
21. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share 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 of Members shall, for the purposes of these Articles, be a Member.
- Deposit and call  
etc. to be a debt  
payable  
immediately
22. The money (if any) which the Board 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 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 name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- Liability of  
Members
23. Every Member, or his heirs, executors, or administrator shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
- Share Certificates
24. (a) Every Member or allottee of shares shall be entitled, with or without payment, to receive one share certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate 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 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. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole time Director. Particulars of every share Certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue, provided however that no share certificate(s) shall be issued for shares held by a Depository.

- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) The Company shall not be bound to register more than 3 persons as the joint holders of any share except in the case of executors or trustees of a deceased member and in respect of a share held jointly by several persons, the Company shall not issue more than one certificate and the delivery of a certificate for a share to any one of several joint holders shall be sufficient delivery to all such holders.
- (e) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.
- (f) The provisions stated above shall not be applicable to dematerialised Shares and shares held in fungible form with a Depository.

Share Certificate      25. "The Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be."

Renewal of Share Certificate      26. (a) No certificate of any share or shares 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 where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

(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 the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. And sub-divided/ replaced/on consolidation of shares".

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board or its duly constituted Committee and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. ". The word "Duplicate" shall be stamped or punched in

bold letters across the face of the share certificate.

- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewal and Duplicate Certificates indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" Column.
- (f) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) 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 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 (f).

First named holder is deemed to be sole owner

27. If any share stand in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus or service of notices and all or any other matter connected with Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

Company not bound to recognize any interest in share other than that of registered holder

28. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, further or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty, at their sole discretion, to register any share in the joint names of any two or more persons or the survivor or survivors of them.

29. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.

Dematerialisation of Securities

30. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

Option to receive Securities certificates or hold Securities with Depository

31. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.

32. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.
- Securities in Depositories 33. All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
- Rights of Depositories and Beneficial Owners 34. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.
35. Save as otherwise provided in (a) above, the Depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the security held by it.
36. Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.
- Beneficial Owner deemed as absolute owner 37. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- Depository to furnish information 38. Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- Cancellation of certificates upon surrender by a person 39. Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- Option to opt out in respect of any security 40. If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.
41. The Depository shall, on receipt of information as above, make appropriate entries in its records and subsequently inform the Company.
42. The Company shall within thirty (30) days of the receipt of the intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Service Documents	of	43.	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
Provisions of Articles to apply to shares held in Depository	of	44.	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.
Allotment of Securities dealt with in a Depository	of	45.	Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
Distinctive number of securities held in a Depository		46.	The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
Register and Index of Beneficial Owners		47.	The Company shall cause to keep a Register and index of Members and a Register and index of Debenture holders in accordance with Section 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held in material/physical and dematerialised form in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
Register of Members	of	48.	The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.
<b>Underwriting and Brokerage</b>			
Commission may be paid		49.	Subject to the provisions of Section 76 of the Act, the Company may, at any time, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed, in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, two and a half per cent of the price at which the debentures are issued, or such higher rate or rates as may be permissible under any statutory provision for the time being in force. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
Brokerage on issue of Shares or Debentures		50.	The Company may pay a reasonable sum for brokerage.



## Interest out of Capital

Interest may be paid out of capital 51. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, 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 work or building, or the provision of plant.

## Calls

Directors may make calls 52. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at all times and places appointed by the Board. A call may be made payable by installments.

53. Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

54. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Call to date from resolution 55. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board and may be made payable by the Members whose names appears on the Register of Members on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board.

Call may be revoked or postponed 56. A call may be revoked or postponed at the discretion of the Board.

Liability of joint holders 57. The joint-holder of a share shall be jointly and severally liable to pay all calls in respect thereof.

Directors may extend time 58. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who from residence at a distance or other cause, the Board may, deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest 59. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

- Sums deemed to be calls 60. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
- Proof on trial of suit for money due to shares 61. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the Member or his representatives issued in pursuance of these Articles, and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Partial payment not to preclude forfeiture 62. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- Payment in anticipation of calls may carry interest 63. (a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time the amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or participate in profits.
- Voting rights in respect of calls in advance (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable
- Company's lien on shares 64. The Company shall have a first and paramount lien on every share (other than fully paid-up shares) for all moneys (whether presently payable or not) payable at a fixed time in respect of such share. PROVIDED THAT the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of these Articles.
65. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
66. 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, as against the transferor.

- As to enforcing lien by sale
67. For the purpose of enforcing such lien as aforesaid, the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made:
- (a) unless a sum in respect of which the lien exists is presently payable; and
  - (b) until the expiration of seven days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists and as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by transmission, and default shall have been made by him in payment of the sum payable as aforesaid for seven days after such notice.
- Application of proceeds of sale
68. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable 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 the person entitled to the shares at the date of sale.
- Forfeiture of Shares
- If money payable on shares not paid notice to be given to Members
69. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Form of notice
70. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- In default of payment, shares to be forfeited
71. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share not actually paid before the forfeiture.

- Notice of forfeiture to a Member 72. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make any such entry as aforesaid.
- Forfeited Share to be property of the Company and may be sold etc. 73. 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.
- Members still liable to pay calls owing at the time of forfeiture and interest 74. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
- Effect of forfeiture 75. 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 Articles are expressly saved.
- Evidence of forfeiture 76. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
- Validity of sale under Articles 63 and 69 77. 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 may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the Purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Cancellation of share certificate in respect of forfeited shares 78. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate share certificates in respect of the said shares to the person or persons entitled thereto.

Power to annul forfeiture 79. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof, upon such conditions as it think fit.

Joint-holders 80 Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained in these Articles:-

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

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

(c) On the death of any one or more of such joint-holders, 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 may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Receipts

(d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

Delivery of Certificate and giving of notice to first named holder

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders shall be entitled to delivery of the certificates relating to the share or to receive notices. In the case of shares held in a dematerialised or fungible form every beneficial owner in the records of the Depository shall be entitled to receive notices.

Votes of Joint-holders

(f) Any one of two or more joint-holders may vote at any meeting either personally or by an agent duly authorised under a power of attorney or by proxy in respect of a share as if he were solely entitled thereto and if more than one of such persons be present, that person 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.

Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent, duly authorised under power of attorney or by proxy although the name of such person present by an agent or proxy stands first or higher in the Register. Several executors of a deceased member in whose (deceased member's) name any share stands shall for the purposes of this sub clause be deemed joint-holders.

## Transfer and Transmission of Shares

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|---|-----|---|
| Register of Transfers                               | 81. | The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share in the material form.   |
| Form of Transfer                                    | 82. | For making transfer of Shares of the Company, a common form shall be used. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, and or any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and their restrictions thereof.   |
|   | 83. | The Instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company.                 |
| Closure of Register of members of Debenture holders | 84. | The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members or Register of Debenture-holder at such time or times and for such period or periods, not exceeding in the aggregate forty-five days in each year, and thirty days at one time.  |
| Director's power to refuse to register a transfer   | 85. | Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (whether fully paid or not and notwithstanding that the proposed Transferee be already a member), but in such case it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the Transferee and the Transferor notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares. |
| Notice of application when to be given              | 86. | Where, in the case of partly paid share, an application for registration is made by the transferor, the company shall give notice of the application to the Transferee in accordance with the provisions of Section 110 of the Act.   |

- Death of one or more joint-holders of shares
87. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint- holder from an liability on shares held by him jointly with any other person.
- Title to shares of deceased holders
88. In absence of a nomination recorded in accordance with Section 109A of the Act, read with Section 109B of the Act, which shall, in any event, have precedent, the executors or administrators of holders of a Succession Certificate or the legal representatives of a deceased member (not being one or 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 or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 85 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.
89. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
- Transmission Clause
90. Subject to the provisions of the Act and Articles 82 and 83, any person becoming entitled to share in consequence of the death, lunacy, bankruptcy, insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of Transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. This clause is hereinafter referred to as the "transmission clause".
91. 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.

92. There shall be no fee paid to the Company, in respect of the transfer or transmission of any number of shares, registration fo transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document..

The Company is not liable for disregard of notice prohibiting registration of transfer

93. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to an transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

94. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.

Right of successors

95. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the shares, except that that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company PROVIDED THAT the directors shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares and if the notice is not complied with within ninety days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

Nomination

96. Every shareholder or debenture holder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
97. Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders.



98. Notwithstanding anything contained in any other law for the time being a force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
99. Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

#### Transmission of Securities by Nominee

100. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -
- (a) to be registered himself as holder of the share or debenture, as the case may be; or
  - (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;
  - (c) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;
  - (d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

#### Buy back of Shares

101. Subject to the provisions of sections 77A, 77AA, 77B and 217 (2B) of the Act, the Company is hereby authorised to buy-back the Company's shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any shares or other specified securities; Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or the same kind of other specified securities.

102. The Company may, subject to the Act and these Articles, in general meeting, alter the conditions of its Memorandum as follows :
- (a) Consolidate and divide all or any of its 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 those originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and of these Articles. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regard dividend, capital or otherwise over or as compared with the others.
  - (c) Cancel any 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.
103. Whenever the share capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to written consent or a Special Resolution under the provisions of Section 106 and the right of dissident Members comprising not less than 10% of the issued capital of that class to apply to the court to have a variation of Shareholders rights cancelled under section 107 of the Act and these Articles be varied, modified or dealt with, 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 the issued shares of that class, and all the provisions contained in these Articles as to general meetings, (including the provisions relating to quorum at such meetings), shall *mutatis mutandis* apply to every such meeting.
104. 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 the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
105. The Company shall not issue any shares, (not being preference shares), which carry voting right, or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attached to the holders (not being preference shares).
106. All equity shares shall be of the same class and shall rank *pari passu* and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including, without limitation, to identical rights and privileges with respect to dividend, voting rights, and the distribution of the assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company. If two or more persons are registered as joint holders of any shares, any of such persons may give effectual receipts for any dividends or other moneys payable in respect of such shares.

107. All further issues of shares or increases in the share capital of the Company shall require the prior approval of the Board.
108. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction is given on the directions as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with special or without any voting rights.

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

- Copies of Memorandum and Articles to be sent by the Company 109. A copy of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

#### Borrowing Powers

- Borrowing Powers 110. Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposit from members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Subject to the provisions of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, receive deposits from its members, directors or their relatives and receive loans from its members, either in advance of call or otherwise, and generally raise or borrow money either in India or abroad by way of loans, overdrafts, cash credit or by issue of bonds denominated in various currencies, debentures or debenture stock with or without any option attached to it (perpetual or otherwise), commercial paper or in any other manner, from any bank, financial institution, company, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed.
111. Subject to the provisions of Article 105 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of Debentures 112. Any debentures, debentures stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

Register of mortgages, etc. to be kept 113. 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 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.

Register and Index of Debenture holders 114. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 and 157 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture-holders resident in that State or country.

#### Share Warrants

115. The Company may issue share warrants subject to, and in accordance with, the provisions of Section 144 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid, upon application in writing, signed by the person registered as holder of the share, from time to time, require as to identity of the person signing the application, on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

116. The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposits, as if his name was inserted in the Register of Members as the holder of the share including in the deposited warrant.

117. Not more than one person shall be recognised as depositor of the share warrant.

118. The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

119. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant and he shall be a member of the Company.
120. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

#### Conversion of Shares into Stock and Reconversion

Shares may be converted into stock 121. The Company, in General Meeting, may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interests therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, at any time, convert any stock into paid-up shares of any denomination. Where any shares have been so converted into stock, the holders of stock may then transfer their respective interests in the same or part thereof in the same manner, as and subject to the same restrictions under which the shares from which the stock arose before conversion might have been transferred., or as near thereto as circumstances admit. Provided however that the Board may, from time to time, fix the minimum amount of stock transferable.

Rights of stock holders 122. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings, of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

#### Meeting of Members

123. The Company shall, within a period of not less than one month nor more than six months from which it is entitled to commence business, hold the Statutory Meeting of the members of the Company subject to and in accordance with the provisions of Section 165 of the Act.

- Annual General Meeting and Annual Return
124. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Provided that it will be permissible to hold its first Annual General Meeting within a period of not less than eighteen months from the date of its incorporation; and if such meeting is held within that period it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following calendar year. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (i) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situate as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. 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 Statement of Accounts), the Proxy Register with Proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.
- Extraordinary General Meeting
125. The Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one- tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- Requisition of Members to state object of Meeting
126. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- On receipt of requisition, directors to call Meeting and in default requisitionists may do so.
127. Upon the receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office and cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitions, or such of their number 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 such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the Meeting, but in either case any Meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists	128.	Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board.
Notice of Meeting	129.	Save and except the Statutory Meeting, twenty-one days' notice at the least of every General Meeting, Annual or Extra-Ordinary, and by whomsoever called specifying the day, place and hour of Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other Meeting, with the consent of the Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors (ii) the declaration of dividend (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other Meeting in any event 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 the Manager (if any). Where any such item or special business relates to, or affects any other company, the extent of share holding interest in the other company of every Director, and the Manager, if any of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 2 percent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Omission to give notice not to invalidate a resolution passed	130.	The accidental omission to give any such notice as aforesaid to any of the Members, or the non receipt thereof shall not invalidate any resolution passed at any such Meeting.
Meeting not to transact business not mentioned in notice	131.	No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
Quorum for the General Meeting	132.	Five Members present in person shall be a quorum for a General Meeting. The Quorum for the meeting shall be as provided in Section 174 of the Act.
Body Corporate deemed to be personally present	133.	A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

- If quorum not present, meeting to be dissolved or adjourned
134. If, at the expiration of half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if convened by or upon the requisition of Members, shall stand dissolved and in any other case the Meeting 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 and at such other time and place in the City or town in which the Office of the company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called.
- Chairman of General Meeting
135. The chairman (if any) of the Directors shall be entitled to take the Chair at every General Meeting, whether Annual or Extra-ordinary. If there be no such Chairman of the Directors, or if at any Meeting he shall not be present within fifteen minutes of the time appointed for holding such Meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their number to be Chairman.
- Business confined to election of Chairman whilst chair vacant
136. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
- Chairman with consent with adjourn
137. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place where the Office is situated. But no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- Question at General Meeting how decided
138. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion or unless a poll is demanded by any member or members present in person or by proxy and holding shares in the company;
- (a) which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or
- (b) on which an aggregate sum of not less than Rupees 50,000 has been paid up.
139. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
140. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.



- Chairman's casting vote 141. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
- Poll to be taken, if demanded 142. If a poll is demanded as aforesaid, the same shall, subject to Article 136, be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the City or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- Scrutineers at poll 143. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed 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. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- In what case poll taken without adjournment 144. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting forthwith.
- Demand for poll not to prevent transaction of other business 145. The demand for a poll, except on the questions of the election of the Chairman and on an adjournment, shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.
- Postal Ballot 146 Notwithstanding anything contained in the Articles of Association of the Company, the Company does adopt the mode of passing the resolutions by its members by means of a postal ballot (including voting by an electronic mode) pursuant to the provisions of Section 192 A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001, and any modifications or amendments made thereto from time to time.
- Vote of Members
- Member in arrears not to vote 147. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

- Number of votes to which member entitled 148. Subject to the provisions of the Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present and to speak and vote at such Meeting and on a show of hands, every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any Meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference shares.
- Casting of votes by a Member entitled to more than one vote 149. 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.
- Vote of Member of unsound mind and minor 150. A Member of unsound mind or and 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 in respect of any shares registered in his name and any such committee or guardian may, on 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 selected in case of dispute by the Chairman of the Meeting.

- Representation of body corporate 151. (A)(i) A body corporate (whether a Company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including a holder of debentures) having a right to vote, may in pursuance of Sections 187 or 187A of the Act, authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body to act as its representative at any meeting of the Company or of any class of Members of the Company or at any meeting of the creditors of the Company or debenture holders of the Company.
- (ii) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor, or holder of debentures of the Company. The production of a copy of the resolution aforesaid certified by a Director of such body corporate before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative appointment and his right to vote thereof.
- (B)(i) The President of India or the Governor of a State, if he is a member of the Company, may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company.
- (ii) A person appointed to act as aforesaid shall, for the purpose of this Act, be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers (including the right to Vote by proxy) as the President or as case may be, the Governor could exercise as a member of the Company.
- Votes of joint member 152. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint-holders be present at any Meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose names shares stand shall, for the purpose of these Articles, be deemed join-holders thereof.
- Voting in person or by proxy 153. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

Votes in respect of shares of deceased and insolvent Member	154.	Any person entitled under Article 85 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding 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 or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.
Appointment of proxy	155.	Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.
Proxy either for specified meeting or for a period	156.	An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
Votes by members present or by proxy	157.	A member present by proxy shall be entitled to vote only on a poll. However where such Member is a body corporate present by a proxy who is not himself a Member in which case such proxy shall also be eligible to vote on show of hands as if he were a Member.
Deposit of instrument of appointment	158.	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 of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or 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.
Form of proxy	159.	Every instrument of proxy whether for a specified Meeting or otherwise shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
Validity of votes given by proxy notwithstanding death of member	160.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any authority or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
Time for objection to vote	161.	No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered and every vote, whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

Chairman of the meeting to be the Judge of the validity of every vote

162. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final, binding and conclusive.

#### Minutes of Meeting

Minutes of General Meetings and inspection thereof by Members

163. The Company shall cause minutes of all proceedings of every General Meeting to be kept within thirty days of the conclusion of every such Meeting and concerned entries thereof in books kept for that purpose with their pages consecutively numbered.

164. 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 that Chairman within that period by a Director duly authorised by the Board for the purpose.

165. In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

166. The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

167. All appointments of Officers made at any Meeting aforesaid shall be included in the minutes of the Meeting.

168. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting (a) is or could reasonably be regarded as defamatory on any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

169. Any such minutes shall be evidence of the proceedings recorded therein.

170. The book containing the Minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

#### Directors

Number of Directors

171. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not be more than twelve.

Certain persons not to be Directors. 172 No body corporate, association or firm shall be appointed a Director and only an individual shall be so appointed. As provided by Section 274 of the Act, certain persons mentioned therein shall not be capable of being appointed Directors of the Company, unless the Central Government, by Notification, removes the disqualification for some of the persons mentioned therein.

First Directors

173. The following are the First Directors of the Company:

- (1) MR. DR. PRAFULLA R. HEDE
- (2) MR.DATTATRAYA MAHADEV SUKHATHANKAR
- (3) MR. ASHOK CHOWGULE

Present Directors of the company are as follows:

- (1) MR. SURENDRA AMBALAL DAVE
- (2) MR. RAM SUKHRAJ TARNEJA
- (3) MR. DATTATRAYA MAHADEO SUKTHANKAR
- (4) MRS. SHIBANI MANISH HARLALKA
- (5) MR. PRAFULLA RAJARAM HEDE
- (6) MR. PRALHAD BHAGWANT DESAI
- (7) MR. SAMIT PRAFULLA HEDE
- (8) MR. PAUL DAVID TALBOT WILLCOX

174. Unless the above named First Directors of the Company resign or otherwise cease to hold office of Director, they shall hold such office up to the date of the First Annual General Meeting of the Company and thereafter the Directors shall be appointed in accordance with the provisions contained in these Articles.

Provision to appoint ex-officio Directors 175. Whenever the Company/ directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as the "appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

Nominee Director

Nominee Directors 176. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Orient Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation"), out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/ Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint, from time to time, any person or persons as a Director or Directors, whole-time or non- whole-time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.



177. The Board of Directors of the Company shall have no power to remove the Nominee Director/s from its/their office/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee(s) it shall, if so required by the Corporation include the Nominee Director as a member of such management committee or other committee(s). Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.
178. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
179. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
180. The Nominee Director/s shall be entitled to the same sitting fees, commission, remuneration and expenses as are applicable to other Directors of the Company. The Company shall pay the sitting fees and other expenses to the Nominee Director/s directly, but the commission, remuneration or other monies and fees to which the Nominee Director/s is entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation.
- Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
181. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

182. Provided also that in the event of Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

183. If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Appointment of Alternate Directors

184. The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Directors power to add to the Board

185. (a) Subject to the provisions of Section 260 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum strength fixed for the Board under the Article 165. Any such additional Director shall hold office only upto the next Annual General Meeting.
- (b) Subject to the provisions of Sections 262, 264 and 284 of the Act, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a Director to fill a casual vacancy. 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 it had not been vacated by him.

Qualification of Directors

186. A Director shall not be required to hold any share qualification.

Remuneration of Directors 187. (a) Subject to the provisions of the Act, a Managing Director or Directors, who is in the whole-time employment of the Company may be paid remuneration either by way of monthly payment or at specified percentage of the net profits of the Company or partly by one way and partly by the other.

(b) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either;

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

(ii) by way of Commission if the Company by a special resolution authorised such payment.

Fees payable to a Director for attending a meeting 188. The fees payable to a Director for attending a meeting of the Board or committee/s thereof shall be such sum as may be decided by the Board from time to time, subject to such limit as may be prescribed in that behalf, from time to time, by the Central Government under or pursuant to the Act.

189. If any Director is called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as a member of any Committee/s formed by the Directors), the Board may arrange with such Director, for such special remuneration, for such extra services or special exertion or efforts either by a fixed sum or otherwise as may be determined by the Board and the said remuneration may be either in addition to or in substitution of his remuneration elsewhere specified in the Articles.

Traveling expenses incurred by Director not a bonafide resident or by Director going out on Company's business 190. The Board may allow and pay to any Director, who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee/s thereof or General Meetings, or in connection with the business of the Company, his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him.

Provided that if so desired by the Corporation appointing a Corporation Director, the Company may instead reimburse the Corporation appointing such Director any sums that may be paid by it to that Director in respect of his attendance at the meeting of the Board.

- Directors may act notwithstanding any vacancy
191. The continuing Directors may act, notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum fixed by Article 165 hereof. The continuing Directors, not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.
- When the office of Director may become vacant
192. Subject to Section 283 (2) of the Act, the Office of a Director shall become vacant if :
- (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 adjudged 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 such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
  - (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
  - (f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
  - (g) he is removed in pursuance of Section 284; or
  - (h) 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
  - (i) he acts in contravention of Section 299 of the Act; or
  - (j) he is convicted by a court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
  - l) he resigns his office by a notice in writing addressed to the Company.

- Director may contract with Company 193. (a) A Director or his relative, firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or Director, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company, provided that the sanction of the Board and the previous approval of the Central Government, if and as may be required, shall be obtained in accordance with Section 297 of the Act.
- (b) No sanction shall, however, be necessary for -
- (i) any purchase of goods and materials from the Company, or the sale of goods or materials to the Company by any such Director, relative, firm, partner or private company as aforesaid for such cash at prevailing market prices; or
  - (ii) any contract or contracts between the Company on, one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of 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, where the value of the goods and materials or the cost of such services does not exceed Rs.5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

- Disclosure of interest 194. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a 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 in the manner provided in Section 299(2) of the Act;. Provided that it shall not be necessary for Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into between two companies where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.

- General notice of interest 195. A General notice given to the Board by the 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 a sufficient disclosure of 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 a further period 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. No such General notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- Interested Directors not to participate or vote in Board's proceedings 196. No Director shall as a Director, 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, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence be counted for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void, provided however that nothing herein contained shall apply to :

- (a) any contract of indemnity against any loss which Directors, or any one or more of them, may suffer by reason of becoming or being a surety or sureties for the Company.
- (b) any contract or arrangement entered into or to be entered into with a Public Company or a Private Company which is a subsidiary of Public Company in which the interest of the Director consist solely in his being :
  - (i) a director of such company, and
  - (ii) 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.
  - (iii) a member holding not more than 2% of its paid-up share capital.

Register of Contracts in which Directors are interested	197.	The Company shall keep a Register in accordance with Section 301(1) and shall, within the time specified in Section 301(2), enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be.. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 188. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and 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 of the Company and the provisions of Section 163 of the Act shall apply accordingly.
Directors may be Directors of Companies promoted by the Company	198.	A Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.
Retirement and rotation of Directors	199.	At every Annual General Meeting of the Company, 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, the number nearest to one-third shall retire from Office of Directors. The non-retiring Directors, Ex-Officio Directors/Nominee Directors and Debentures Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.
	200.	Subject to provisions of the Act, the Directors to retire by rotation under Article 193 at every Annual General Meeting shall be those who have been longest in 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 lot.
	201.	A retiring Director shall be eligible for re-election.
Company may increase or reduce the number of Directors	202.	Subject to Section 258 of the Act, the Company, at the General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

203. (a) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned Meeting unless :
- (i) at the Meeting or at the previous Meeting, resolution for the re-appointment of such Director has been put to the Meeting and lost;
  - (ii) the retiring Director has, by notice in writing addressed to the Company or its Board, expressed his unwillingness to be so appointed;
  - (iii) he is not qualified or is disqualified for appointment;
  - (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act, or
  - (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.
204. Subject to Section 258 of the Act, the Company may, by Ordinary Resolution from time to time, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his place. The person so appointed should hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
205. (a) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office.
- (b) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company the consent in writing to act as a Director, if appointed.
- (c) A person, other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 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, 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.

- Register of Directors etc. 206. (a) The Company shall keep at its office a Register containing the particulars of its Directors, Manager, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall, in respect of each of its Directors, also keep at its office a Register, (as required by sub-section (1) of Section 307 of the Act), and shall otherwise comply with the provisions of the said Section.
- Disclosure by Directors of appointment to any other body corporate 207. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company shall, within twenty days of his appointment to any of the above offices to 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 sub-section (1) of Section 303 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (1) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.
- Restriction on Management 208. The Managing Director or Managing Directors shall not exercise the power to :
- (a) make calls on shareholders in respect of money unpaid on the shares in the Company,
- (b) issue debentures, and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the power to :
- (c) borrow moneys, other than on debentures,
- (d) invest the funds of the company and
- (e) make loans.
- Certain persons only to be appointed Managing / Wholetime Directors 209. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or Whole-time Director who -
- (a) is an undischarged insolvent, or has at any time been adjudged an insolvent.
- (b) suspends, or has at any time suspended, payment to his creditors, or makes, or has at any time made, a composition with them, or
- (c) is or has at any time been convicted by a Court of an offence involving moral turpitude.
210. A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and if he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.
- Proceedings of the Board of Directors
- Meeting of Directors 211. The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.
- Notice of Directors Meeting 212. Notice of every meeting of the Board shall be given in writing to every Director whether in or outside India, and otherwise regulate their meetings, as they think fit.



Quorum of Board Meeting	213	Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded 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-third of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such meeting.
Adjournment of meeting for want of quorum	214	If a meeting of the Board could not be held for want of a quorum then, the meeting shall stand adjourned to such other date and time (if any) as may be fixed by the Chairman.
	215.	The Secretary shall, as and when directed by any Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.
	216	If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
Questions at Board meetings how to be decided	217	Questions arising at any meeting of the Board of Director or a committee or sub-committee thereof or in resolution to be passed by circular shall be decided by a majority of votes and in the case of a equality of votes, the Chairman shall have a second or casting vote.
Powers of Board in Meetings	218.	A meeting of the Board, for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, powers, and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
Directors may appoint Committees	219.	Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to one or more Committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board 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 Board. All acts done by any such Committee of the Board shall be in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
Meeting of Committee how to be governed	220	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

Resolution circulation by 221. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board, or a 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 as are then in India, or by a majority of such of them, as are entitled to vote on the resolution. .

Acts of Board or Committee notwithstanding informal defect in appointment valid in 222. All acts done by any meeting of the Board or by a Committee of the Board, 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 persons acting as aforesaid, or that they or any of them were 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 a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of proceedings  
of the Board

223. (a) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) 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 next succeeding meeting.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (f) The minutes shall also contain -
- (i) The name of the Directors present at the meeting and
  - (ii) In the case of each resolution passed at the meeting, the name of the Directors, if any, dissenting from or not concurring in the resolution.
- (g) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting -
- (i) is, or could reasonably be regarded as defamatory of any person,
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interest of the Company.
- (h) The Chairman shall exercise an absolute discretion in regard to the inclusion or non- inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (i) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of the Board

224. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations, as may be prescribed by the Company in General Meeting but 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. Provided that the Board shall not, except with the consent of the Company in General Meeting :-

- (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 clause (a) 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 where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;

Provided further that the powers specified in Section 292 of the Act shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated; or

- (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 fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

Certain powers of the Board

225. Without prejudice to the general powers conferred by the last preceding Article 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 the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power :

- (a) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (b) To pay and charge to the capital account of the Company commission or interest lawfully payable thereout under the provisions of Section 76 and 208 of the Act;

- (c) Subject to Sections 292, 293 and 297 of the Act, to purchase or otherwise acquire for the Company any property, right 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 satisfied;
- (d) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise 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, mortgages 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;
- (e) To secure the fulfillment of any contracts or engagement 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 manner as they may think fit;
- (f) To accept from any Member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- (g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- (h) To institute, conduct, defend, compound, or abandon any legal proceedings 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 debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon;
- (i) To act on behalf of the Company in all matters relating to bankrupts and insolvents.;
- (j) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

- (k) Subject to the provisions of Sections 292, 295, 370, 372 and 372A of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- (l) 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 surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (m) 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 purpose;
- (n) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any office or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company;
- (o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee any charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- (p) 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 depreciation fund, or to an insurance fund, or as Reserve Fund or any special fund to meet contingencies or to repay debentures or debentures stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of Reserve Fund or division of a Reserve Fund and with full power to employ assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;
- (q) To appoint and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may, from time to time, think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also 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 and the provisions contained in the four next following sub-clauses shall be without prejudice to the generally conferred by this sub-clause;
- (r ) 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 person to be members of such local Boards, and to fix their remuneration;

- (s) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, 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 may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation;
  
- (t) At any time and from time to time by Power of Attorney under the Seal of the Company, 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 under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board think fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them;
  
- (u) Subject to Section 294 and 297 of the Act, for or in relation to any of the matters 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;
  
- (v) From time to time to make, vary and repeal by laws for the regulations of the business of the Company, its officers and servants;
  
- (w) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with.



226. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely Managing Director or Manager.
227. The Directors shall, from time to time, appoint a Secretary and, at their discretion, remove any such Secretary to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also appoint at any time any person or persons (who need not be the Secretary) to keep the Registers required to be kept by the Company.

#### The Seal

228. (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have the power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
229. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 20(a).

#### Dividends

- Division of profits and dividends in proportion to amount paid up
230. The profits of the Company, subject to any special rights relating thereof created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up and to the period during the year for which the capital is paid-up on the shares held by them respectively.
- The Company in General Meeting may declare a dividend
231. The Company in general Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividends only to be paid out of profits 232. No dividend shall be declared or paid otherwise by the Company for any financial year out of profits for the year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except after the transfer to the reserves of the Company of such percentage of its profits for the year as may be prescribed or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) If the Company has incurred any loss in any previous financial year or years, the amount of loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the years for which the dividend is provided to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Sub-section (2) of Section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for the year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Interim dividend 233. The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

Capital paid up in advance at interest not to earn dividend 234. Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

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

236. The Board may retain dividends payable upon shares in respect of which any person is, under Article 85, 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 share duly transfer the same.
- Dividend, etc. to joint-holders 237. Any one of several persons who are registered as the joint-holder of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
- No Member to receive Dividend while indebted to the Company and Company's rights of reimbursement thereof 238. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.
- Transfer of shares must be registered 239. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Provided, however, that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the company shall :
- (a) transfer the dividend in relation to such shares to the special account referred to in Section 205A unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
  - (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 and any issue of fully paid up bonus shares in pursuance of sub-section (3) of section 205.
- Unclaimed dividend 240. Any dividend which has not been claimed or the warrant in respect whereof has not been encashed within the period prescribed under Section 205A of the Act, shall be deposited in a special account as provided for in the said section 205A of the Act and the whole of the amount envisaged in clause (a) to (e) of sub-section (2) of section 205C of the Companies Act, 1956 remaining unpaid or unclaimed for a period of seven years from the date they become payable by a company have been credited to the Investor Education and Protection Fund as per Section 205C of the Act and subject to any amendments that may be made thereto from time to time. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
- No interest on dividend 241. No unpaid dividend shall bear interest as against the Company.

Dividend and call together 242. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the Members of such amount as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Member, be set off against the calls.

Capitalization 243. (a) The Company, in General Meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend for representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares of debentures or debentures stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

(b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or in investments representing the same, or any other undistributed profit of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## Accounts

Directors to keep true accounts 244. The Company shall keep at the office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to :

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

245. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
246. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
247. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The books of Account and other books and papers shall be open to inspection by any Director during business hours.
- As to inspection of accounts or books by Members 248. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no members (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.
- Statement of accounts to be furnished to General Meeting 249. The Directors shall from time to time, in accordance with Section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Balance Sheets, Profits and Loss Accounts and Reports as are required by these sections.
250. The Directors shall, if they consider it to be necessary and in the interest of the Company, be entitled to amend the Audited Accounts of the Company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval.
- Copies shall be sent to members and others 251. Subject to the provisions of Section 219 of the Act, a copy of every such profit and loss account and balance sheet (including the Auditors report and every other document required by law to be annexed or attached to the balance sheet) shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for the holders of any debentures issued by the company, whether such member, or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such members or trustees, being persons so entitled.

## Audit

Accounts to be audited 252. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.

## Documents and Notice

Manner or service of documents or notice on Members by Company 253. A document or notice may be served or given by the Company on any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.

When notices of documents served on Members 254. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice, provided, that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a Notice of a meeting at the expiration of forty eight hours (48) after the letter containing the document or notice is posted and in any other cases, at the time at which the letter would be delivered in the ordinary course of post.

By Advertisement 255. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

On Joint Holders 256. A document or notice may be served or given by the Company on or to the joint-holders of a share by serving or giving the document or notice on or to the joint-holder named first in the Register of Members in respect of the share.

- On personal representatives, etc. 257. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignee 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 persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- To whom documents or notices must be given 258. Documents or notices of every General Meeting shall be served or given in same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor or Auditors for the time being of the Company.
- Members bounds or documents or notices served on or given to previous holders 259. 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 of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
- Service of document or notice by Members 260. All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.
- Documents or notice by Company and signature thereto 261. Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

## Winding-up

- Liquidator may divide assets in specie 262. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie 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 as the liquidator, with the like sanction, shall think fit.

## Indemnity and Responsibility

- Indemnity 263. Subject to Section 201 of the Act, every Director, Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Secrecy Clause

Secrecy Clause

264. (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 Board, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process of any other matter, which may relate to the conduct of the business of opinion of Directors, it would be inexpedient in the interest of the Company to disclose.

General Approval

- 265 “Wherever in the Companies Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.”



## SECTION IX- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

#### **Material Documents / Documents for Inspection**

1. Memorandum and Articles of Association, as amended till the date of Information Memorandum.
2. Certification of Incorporation dated February 10, 1993 and Certificate of Commencement of Business dated March 22, 1993.
3. The Order by the High Court of Bombay at Panaji, Goa Original jurisdiction on December 23, 2011 sanctioning the Scheme of Arrangement.
4. Letters from BSE dated September 23, 2011 stating their No Objection to the Scheme of Arrangement.
5. Copies of the Tripartite Agreement between National Securities Depository Ltd., our Company and Adroit Corporate Services Private Limited dated 30.01.2012.
6. Copies of the Tripartite Agreement between Central Depository Services (India) Limited., our Company and Adroit Corporate Services Private Limited dated 06.01.2012
7. Copy of the Auditors Report dated 27.12.2013 issued by Statutory Auditors of the Company, M/s. Bhattar & Co., Chartered Accountants, regarding Standalone financial statements of the Company, for the financial years(FY2011 - FY2012)
8. ROC filing of the High Court Order along with the Scheme with the Registrar of Companies, Maharashtra, Mumbai & the acknowledgment of its physical submission as well.
9. Copy of the Tax Benefit Certificate dated 07.11.2013 issued by the Statutory Auditors M/s. Bhattar & Co., Chartered Accountants.
10. Annual Reports of the Company for the last 3 financial years (FY2011 - FY2013)
11. Scheme of Amalgamation and Arrangement of Zuari Forex Limited and Phoenix Township Limited and their respective shareholders ("Scheme") sanction by the Hon'ble High Court of Bombay at Panaji, Goa Original jurisdiction under Sections 391 to 394 read by there Order Dated 23/12/2011
12. Return of Allotment of Equity Shares filed by the Company for allotment of Shares pursuant to the Scheme

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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**DECLARATION**

We, the Directors of our Company, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India Established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 or Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be.

All the information contained in this Information Memorandum is true and correct to the best of my knowledge.

**SIGNED ON BEHALF OF THE BOARD OF DIRECTORS  
OF PHOENIX TOWNSHIP LIMITED**

**SAMIT P. HEDE**

**EXECUTIVE DIRECTOR**

**LALAN KUMAR**

**COMPLIANCE OFFICER**

Place: Mumbai

Date: