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**MEMORANDUM OF ASSOCIATION**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**DELTA MANUFACTURING LIMITED**

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सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies  
Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

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

Corporate Identification Number (CIN): L32109MH1982PLC028280

I hereby certify that the name of the company has been changed from DELTA MAGNETS LIMITED to DELTA MANUFACTURING LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name G P Electronics Private Limited.

Given under my hand at Mumbai this Twentieth day of February two thousand twenty.



V T SAJEEVAN

Registrar of Companies  
RoC - Mumbai

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

B-87, MIDC, Ambad, Nashik, Maharashtra, India, 422010



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L32109MH1982PLC028280

मैसर्स G P ELECTRONICS LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
G P ELECTRONICS LIMITED

जो मूल रूप में दिनांक तेईस सितम्बर उन्नीस सौ बयासी को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स  
G P

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्.आर.एन A46495396 दिनांक 31/10/2008 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स  
DELTA MAGNETS LIMITED

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

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा मुंबई में आज दिनांक इक्तीस अक्टूबर दो हजार आठ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L32109MH1982PLC028280

In the matter of M/s G P ELECTRONICS LIMITED

I hereby certify that G P ELECTRONICS LIMITED which was originally incorporated on Twenty Third day of September Nineteen Hundred Eighty Two under the Companies Act, 1956 (No. 1 of 1956) as G P having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A46495396 dated 31/10/2008 the name of the said company is this day changed to DELTA MAGNETS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand and seal at Mumbai this Thirty First day of October Two Thousand Eight.



(MILIND VITTHALKAO CHAKRANARAYAN)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies

महाराष्ट्र, मुंबई  
Maharashtra, Mumbai

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

DELTA MAGNETS LIMITED

Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013,  
Maharashtra, INDIA

(2)

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No. 28280/TA

CERTIFICATE OF CHANGE OF NAME  
IN THE OFFICE OF THE REGISTRAR OF COMPANIES,  
UNDER THE COMPANIES ACT, 1956.

IN THE MATTER OF G. P. ELECTRONICS PRIVATE LIMITED

do hereby certify that pursuant to the provisions of  
Section 23 of Companies Act, 1956 and the Special Resolution  
passed by the company at its ~~Annual~~ Extra-ordinary General  
Meeting on the 19th MARCH, 1984. The name of

G. P. ELECTRONICS PRIVATE LIMITED  
as this day been changed to "G. P. ELECTRONICS LIMITED"

and that the said company has been duly incorporated as a  
company under the provisions of the said Act.

Dated this SIXTEENTH day of JULY  
One thousand nine hundred and eighty four.

*R. M. Mehta*  
( R. M. MEHTA )  
ASSTT. REGISTRAR OF COMPANIES,  
MAHARASHTRA, BOMBAY.



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प्राकृतिक आई. आर.  
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

क्र. 28280 दि. 19 82  
No. 28280 of 19 82

मेरे हस्ताक्षर से आज ता. 19 82 को दिया गया।

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन नियमित की गई है और यह कम्पनी परिमिता है।

I hereby certify that G. P. ELECTRONICS PRIVATE LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता. 19 82 को दिया गया।

Given under my hand at BOKRAY this 19th day of SEPTEMBER One thousand nine hundred and EIGHTY TWO.



(V. GOVINDAN)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies

प्रा.सं.सी. 1-14  
प्रभासमटेन-348-19 जनरल एडमिन/78-79-भासमटेन-(सी-305)-30-4-79-15,000.  
MGIPTC-348-19 Genl. Adm. 78-79-GIPTC-(C-305)-30-4-79-15,000.

THE COMPANIES ACT, 1956

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

OF

**#DELTA MANUFACTURING LIMITED**

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- I. The name of the Company is DELTA MANUFACTURING LIMITED#
- II. The Registered Office of the Company will be situated in the State of Maharashtra
- III. The objects for which the Company is established are as follows :--
  - (A) MAIN OBJECTS OF THE COMPANY TO BE PERSUED BY THE COMPANY ON ITS INCORPORATION :-
    - (1) To carry on business as manufacturers of and dealers in Electronic instruments, Miscellaneous Electric Equipment, Magnetic Tapes, Ferrite rods. Capacitors, Connectors, Micro Switches, Electronic Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays switches, Printed Boards, and Computers Mini-Computers, Micro-processor Based system and allied items.
    - 1.A. To carry on business as manufacturers of and dealers in Electronic instruments, Electronic and Electric Equipment, Electronic Components, Magnetic Tapes, Ferrite rods. Hard & Soft Ferrites, Capacitors, Connectors, Micro Switches, Electric Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays and switches, Printed Circuit Boards, and Computers, Mini-Computers and Micro-processor Based systems.

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*#Pursuant to the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 27<sup>th</sup> December, 2019, the name of the company is changed from Delta Magnets Limited to Delta Manufacturing Limited.*

- 1.B. \*\*To buy, sell, market, deal in, trade, develop, import, export all kinds of textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics, non wovens, household linen of all types and to manufacture the same and/or to get manufactured by any method or process including spinning, weaving, knitting, warp knitting, dyeing, processing, printing, finishing, stitching, non wovens, mending, parking and to establish and/or get established mills for manufacturing of the same and to buy, sell market and to deal in, trade, develop, import, export and to manufacture and/or get manufactured all types of fibres including polyester, polyamide, acrylic, cotton, viscose, rayon, silk, wool, all types of filaments, all types of yarns and cords, all types of threads.
- 1.C. \*\*To carry on all or any of the businesses of manufacturers manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents and distributors of and dealers in metal objects, products and substances of all kinds, including without limitation ferrite and magnetic products and whether made of ferrous or non ferrous metals, and of and in plastic objects, products and substance of all kinds

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

- (2) To carry on business as manufacturers, designers assemblers, contractors, dealers, exporters and importers of all kinds of automotive parts and accessories, equipments and fittings, including volatage regulators, horn relays stop-light switches oil pressure switches, all panel and other switches, flashers, dynamo armatures, styarters armatures, commutators, field coils, wiper motors, wiper blades and arms, ignition coils, indicators, lamps of all types, dynamos, generators, starts, alternators, magnetos, trafficators, fans, lighters, electric horns, air horns, fuel pumps, electric bulbs, sealed beams, carbon and starter brushes, regulator points and resistances, born points, distributors and parts thereof, heaters, cigar lighters, air-conditioners, ammeters, volt meters, ohm meters, fuel gauges, an components of all these abovementioned items and all parts for motor trucks, station wagons, omnibuses, coaches, tractors, trailers, motors cycles, motor bicycles, scooters, railways, and other automotive vehicles and also for any other means of conveyance or transport or any kind of engines or prime movers.
- (3) To carry on business as manufacturers of or producers in Electric Weighing systems, Analytical and Precision Balances, Top loading balances. Temperature meaning and control instruments, Thermo analytical instruments, Automatic titrations systems, Data transfer systems, Scientific, Educational, Laboratory, Surgical, Diagnostic, Medical, Electronic, Electro mechanical and Mechanical Instruments and balances, and components thereof and all parts and equipments and accessories thereto.

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*\*\*Pursuant to the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 27<sup>th</sup> December, 2019, the object clause of the Company stands altered by adding clause 1B and clause 1C after existing clause 1 and clause 1A*

- (4) To carry on business as dealers and agents for sale installation and servicing of Electronic weighing systems. Analytical and Precision balances. Top loading balances Temperature measuring and control instruments. Thermo analytical instruments, Automatic titrations systems, Data transfer systems, Scientific, educational, Laboratory, Surgical Weighing, Measuring, Analytical, Processing Testing Diagnostic, Medical; Electronic, Electromechanical and Mechanical instruments, Data processing instruments and Computers and related products of every kind and components and parts thereto and all parts and al parts and equipment accessory thereto.
- (5) To carry on business as tool makers, machinists, and engineers, To design, manufacture, assemble, contractor for, buy, sell, let out on hire and generally deal in Scientific, Educational, Medical, Surgical, Weighting, Measuring, Analytical, Processing, Testing, Diagnostic, Process, Electronic, Electro-mechanical and Mechanical Instruments, Data processing, Instruments and Computers, Dies, Springs, Bolts, Nuts, crews, Washers, Studs, Drill pins, Rivets, Hinges, Nails, Spikes, Metal, Timber, Canes, Asbestos, Canvas, Aeroplanes and other Linen, Belts and fasteners, other appliances and tools of every description, whether for use in connection with Instruments, Aeronautics, Shipping, Munitions of war, Engineering, Electronic or otherwise howsoever.
- (6) To obtain and exploit sole or other agencies for all kinds of Components and parts of machinery, tools, implements, equipment and instruments.
- (7) To obtain and exploit sole or other agencies for all kinds of machinery, tools, implements and equipment.
- (8) To undertake, carry on and execute all kinds of hire purchase, financial, commercial trading and other operations.
- (9) To invest the capital and other moneys of the Company in the purchase or upon the Security of shares, stocks, debenture stock, bonds mortgages, obligations and securities of any kind issued or guaranteed by any company corporation or undertaking of whatever nature and wheresoever constituted or carrying on business, and shares, stocks, debentures, debenture-stocks, bonds, units, mortgages obligations and other securities issued or guaranteed by any Government, Sovereign Rules, Commissioner, Trust, Municipal Local or other Authority or body of whatever nature, whether at home or abroad.
- (10) To undertake financial and commercial obligations, transactions and operations to secure moneys on deposit, current account or otherwise, with or without allowance of interest of any Company, to deal with residuary contingent securities, to negotiate loans and to receive on deposit title deeds and other securities; to procure capital for every description; to re-issue shares or other interests in any property and to guarantee or become sureties for the performance of any or obligations.
- (11) To carry on the business of financing Industrial Enterprises.
- (12) To enter into contracts, agreements and arrangements with any other person, firm, company or body corporate for the carrying out by such other person, firm company or body corporate, on behalf of the Company of any of the objects for which the Company is formed.
- (13) To employ experts to investigate and examine into the conditions prospects, value, character and circumstances or any business concerns and undertaking and generally of any assets, property or rights.
- (14) To carry on the business of advisers and consultants on all matters and problems relating to the administration, organization,



management, commencement or expansion of industry and business and of institutions, concerns, bodies, associates (incorporated or unincorporated) departments and services of the Government, public or local authorities, trusts, scientific research and development centres.

- (15) To act as a service organization of bureau for providing advice and services in various fields-general, administrative, consultancy, commercial, financial, legal.
- (16) To purchase, take on lease or in exchange, hire or otherwise acquire any immovable property any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land, buildings, easements, machinery, plant and stock-in-trade; and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may seem expedient.
- (17) To build, construct, alter, improve, maintain, enlarge, pull down, remove or replace and to develop, work, manage carry out and control any buildings, office, chawls and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to subscribe, or otherwise assist or take part in the construction, improvement, maintenance development, working, management, carrying out of control thereof and to form with any other person or company in doing any of these things.
- (18) To let on lease or on hire purchase system or to lend or otherwise dispose of any property belonging to the Company, and to finance the purchase of any article or article, whether made by the Company or not, by way of loans, or by the purchase of any such article or articles and the letting thereof on the hire purchase system or otherwise howsoever.
- (19) To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company, may think fit, and in particular for shares, stocks, debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
- (20) To amalgamate, enter into any partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concessions or for limiting completion, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction, which the Company is authorized to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted as directly or indirectly to benefit the Company.
- (21) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debentures-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company, or conduct of its business.
- (22) To acquire and undertake the whole or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which the company is authorized to carry on or possessed of property suitable for the purpose of this Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (23) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of underwrite, subscribe for or otherwise, acquire all or any part of the shares, debentures or other securities of any such other company.

- (24) To enter into any arrangement with any Government or authority supreme, municipal, local or otherwise, or any person or company that may seem conducive to the Company's objects or any of them and to obtain from any such government Authority, person or company any rights, privileges, charters, contract licences and concession which the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
- (25) to make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this Company, and also subscribe, contribute or otherwise asset or guarantee money for chaitable, scientific, religious or benevolent national, public or other institutions, objects or for any exhibition or for any public, general or other objects and to establish, and support or aid in the establishment and support of associations, institutions funds and conveniences for the benefit of the employees or e-employees (including Directors) of the Company or its predecessors or the dependents, relatives or connected with such persons and in particular friendly or other benefit societies and to grant pension allowances gratuities and bonuses either by way of annual payments or a lump sum and to make payment towards insurance and to form and contribute to provident and benefit of or for such persons.
- (26) To refer to or agree to refer any claim, demand, dispute or any other question, by or against the company, or in which the Company is interested or concerned, and whether between the Company and the member or members of his or their representatives or between the Company and third parties, to observe and perform and to do all acts, deeds matters and things to carry out or enforce the awards.
- (27) To pay out of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and resignation of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the company.
- (28) To pay for nay rights or property acquired by the Company and to remunerate any person or company for services rendered or to be rendered in placing of shares in the company's capital or any debentures, debenture-stock or other securities of the company, or in or about the formation or promotion of the company or the acquisition of property by the Company or the conduct of its business, whether by cash payment or by the allotment of shares, debentures, or other securities of the company, credited as paid up in full or in part of or otherwise.
- (29) To receive money on deposit or loan and borrow or raise money in such manner as the company shall think fit, and in particular by the issue of debentues, or debenture-stock (perpetual or otherwise) and to secure the payment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company 9both present and future) including the uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the company or any person or company as the case may be, subject to the provisions of Section 58A and directives of RBI.
- (30) To invest or deal with the funds of the company in such manner and upon such securities as shall from time to time be thought necessary or for the benefit of the Company and to create any reserve fund, sinking fund, insurance fund, depreciation fund or provident fund thereof.
- (31) To undertake and execute any trusts the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.

- (32) To draw, make accept, endorse, discount, execute, and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments and securities.
- (33) To lend and advance monies or give credit to such person or persons or companies and on such terms as may seem expedient and in particular to customers and other having dealing with the Company and to guarantee the performance of any contract or obligation and the payment of monies of or by any such persons or companies and generally to give guarantees and indemnities.
- (34) To sell, improve, manage develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company for the time being.
- (35) To buy, sell, manufacture, refine, manipulate, import, export, and deal in substances, apparatus, and things capable of being used in any business of the Company or required by any customers or persons having dealings with the company.
- (36) To repair, alter, remodel, clean, renovate, convert, manipulate and prepare for resale and resell any goods from time to time belonging to the company.
- (37) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities. Pensions, allowances, or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company, which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid and the wives, widows families and dependents of any such persons and also established and subsidies and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests an well-being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and to do any of the matters aforesaid, either alone or in conjunction with any other company as aforesaid.
- (38) Subject to the provisions of the Companies Act, 1956, to distribute, among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company in the event of winding up.
- (39) To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
- (40) To carry out in any part of the world all or any part of the company's objects as principals, agents, factors, trustee, contractor, or otherwise, either alone or in conjunction with any other person, firm, association corporate body, Municipality, province, state body politic or government or colony or dependency thereof.
- (41) To establish branches or appoint in or outside India for or in connection with any of the objects of the Company and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
- (42) To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies hereof and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
- (43) To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any of the main objects either alone or in association with other

corporate bodies, firms or individuals.

(C) OTHER OBJECTS

- (44) To carry on business in all types of metal and non metallic products, components, blast furnace proprietors, brass-founders and metal makers refiners and workers generally, send-blast workers, mechanical engineers, motor engineers, electrical engineers, oil fuel engineers, constructional engineers, marine engineers, civil engineers, consulting engineers mill-rights, wheel-rights, cement and asbestos manufacturers, wood and timber merchants, jointers wood-workers, manufacturing chemists, quarry owners, brick and tile manufacturers, galvanizers, machinists, japanners, annealers, welders, enamellers, electro-nickel and chromium platers, polishers, painters, warehousemen, storage contraction, garage proprietors and oil merchants and contractors generally.
- (45) To act as a service organisation of bureau for providing advice and services in various fields economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies statistical accountancy, quality control and data processing.
- (46) To carry on all or any of the following business in Bombay or elsewhere, namely: the business of silk and cotton spinners, weavers and doublers, flax, hemp and jute spinners, linen manufacturers, hemp, jute and wool merchants, wool combers, worsted spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers, ginnings and pressers and makers of vitriol, bleaching and dyeing materials, and to purchase, comb, prepare, spin, dye and deal in cotton, flax, hemp, jute wool, silk and other fibrous substances and products and to weave or otherwise manufacture, buy, sell and del in raw cotton, yarn, silk, wool, jute, flax, hemp and other fibrous substances and products, and in linen, cloth and other goods, fabrics and materials, and to gin and press cotton, and to employ Agents, Sub-Agents, Brokers and Dealers.
- (47) To carry on the business of manufacturers of and dealers in chemical products of any nature and kind whatsoever and as wholesale and retail chemists and druggists, analytical chemists, dry-salters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannis, essences, pharmaceuticals, Photographical, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, cements, oils, paints, pigments and varnishes, compounds, drug, dyestuff, organic, or mineral intermediates, paint and colour grinders, makers and dealers in proprietary articles of all kinds, and of electrical, chemical, photographical, surgical and scientific apparatus and materials.
- (48) To manufacture, refine, manipulate, import, export, and deal in salts and marine minerals and their derivatives, byproducts and compounds of any nature and kind whatsoever.
- (49) To carry on business as manufacturers of chemicals, distillers, dye-makers, gas makers, metallurgists, engineers, ship-owners and charterers and carriers by land, sea and air, wharfingers, warehousing, planters and farmers.
- (50) To own, prospect for, explore, acquire by lease, licence, purchase or otherwise, open work, develop and maintain natural deposits of salt, brine, neutron, soda, kieselgur nitrates and other chemical substances of all kinds and to carry on and conduct the business of working and supplying to other persons such salt, brine and other substances.
- (51) To refine, treat and render merchantable and fit for use natural deposits of salt, brine natron, soda, kieselguhr nitrates and other chemicals substances of all kinds obtained as aforesaid and to manufacture therefrom by and electrolytic, metallurgic or other forms of plant or process every kind of chemical and other products and by-products.

- (52) To fix atmospheric nitrogen by synthetic ammonia or by any other process and to manufacture its derivative compounds.
- (53) To carry on business as manufacturers, producers, importers, exporters, merchants, distributors, commission agents, brokers and wholesale and retail dealers of and in peroxide of hydrogen, other heavy chemicals, and fine chemicals and in all kinds of chemicals, detergents, pigments and medicinal, pharmaceutical, veterinary, microbiological, dental cosmetic and perfumery products of soap, medical goods, diagnostic preparations, bacteriological stains, artificial manures and other products designed to protect and encourage the germination of seeds and the growth of plants of every description insecticides of every kind and generally of chemicals and chemical products of all kinds and auxiliary products and intermediates, thereof.
- (54) To manufacture from crude drugs and raw materials, drugs, and chemicals, chemical goods, pharmaceutical preparations, aerated and mineral waters and similar, other preparations.
- (55) To carry on the business of manufacturing, buying, selling, concentrating, diluting, importing, exporting and processing sulphuric acid, hydrochloric acid, nitric and all other acid together with their salts, super phosphates and other chemicals used in fertilizer mixtures, glue, gelatin, calcium phosphate from bones, carbon black, activated carbon and activated earth, and the products, by-products or raw materials of all the above mentioned chemicals.
- (56) To carry on the manufacture and sale of patent medicines and preparations and generally to carry on the business of manufacturers, buyers, and sellers of and dealers in all kinds of medicines and medical preparations and drugs whatsoever and obtain patents for them.
- (57) To carry on the business of manufacturers and producers of fats, fertilizers, manures, dips, sprays, vermifuges, fungicides, medicines and remedies of all kinds for agricultural, fruit-growing or other purposes or as remedies for men or animals and whether produced from vegetable or animal matter or by any chemical process.
- (58) To carry on the business of manufacturers or processors and, or importers, exporters, buyers, sellers, stockists, distributors of and/or dealers in all or any of the following :
- (a) synthetic rubber and elastomers, synthetic resins, carbon black, leather, hides, skins, plastics, latexes and formulations thereof including reclaimed, rubber and other kinds of resins, rubber and plastic products and goods.
  - (b) Perfumery, soap, cosmetics, toilet preparations of all sorts, sur-face-active agents and glycerin.
- (59) To carry on in India or elsewhere the business of manufacture of and dealer in plastic goods and plastic materials of all kinds, synthetic plastic, powders and plastic, oil, cellulose and rubber coat sheet, materials of all kinds and description and manufacture of hollow plastic and packing material and for that purpose to establish and maintain factories, plants, machineries, tools and implements.
- (60) To carry on business as manufacturers, molders, fabricators, assemblers, suppliers and dealers of all kinds and types of plastic articles and goods including goods for consumers, industries, agricultural household use, or commercial use, defence needs and requirements and to buy, sell, process, prepare for, market, import, export and deal in plastic and plastic articles, packaging goods and produce goods for packing by extrusion process and products of all kinds in the manufacture of which plastic is used and to act as plastic contractors, merchants, dealers, brokers and commercial agents.
- (61) To carry on business as manufacturer and dealer, fabricators, assembles, moulders of all kinds and types of injection, blow-moulded plastic and plastic goods for use of therefore, industries, agricultural, household and commercial and for this purpose to establish and maintain factories, plants, machineries, tools and

implements.

- (62) To carry on business as manufacturers, importers, exporters, buyers and sellers of and dealers in container board, fibre board, chip board, particle board, veneered board, veneers, paperboard, had board, paste board, card-board, straw-board, pulp board, leather board, mill board, corrugated board, plywood board, and such other boards as may be used in the packaging industry.
- (63) To register, apply for, purchase or otherwise acquire, sell, let, grant, or turn to account any patents, letters patents, brevets d'invention, concession, licences inventions, trademarks, copyrights, rights or privileges, subject to royalty or otherwise and whether exclusive or limited, or any part or interest in such patents, letters, patents, brevets d'invention, concession, licences, inventions, trademarks, copyrights and privileges whether in India or any part of the world and to manufacture and produce or trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with such patents, letters, patents and brevets d'invention, concessions, licences, inventions, trademarks, copyrights and privileges as aforesaid.
- (64) To promote, sponsor, undertake, and carry out rural development including any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area and to incur any expenditure on any programme of rural development and to assist promotion or exaction thereof either directly or through an independent agency or by making contributions or giving donations or in any other manner. Without prejudice to the generality of the foregoing, 'programme of rural development' shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area likely to promote and assist rural development, and that the words 'rent area' shall include such areas as may be regarded as rural areas under the Income-tax Act 1961, or any other law relating to rural development for the time being in force, in order to implement any of the above mentioned objects or purposes transfer with out consideration or at such fair or concessional value and subject to the provisions of the Act divest the ownership of any property of the Company to or in favour of and Public or Local Body, or Authority or Central or State Government or any Public Institution or Trust.
- (65) To promote, sponsor, undertake and carry out or assist any activity for the promotion and growth of the national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or social, economic or moral uplift of the people or any section of the people, and in such manner and by such means, and without prejudice to the generality of the foregoing promote, sponsor, undertake and carry out, any activity for publication of any books, literature, newspapers or for organizing lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or to the other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting, or assisting any Institution. Fund, Trust, Seminars, Camps having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value and subject to the provision of the Act divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Body or Authority or Central or State Government or any Public Institution or Trust.
- (66) To manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in all classes and kinds of chemicals including without limiting the generality of the foregoing, laboratory and scientific chemicals, chemicals of any nature used or capable of being used in the pharmaceutical industry, agricultural chemicals, fertilizers, petro-chemicals,

industrial chemicals or any mixtures, derivatives and compounds thereof.

- (67) To carry on the trade and business as Chemical and General Manufacturers, General Merchants, Wholesales, retailers, Distributors, Agents, Commission Agents, Del credere Agents, Brokers, Factors, Promoters, Warehousement, Importers and exporters.
- (68) To carry on business of manufacturers and wholesale and retail chemists, druggists, and herbalists and perfumes, sundries man, chemical engineers, sterilizers, dyers, cleaners, makers of chemical plant and material laboratory proprietors, charcoal manufacturers, meteorologists, engineers and metal and wood workers, printers, publishers, book sellers, library proprietors, watchmen and dealers, goldsmiths and silversmiths, electroplaters, fancy goods dealers, grocery and provision dealers and general storekeepers and as manufacturers and dealers in bottles, containers, packing materials, bottle caps, glass, china-ware, pottery, earth-ware, gold and silver and plated things, metal goods, hand bags, leather goods and fancy goods and similar articles.
- (69) To carry on business as importers, exporters, buyers, and sellers of and merchants and dealers in any manufacture of merchandise, goods materials and machinery of all kinds, spare parts, accessories and equipments, jewellery, ornaments, bullion, precious and semi-precious stones.
- (70) To carry on the business of printers, engravers, designers, publishers book and point sellers, book-binders ad art journalists in all their branches, the business of manufacturers and distributors of and dealers in engravings, prints, pictures, drawings and any written engraved, printed or printed productions, in all their branches.
- (71) To carry on the business of manufacturers of and dealers in chemical products of any nature and kind whatsoever and as wholesale and retail chemists and druggists, analytical chemists, dry-salter, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids drugs, stains, essences, pharmaceuticals photographic, sizing, medicinal chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, cements, oils, paints, pigments and varnishes, compounds, drug dyestuff, organic, inorganic or mineral intermediates, paint and colour grinders, makers and dealers in proprietary articles of all kinds and electrical, chemical, photographic, surgical and scientific apparatus and materials.
- (72) To carry on business as manufacturers of chemicals, distillers, dye makers, gas makers, metallurgists, engineers, shipowners and characterers and carriers by land, sea and air, wharfingers, warehousement, planters and farmers.
- (73) To carry on business as manufacturers, producers, importers, exporters, merchants, distributors, commission agents, brokers, ad wholesale and retail dealers of and in perioxide of hydrogen, other heavy chemicals, and fine chemicals and in all kinds of chemicals detergents, pigments and medicinal, pharmaceutical, veterinary, serobacteriological, dental cosmetic and perfumery products of soap, medical goods, diagnostic preparations bacteriological stains, artificial manures and other products designed to protect and encourage the germination of seeds and the growth of plants of every description, of insecticides of every kind and generally of chemicals and chemical products of all kinds and auxiliary products and intermediates thereof.
- (74) To manufacture from crude drugs and raw materials and chemicals, chemical goods, pharmaceuticals preparations aerated and mineral waters and similar other preparations.
- (75) To carry on the manufacture and sale of patent medicines and preparations and generally to carry on the business of manufacturers, buyers, and sellers and dealers in all kinds of medicines and medical preparations and drugs whatsoever and obtain patents for them.

- (76) To carry on the business of manufacturers or processors and or importers, exporters, buyers, sellers, stockers, distributors of and or dealers in all or any of the following –
- (a) Synthetic rubber and elastomers, synthetic resins, carbon black, leather, hides, skins, plastics, latexes and formulations thereof including reclaimed rubber and other kinds of rubber and plastic products and goods.
  - (b) Perfumery, soaps, cosmetics, toilet preparations of all sorts, surface active agents and glycerin.
- (77) To carry on in India the business of Advertising Agents Consultants and Contractor, News Agents, Press Agents, Newspaper Cutting Agents, Bill Poster, Commission Agents, Promoters or Organisers of or Agents for all kinds of Advertising or Publicity Schemes or methods, Newspaper Reporters, Printers, Engravers, Lithographers, Stereo Tippers, Electro Tippers, Photographers, Photographic Printers, Draughtsmen and Type Founders.

AND IT IS HEREBY DECLARED THAT:

- (i) The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental to the attainment of the other objects of the Company herein mentioned.
- (ii) The word "Company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) The objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to any part of the world.
- (iv) Subject to the provisions of the Companies Act, 1956, the objects set forth in any clause of sub paragraph (C) above shall be independent and shall be in no wise limited or restricted by reference to or inference from the terms of the clauses of sub-paragraph (A) or by the name of the Company. None of the clauses in sub-paragraph (C) or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in any of the clauses of sub paragraph (A).
- (v) Nothing in this paragraph shall authorize the company to do any business which may fall within the purview of the banking Regulation Act, 1949, or the Insurance Act, 1938.

IV The liability of the members is Limited.

V \*The Authorized Share Capital of the Company is Rs.46,00,00,000/- (Rupees Forty Six Crores only) divided into 4,60,00,000 (Four Crore Sixty Lakhs) Equity Shares of Rs. 10 each. The Company shall have power to increase or reduce the authorized share capital, to classify the unclassified shares and to divide the same in shares of several classes permissible under the Act and to attach thereto respectively such preferential, deferred, qualified and other special rights, privileges, restrictions and conditions as may be determined under the provisions of the law in force for the time being and the regulations of the Company and to vary, modify, abrogate or deal with any such rights, privileges, restrictions and conditions in the manner prescribed by the regulations of the Company and under the provisions of the law in force.

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*(Note: Authorised Share Capital increased from Rs.1,50,00,000 (Rupees One Crore Fifty Lacs) divided into 12,50,000 equity shares of Rs. 10 each and 25,000 Cumulative Redeemable Preference Shares of Rs.100 each to Rs.3,00,00,000 (Rupees Three Crore Only) divided into 27,50,000 equity shares of Rs. 10 each and 25,000, 13% Cumulative Redeemable Preference Shares of Rs.100 each by resolution passed at the Extraordinary General Meeting of the Company held on 23<sup>rd</sup> August 1990).*



*(Note: Authorised Share Capital increased from Rs.3,00,00,000 (Rupees Three Crores Only) divided into 27,50,000 equity shares of Rs. 10 each and 25,000 Cumulative Redeemable Preference Shares of Rs.100 each to Rs10,00,00,000 (Rupees Ten Crores Only) divided into 97,50,000 equity shares of Rs. 10 each and 25,000, 13% Cumulative Redeemable Preference Shares of Rs.10 each by resolution passed at the Extraordinary General Meeting of the Company held on 14<sup>th</sup> September, 1994).*

*(Note: On 9<sup>th</sup> August, 2000 by way of Special Resolution the Company converted 25,000 13.5% Cumulative Redeemable Preference Shares of Rs. 100/- each forming the part of the Authorised Share Capital into 25,000 Unclassified Shares of Rs.100/- each and further sub - divided the same into 2,50,000 Unclassified shares of Rs. 10/- each. By the same resolution 47,50,000 Equity Shares of Rs. 10/- each forming the part of the Authorized Share Capital were also converted into 47,50,000 Unclassified shares of Rs. 10/- each.)*

*(Note: the Company is converted into Public Limited on 16<sup>th</sup> July, 1984. Further the name of the company is changed from G P Electronics Limited to Delta Magnets Limited vide Special Resolution passed on 29<sup>th</sup> September, 2008).*

*(Note: Authorised Share Capital clause is amended due to the reclassification of 50,00,000 (Fifty Lacs) unclassified share capital into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each aggregating to Rs. 5,00,00,000 (Rupees Five Crores vide special resolution passed at the Extraordinary General Meeting of the Company held on 21<sup>st</sup> June, 2012)*

*(Note: Pursuant to the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated 27<sup>th</sup> December, 2019):*

- #The name of the company is changed from Delta Magnets Limited to Delta Manufacturing Limited.
- \*\*The object clause of the Company stands altered by adding clause 1B and clause 1C after existing clause 1 and clause 1A
- \*Authorised Share Capital is Increased from Rs 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each to Rs 46,00,00,000/- (Rupees Forty Six Crores Only) divided into 4,60,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each

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

Signature, Names, Addresses, Descriptions and occupations of Subscriber	No. of Equity Shares taken by Each subscriber	Signature, Name, Address, Description & Occupation Of witness
<p>Shri Purshottam B. Modi, S/o. Shri Baijnath M. Modi, Sd/-</p> <p>Service</p> <p>303, Linking Road, Khar, Bombay 400 052.</p> <p>Shri Radheshyam K. Agrawal, S/o. Shri Kanhaiyalal G. Agrawal Sd/-</p> <p>37, B. Kishish Kunj, Block NO.5, T.P.S. III, 6<sup>th</sup> Road, Santacruz (E), Bombay 400 055.</p>	<p>(1) One Equity</p> <p>(1) One Equity</p>	<p>Mrs. M. Yashaprabha W/o. Shri S. Manmohandas Sd/-</p> <p>Service</p> <p>A/5, Our Home Co-op. Hsg. Society, J.P. Road, Andheri (West), Bombay 400 058.</p>
<p>Total</p>	<p>(2) Two Equity</p>	

ARTICLES OF ASSOCIATION

# **DELTA MANUFACTURING LIMITED**

TABLE A EXCLUDED

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

Table A not to apply but Company to be governed by these Articles

**INTERPRETATION**

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

Interpretation Clause

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

“The Act” or “the said Act”

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

“The Board” or “the Board of Directors”

“Beneficial owner” shall mean beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996;

“Beneficial owner”

*(Inserted by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001)*

The Company or This Company means Delta Manufacturing Limited

“The Company” or “This Company”

“Depository” shall mean a Depository as defined under clause(e) or sub-section (1) of Section 2 of the Depositories Act, 1996.

“Depository”

*(Inserted by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001)*

“Depositories Act, 1996” shall include any statutory modification or re-enactment thereof;

“Depositories Act 1996”

*(Inserted by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001)*

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

“Directors”

“Dividend” includes bonus

“Dividend”

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Member”

*(Inserted by a special resolution passed at the AGM held on 13<sup>th</sup> September 2001)*

“Month” means a calendar month.

“Month”

“Office” means the Registered Office for the time being of the Company.

“Office”

“Person” includes firms, corporation, as well as individuals.

“Persons”

Words importing the plural number, also include the singular Number

Plural number”

Words importing the plural number, also include the singular Number

“Plural number”

*(Note: the Company is converted into Public Limited on 16<sup>th</sup> July, 1984. Further the name of the company is changed from G P Electronics Limited to Delta Magnets Limited vide Special Resolution passed on 29<sup>th</sup> September, 2008).*

*\*(Note: The name of the company is changed from Delta Magnets Limited to Delta Manufacturing Limited pursuant to the Scheme of Amalgamation of Arrow Textiles Limited (“First Transferor Company”) and MMG India Private Limited (“Second Transferor Company”) with Delta Magnets Limited (“Transferee Company”) approved by Hon’ble National Company Law Tribunal, Mumbai Bench vide its order dated 27<sup>th</sup> December, 2019.)*

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

"These Presents" or "Regulations"

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

"Seal"

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

"In Writing" and "Written"

3. Subject as aforesaid any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meaning in these Articles. The marginal notes hereto shall not affect the construction hereof.

Expressions in the Act to bear the same meaning in Articles. Marginal notes.

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

Copies of Memorandum and Articles of Association to be given to members.

#### COMMENCEMENT OF BUSINESS

5. The Company shall not commence business or exercise any borrowing powers until the requirements of Section 149 of the Act shall have been complied with.

Commencement of business.

#### CAPITAL

6. A. The Capital of the Company is as reflected in clause V of the Memorandum of Association of the Company from time to time.

Capital

B. Subject to the provisions of the Companies Act, the Board shall have power to classify the unclassified shares and to divide the same in shares of several classes permissible under the Act and to attach these respectively such preferential, deferred, qualified and other special rights, privileges, restrictions and conditions as may be determined under the provisions of the law in force for the time being and the regulations of the Company and to vary, modify, abrogate or deal with any such rights, privileges, restrictions and conditions in the manner prescribed by the regulations of the Company and under the provisions of the law in force.

*(Note : Authorised Share Capital increased from Rs.1,50,00,000 (Rupees One Crore Fifty Lacs) divided into 12,50,000 equity shares of Rs.10 each and 25,000 Cumulative Redeemable Preference Shares of Rs.100 each to Rs.3,00,00,000 (Rupees Three Crore Only) divided into 27,50,000 equity shares of Rs.10 each and 25,000, 13% Cumulative Redeemable Preference Shares of Rs.100 each by resolution passed at a Extraordinary General Meeting of the Company held on 23<sup>rd</sup> August 1990)*

*(Note : Authorised Share Capital increased from Rs.3,00,00,000 (Rupees Three Crores Only) divided into 27,50,000 equity shares of Rs.10 each and 25,000 Cumulative Redeemable Preference Shares of Rs.100 each to Rs.10,00,00,000 (Rupees Ten Crores Only) divided into 97,50,000 Equity shares of Rs.10 each and 25,000, 13% Cumulative Redeemable Preference Shares of Rs.10 each by resolution passed at a Extraordinary General Meeting of the Company held on 23<sup>rd</sup> August 1990)*

*(Note: This Clause is amended (shares reclassified) vide special resolution passed at the Annual General Meeting held on 9<sup>th</sup> August, 2000).*

*(Note: This article is amended vide Special Resolution passed at the Extra Ordinary General Meeting held on 21<sup>st</sup> June, 2012.)*

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

Restriction on allotment etc.

8. Subject to the provisions of the Act and of Article 68 and the other Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the

Shares under the control of the Directors.

provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit, and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium or subject as subject as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit. Provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and/or offer its fresh shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

*(Amended by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2000*

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                      |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 9.  | In addition to and without derogation from the power for that purpose conferred on Directors under Article 8, the Company in general meeting may determine to issue further shares of the authorized but unissued capital of the Company and may determine that any shares (whether forming part of the original Capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of Section 79 of the Act, at a discount as such general meeting shall determine and with full power to give any person (whether a member or holders of debentures of the Company or not) the option to be allotted shares of any class of the Company either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such considerations as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares. Subject to any direction given by general meeting as aforesaid the provisions of Article 68 hereof shall apply to any issue of new shares. | Power of General Meeting to offer Shares to such Persons as the Company may resolve. |
| 10. | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Director shall cause returns to be filed of any such allotment as provided by Section 75 of the Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Directors may allot shares as fully paid up.                                         |
| 11. | 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 dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner herein after mentioned, no share shall be sub-divided. Every forfeited or surrendered shares held in material form shall continue to bear the number by which the same was originally distinguished.<br><i>(Substituted by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001).</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Shares to be numbered progressively and no share to be divided.                      |
| 12. | An 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 shall for the purpose of these Articles be a member .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Acceptance of Shares.                                                                |
| 13. | The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Deposit and calls etc. to be a debt payable immediately.                             |
| 14. | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Installment on shares to be duly paid.                                               |

every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

15. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose 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 recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

Company not bound to recognize any interest in shares other than that of the registered holders.

*(Substituted by a special resolution passed at the AGM held on 13<sup>th</sup> September 2001)*

#### UNDERWRITING AND BROKERAGE

16. The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debentures 2.5% of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Commission for placing share, debentures, etc.

#### CERTIFICATES

17. The Certificates of title to the shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors, (provided that, if the composition of the Board permits one of the aforesaid two Directors shall be a person other than the Managing or whole-time Director) and (ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue. 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. PROVIDED ALWAYS that notwithstanding anything contained in this Article the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act, or the rules made, thereunder, as may be in force for the time being and from time to time.

Certificate of shares.

Every member or allottee of share(s) shall be entitled without payment to receive at least one certificate under the Seal of the Company for all the shares of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the share or shares allotted to him and the amount paid thereon provided however, no share allotted to him and the amount paid thereon provided however, no share certificate(s) shall be issued for shares held in a depository. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation, or in case of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence. If the Directors so approve and upon payment of such fee, if any, not exceeding Rupees two per certificate as the

Member's right to certificates.

Directors may from time to time determine in respect of each class of shares, a member shall be entitled to more than one certificate for shares of each class.

*(Amended by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001).*

18. The Company shall within three months after the allotment of any of its shares or debenture and within one month after the application for the registration of the Transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures, otherwise provide and the Company shall otherwise comply with the requirements of Section 113 and other applicable provisions (if any) of the Act. Limitation of time for issue of certificates.
19. a) No Certificate(s) of any share or shares or debenture or debentures shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless from any cause whatsoever, or where the cages on the reverse for recording transfers have been fully utilized, unless the certificates in lieu of which they are issued are surrendered to the company; provided that the Company may charge such fee, if any not exceeding Rupees two per certificate issued on splitting or consolidation of certificates or in replacement of certificates that are defaced or torn as the Board thinks fit. No duplicate certificates shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board and without payment of such fee, if any, not exceeding Rupees two per certificate and on such reasonable terms, if any, as to evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board think fit. The Directors may in their discretion waive payments of such fee in the case of any certificate or certificates. Provided that no fee shall be charged or issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized. As to issue of new Certificate in place of the defaced, lost or destroyed.
- b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counter foil to the effect that it is "Issued in lieu of Share Certificate No. .... Sub-divided/replaced/replaced/on consolidation of shares."
- (c) When a duplicate share certificate has been issued in pursuance of Clause (a) 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.
- (d) All blank forms to be issued for 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, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or 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 o the Board.
- (e) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall e responsible for the maintenance, preservation and the safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (d).
- (f) All books referred to in sub-Article (c) shall be preserved in good order permanently.

## CALLS

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| 20. | The Board of Directors may from time to time, (by a Resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all monies unpaid on the shares held by them respectively (whether or account of the nominal value of the shares or by way of premium) and which are not by the conditions of the allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times appointed by the Directors. A call may be made payable by installments. | Board may make calls.                                          |
| 21. | Where any calls are made on the shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid up shall be deemed to fall under the same class.                                                                                                                                                                                                                                                                                                                                                                     | Calls on shares of same class to be made on uniform.           |
| 22. | At least fifteen days' notice of every call otherwise than on allotment shall be given specifying the time of payment; and if payable to any person other than the Company the name of the person to whom the call shall be paid; provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.                                                                                                                                                                                                                                                                                                   | Notice of Call.                                                |
| 23. | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.                                                                                                                                                                                                                                                                                                                           | Call to date from Resolution.                                  |
| 24. | The Directors may from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as all or any of the members who from residence at a distance or other cause, the Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.                                                                                                                                                                                                                                                                                                    | Directors may extend time.                                     |
| 25. | If by the terms of issue of any share, any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the amount of the share or by way of premium) every such amount or instalments shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.                                                                                                                                                                                                             | Amount payable at fixed time or by instalments as calls.       |
| 26. | If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.                                                                                                                                                                         | When interest on call or instalment payable.                   |
| 27. | Neither a judgment nor a decree in favour of the company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.                                                                                                                                                                   | Judgment degree or partial payment not to preclude forfeiture. |
| 28. | Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly posted to the member  | Proof on trial of suit of or money and due on shares.          |



or his representative in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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

#### FORFEITURE, SURRENDER AND LIEN

30. If any member fails to pay the whole or any part of any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or any part thereof and other money remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.
- If call or instalment not paid notice must be given.
31. The notice shall name day (not being less than 14 days from the date of the notice) on or before which and the place or places on or at which such call instalment or such part and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.
- Terms of notice.
32. If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments interest and expenses and other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- In default of payment shares to be forfeited.
33. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
- Entry of forfeiture in register of members.
34. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Board shall think fit.
- Forfeited shares to be property of the Company and may be sold etc.
35. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annual the forfeiture thereof upon such conditions as they think fit.
- Power to annual forfeiture.

36. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls instalments interest expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so. Shareholder still liable to pay money owing at the time of free from forfeiture and interest.
37. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved. Effect of forfeiture.
38. The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member decisions of surrendering on such terms as they think fit. Surrender of shares.
39. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares the Company shall have a first and paramount lien on such shares registered in the name of each member, whether solely or jointly with others and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other person, and whether the period for the payment, fulfillment, or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 15 is to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. Company's lien on shares.
40. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice. As to enforcing lien by sale.
41. The net proceeds of any such sales after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue (if any) shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to such member or the person (if any) entitled by transmission to the shares so sold. Application of proceeds of sale.
42. A certificate in writing under the hands of two Directors that the call in respect of a share was made and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was a made, by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all persons entitled to such share. Certificate of forfeiture.
43. Upon any sale after forfeiture or for enforcing a lien in the purported exercise of the powers hereinbefore given, the Board may appoint some persons to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and shall not be bound to see to the application of the consideration, if any, not shall his title to the share be affected by irregularity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person. Title of purchaser and allottee of forfeited shares or shares sole to exercise lien.
44. Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificate or certificates Cancellation of Share Certificates in

- originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- TRANSFER AND TRANSMISSION OF SHARES
45. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share, whether or not held in material form.  
*(Substituted by a special resolution passed at the AGM held on 13<sup>th</sup> September, 2001)*
46. The Company shall keep a book to be called the "Register of Renewed and Duplicate Certificates" and therein shall be fairly and distinctly entered the particulars of the issue of renewed and duplicate certificates, in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or rendered useless.
47. The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.
- 47A. Nothing contained in the foregoing Articles shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.  
*(Inserted by a special resolution passed at the AGM held on 13<sup>th</sup> September 2001).*
48. An application for the registration of the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.  
Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.  
For the purpose of Clause (2) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
49. Every such instrument of transfer shall be signed by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.
50. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name address and occupation, if any, of the transferee, has been delivered to the Company within the prescribed period along with the certificate relating to the shares or if no such share certificate is in existence, along with the letter of allotment of the shares; provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
- 50A. In case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in electronic and fungible form, the provisions of the Depositories Act, shall apply.

Respect of forfeited shares and shares sold to exercise lien.

Register of Transfers.

Register of Renewed and Duplicate Certificates.

Form of transfers.

Application for transfer.

To be executed by Transferor and Transferee.

Transfer not to be Registered except on production of instrument of transfer.

51. Subject to the provisions of Section 111 of the Act, or any statutory modification thereof for the time being in force, the Directors may, at their absolute and uncontrolled discretion decline to register or acknowledged any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being other alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of transfer shall be conclusive evidence of the approval by the Directors of the transferee.
52. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and thereupon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.
53. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been member at the time of the execution of the instrument of transfer.
54. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
55. The Directors shall have power on giving not less than seven days previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company, the Register of Members or the Register of debenture-holders at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may seem fit.
56. The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member not being one or two or more joint holders shall be the only person recognized 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 recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly Constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under the Article 57, register the name of any person who claims to be absolutely entitled to the shares standing in thy name of a deceased member, as a member.
57. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
- (a) to be registered himself as holder of the share; or
- or (b) to make such transfer of the share as the deceased insolvent member could have made.
- Directors may Refuse to register transfer.
- Notice of refusal to be given to transferor and transferee.
- Transfer by legal representative.
- Custody of transfer.
- Closure of transfer books.
- Title of shares of deceased holder.
- Registration of persons entitled to shares otherwise than by transfer (Transmission clause).

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| 58. | Subject to the provisions of the Act and these Articles, 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 an ordinary transfer presented for registration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Refusal to register nominee.                                                       |
| 59. | A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or moneys as hereinafter provided, be entitled to receive, and may give a discharge for any dividend or other moneys payable in respect of the share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Persons entitled may receive dividend without being registered a member.           |
| 60. | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Board may require evidence of transmission.                                        |
| 61. | A fee not exceeding 25 Paise per share may be charged in respect of a transfer or transmission to the same party of any number of shares of any class or denomination subject to such maximum on any one transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or transmission of any number of shares of one class or denomination or may be on a graduated scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine. The Directors may, at their discretion, waive the payment of any transfer or transmission fee.                                                                                                                                                                                                                                                                                                                                                                  | Fee on transfer or transmission.                                                   |
| 62. | The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect for any transfer of shares made or purporting to be made by any apparent legal power 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 same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them 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 Directors shall so think fit. | Company not liable for disregard of a notice prohibiting registration of transfer. |

CONVERSION OF SHARES INTO STOCK

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| 63. | The Company, by ordinary resolution of the Company in General Meeting may:<br><br>convert any paid-up shares into stock<br>Plot<br><br>and<br><br>(b) convert any stock into paid-up shares of any denomination.                                                                                                                                                                                                                                                               | Conversion of shares into stock and reconversion. |
| 64. | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose. | Transfer of stock.                                |
| 65. | The holders of stock shall, according to the amount of stock held                                                                                                                                                                                                                                                                                                                                                                                                              | Rights of stock                                   |

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

holders.

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

Regulation.

#### INCREASE, REDUCTION AND ALTERATION IN CAPITAL

67. The Company may from time to time in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given, as the Directors shall determine. 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 Meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

Increase of Capital.

68. Where, at any time after the expiry of two years from the date of formation of the Company or at any time after the expiry of one year from the date of allotment of shares in the Company, made for the first time (whichever is earlier) it is proposed to increase the subscribed capital of the Company by allotment of further shares, 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 those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided that notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the equity shares of the Company in any manner whatsoever.

Right of equity shareholders to further issue of capital.

(a) If a Special Resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such Special Resolution is passed, if the votes 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 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 that behalf, that the proposal is most beneficial to the Company.

(2) Nothing in this Article shall apply to the increase of the subscribed capital caused by an exercise of option attached to debentures issued or loans raised to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in Article 79 or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans and also, the same has either been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf.

69. Except so far as otherwise provided by the conditions of issue of issue or by these presents, any capital raised by the creation of new sharers shall be considered part of the original equity capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise. Same as original capital.
- Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company, are liable to be redeemed and the redemption may be effected in the manner and subject to the terms and provisions of its issue. Redeemable Preference Shares.
- On the issue of Redeemable Preference Shares under the provisions of Clause (2) hereof, the following provisions shall take effect :- Provisions to apply on issue of Redeemable Preference Shares.
- (a) no such shares shall be redeemed except out of profits of the Company, which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, [payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profit which would otherwise have been available for dividend be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares 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.
70. The Company shall have the power, subject to and in accordance with all other applicable provisions of the Act to purchase any of its own shares whether or not they are redeemable, at such rate(s) and on such terms and conditions as the Board may deem fit and appropriate and make the payment for such purchase(s) and to keep them alive and/or re issue from time to time such number(s) of shares so purchased at such rate(s) and on such terms and conditions as the Board may deem fit and appropriate. Restrictions on purchase by the Company of its own shares.
- (As substituted by resolution passed at the Annual General Meeting of the Company held on 24<sup>th</sup> September 1997).*
- Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise, any financial assistance for the purpose off, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
71. The Company may subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act from time to time by Special Resolution reduce its share capital and any Capital Redemption Account or other Premium Account in any way authorized by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may if and if and so far, as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to decograte from any power the Company would have if it were omitted Reduction of Capital.
72. The Company may in General Meeting alter the conditions of its Memorandum as follows: Consolidation division and sub-division.

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

73. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Issue of further pari passu shares not to affect the right of shares already issued.

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

Joint-Holder

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

Joint and several liability for all payments in respect of shares.

On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

Title of survivors.

Only the person whose name stand first in the Register of Members may give effectual receipts of any dividends or other monies payable in respect of such shares.

Receipt of one sufficient.

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

Delivery of certificate and giving of notices to first named holders.

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

Votes of Joint holders

**BORROWING POWERS**

Powers to borrow.

75. Subject to the provisions of the Act and these Articles, and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion by a Resolution passed at a meeting of the Board and not by Circular Resolution, to accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of moneys for the purpose of the Company provided that the total



- amount borrowed at any time together with the moneys already borrowed by the Company (part from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution which shall provide for the total amount upto which moneys may be borrowed by the Board. The expression "temporary loans" in his Article means loans repayable on demand or with six months from the date of the loan such as short term, case credit arrangements, discounting of bills and the issue of other short-term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.
76. Subject to the provisions of the Act and these Articles, the Directors may by resolution passed at the meeting of the Board and not by circular resolution raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respect as they think fit and in particular by the issue of books, perpetual or redeemable debentures or debenture-stock or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
77. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them you such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company..
78. Debentures, debentures-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
79. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount premium or otherwise and with any special privilege and conditions as to redemption, surrender, drawings, allotment of shares, attending) (but not voting) at general meetings, appointment of Directors and otherwise. . Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
80. If any uncalled capital of the Company is included in or charged by any mortgage or other security by the Directors, the Direction shall subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may be instrument under the Seal authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to receive monies on calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutates mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed to be .
81. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
82. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the company, including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with (within the time prescribed by the
- Conditions on which money may be borrowed.
- Bonds, debentures, etc. to be subject to control of Directors.
- Securities may be assignable free from equities.  
Issue at discount etc. with special privileges.
- Mortgage of uncalled capital.
- Indemnify may be given.
- Register of mortgages etc. to be kept.

said Sections or such extensions thereof as may be permitted by the Court or the Registrar) so far as they are to be complied with by the Board. The company shall, if at any time it issues debentures keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act.

#### GENERAL MEETINGS

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

#### CONVENING GENERAL MEETING

84. The Company shall, in addition to any other meetings, hold a general meeting (therein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Company shall hold its first, Annual General Meeting within 18 months from the date of the incorporation of the Company and if such General Meeting is held within that period it shall not necessary for the Company to hold any annual general meeting in the year of its incorporation or in the following year, but subject to the aforesaid provisions the annual general meetings shall be so held at least once in every calendar year and within six months after the expiry of such financial year and that not more than 15 months shall elapse between the date of one annual general meeting and the next. Provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months the Annual General meeting may be held within the additional time fixed by the Registrar. Annual General Meetings.

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

85. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. Extraordinary General Meeting
86. The Board of Directors may call an Extraordinary General Meeting whenever they think fit. Directors may call Extra-ordinary General Meeting.
87. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due have been paid as at that date carries the rights of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable. Calling of Extraordinary General Meeting on requisition.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitioners, and shall be deposited at the Registered Office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitioners.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

- (5) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as Represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in clause (1) above whichever is less.
- (6) A meeting called under Clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
- (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the company by way of fees or other remuneration for their services to such of the Directors as were in default.
88. (1) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing. Notice of Meeting.
- (2) However, a General Meeting may be called after giving shorter notice than 21 days' if the consent is accorded thereto:
- (i) in the case of an Annual General Meeting by all the members entitled to vote thereat; and
- (ii) in the case of any other meeting by members of the Company holding not less than 95 per cent of such the paid-up share capital of the Company as gives a part of right to vote at that meeting.
89. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. Content of Notice.
- (2) In every notice that shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.
- 90 (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :- Special Business.
- (i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and the Auditors;
- (ii) the declaration of dividend;
- (iii) the appointment of Directors in the place of those retiring;
- (iv) the appointment of and the fixing of the remuneration of the Auditors;
- (2) In the case of any other meeting all business shall be deemed special.
- (3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, then nature of the concern, or interest if any, therein of every Director and of the Manager, Provided that where any item of special business as aforesaid to be transacted at a Meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every Director and the Manager of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that

other company.

(4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

91. Notice of every meeting shall be given to every member of the Company in any manner authorised by Sub-Sections (1) to (4) of section 53 of the Act and by these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representatives of the deceased or assignees 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 so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under Sub-Section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the company.
92. Notice of every meeting of the Company and other communications relating to any general meeting of the Company which any member of the Company is entitled to have sent to him shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorized by Section 53 of the Act, in the case of any member or members of the Company.
93. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting or the resolutions passed thereat.
94. (1) Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles, not less than seven days before the meeting.
- PROCEEDINGS AT GENERAL MEETING
95. Five members entitled to vote and present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the Quorum requisite be present at the commencement of the business.
96. If within half an hour after the time appointed for the holding of a General Meeting, a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public at the same time and place or to such other day time and place as the Directors may be notice to the shareholders appoint. If at such adjourned meeting a quorum be not present within half an hour those members present shall be a quorum and may transact the business for which the meeting was called.
97. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- Service of Notice.
- Notice to be given to the Auditors.
- As to omission to give notice.
- Resolution requiring special Notice.
- Quorum at General Meeting.
- Proceedings when quorum not present.
- Business at adjourned meetings.

98. The Chairman of the Board of Directors shall be entitled to take the chair at every general Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the chair, the members present shall choose one of their number to be the Chairman.
- Chairman of General Meeting.
99. (1) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
- Business confined to election of Chairman whilst Chair Vacant.
- (2) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles, the Chairman so elected on a show of hands exercising all the powers of the Chairman under the Act and these Articles.
- (3) If some other person is elected Chairman as a result of the poll he shall be Chairman for the rest of the Meeting.
100. The Chairman with the consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place in the city or the town or village in which the Registered Office of the Company is situate.
- Chairman with consent may adjourn meeting.
101. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Same as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- Notice to be given where a meeting adjourned for 30 days or more.
102. At any General Meeting, a resolution put to the vote of the meeting shall unless poll is demanded, be decided on a show of hands. A declaration by a Chairman that on a show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- What would be the evidence of the passing of a resolution where poll not demanded.
103. Before or on the declaration of results on voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxies and holding shares in the Company –
- Demand for poll.
- a) which confer a power to vote on a 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 fifty thousand rupees has been paid up.
- The demand for poll may be withdrawn at any time by person or persons who make the demand.
- (As altered by resolution passed at the Annual General Meeting of the Company held on 23<sup>rd</sup> August 1990).*
104. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in the town or village in which the Registered Office of the Company is situate and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken including the power to take the poll by open voting or by secret ballot and either at once or after the interval of adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting of the resolution on which the poll was taken.
- Time and manner of taking poll.

105. When a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. The two scrutineers appointed under this article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such member is available and willing to be appointed. Scrutineers at poll.
106. The demand for a poll shall not prevent the continuance of a meeting for transaction of any business other than the question on which the poll has been demanded. Demand for poll not to prevent transaction of other business.
107. In the case of an equality of votes, whether on show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member. Motion how decided in case of equality of votes.
108. AT every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited statement of Accounts, Auditors' Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Directors and Managing Director's or Manager's holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company. Reports Statements and Registers to be laid on the table.
109. A copy each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or agreements shall, within thirty days after passing or making thereof, be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar:- Registration of certain Resolution and Agreement.
- (a) special resolutions;
- resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for the purpose unless they had been passed as special resolutions;
- resolutions of the Board or agreements relating to the appointment or re-appointment or the renewal of the appointment or variation of the terms of appointment of a Managing Director;
- resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they have been passed by some particular majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members.
- resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub section (i) of Section 484 of the Act;
- resolutions passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a), clause (d) and clause (e) of sub section (1) of Section 293 of the Act; and
- resolution passed by the Company approving the appointment of sole selling agents under Section 294 of the Act.
- A copy of every resolution which has the effect of altering the Articles of Association of the Company and a copy of every Agreement referred to in the above sub-clause (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the Agreement.

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| 110. | The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making within thirty days of the conclusion of each such meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed 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 authorized by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by passing or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein. | Meetings.                                              |
| 111. | The book containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restriction as the Company may by these Articles or in general meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of thirty seven Paise for everyone hundred words or fractional part thereof required to be copied.                                                                                                                                                                                                                                                                                                                                              | Inspection of minutes books of General Meetings.       |
| 112. | No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the minutes of the proceedings of such meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Publication report of General Proceedings of Meetings. |

#### VOTES OF MEMBERS

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| 113. | Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy or in the case of a body corporate also by a representative duly authorized under Section 187 of the Act and Article 115.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Votes may be given by proxy or attorney.                      |
| 114. | Subject to the provisions of the Act (and particularly of Section 87, 88 and 92(2) thereof) and of these Articles :-<br><br>Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a company as mentioned in Article 115) shall have one vote;<br><br>upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company;<br><br>upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act. | Votes.                                                        |
| 115. | No member not personally present shall be entitled to vote on a show of hands unless such member is present by proxy or unless such member is a body corporate present by a representative duly authorized under Section 187 of the Act or by a proxy in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | No voting by proxy on show of hands.                          |
| 116. | Any person entitled under the Transmission Article (Article 57 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity, if any, as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.                                                                                                                                                                                                                                                                                                                                                      | Votes in respect of shares of deceased and insolvent members. |





124. If any such instrument of appointment be confined to the object of appointing a proxy for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company. Custody of the Instrument.
125. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous deaths of the principal or revocation of the proxy under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death revocation or transfer shall have been received at the office of the Company before the meeting. Validity of votes notwithstanding given by proxy death of member etc.
126. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorized and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. Time for objections to votes.
127. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting and subject to as aforesaid the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Chairman of any meeting to be the judge of validity of any vote.

As amended vide Special Resolution passed in the 26<sup>th</sup> annual general meeting held on 29<sup>th</sup> September, 2008.

#### DIRECTORS

128. Unless otherwise determined by a General Meeting the number of Directors shall not be less than three nor more than twelve.

#### NOMINEE DIRECTOR

- 128A. 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). The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC). The Oriental Fire and General Insurance Company Limited (OFGI). The New India Assurance Company Limited (NIA), United 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 persons in his or their place/s. Nominee Director.

The Board of Directors of the Company shall have no power to remove from office the Nominee Directors. 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 Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as 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 and the Nominee Director's so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation 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.

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

The 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 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.

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 re-imbursed by the Company to the Corporation or, as the case may be to such nominee Director/s.

Provided also that in the event of the 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.

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

Debenture  
Director.

130. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for period of not less than three months from the State of Maharashtra and such appointee, whilst he holds office as an Alternate Director, shall have effect and such appointee,

Appointment  
of Alternative  
Director.

- whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office, if and when the Original Director returns to the State of Maharashtra. If the term of office of the Original Director is determined before he so returns to the State of Maharashtra, any provisions in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.
131. Subject to the provisions of Section 262(2) and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Director at a meeting of the board. Any person so appointed shall hold office upto the date upto which the Director in whose place he is appointed would have held office, if the vacancy had not occurred. Casual vacancy
132. Subject to the provisions of Sections 260 and 284(6) and other applicable provisions (if any) of the Act, the Directors shall have powers at any time and from time to time to appoint a person or persons as an Additional Director or Directors. The Additional Director shall retire from office at the next following Annual General Meeting but shall be eligible for re-election. Appointment of Additional Directors.
133. A Director of the Company shall not be bound to hold any qualification shares. Qualifications of Directors
134. The fees payable to a Director for attending a meeting of the Board or a Committee of the Board shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the provisions of Sections 310 of the Act, or in excess thereof with the approval of the Central Government or if not so prescribed, in such manner as the Directors may decide from time to time in conformity with the provisions of law. Subject to the limitation provided by the Act such additional remuneration, as may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine, and in default of such determination within the year equally. Such remuneration and/or additional remuneration may be by way of salary or commission as laid down in Section 309, 349, 350 and 351 on net profits or turnover or by participation in profits of by any or all of the modes.  
*(As amended by a resolution passed at the Annual General Meeting of the Company held on 23<sup>rd</sup> August 1990).*  
The Directors may subject as aforesaid allow and pay to any Director who is not a bona fide resident of the place where a meeting is to be held and who shall come to such place for the purpose of attending a meeting his actual expenditure for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and the Directors may from time to time fix the remuneration in addition to the fees laid down by Article 135(1) to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same. Directors not bona fide residents of Bombay may receive extra compensation and remuneration of Committee  
Subject to the provisions of sections 309 and 310 if any Director, being willing, shall be called upon to perform extra services, or to make any special exertion in going or residing out of Bombay or otherwise for any of the purposes of the Company, the Company shall, subject as aforesaid, remunerates such Director or where there is more than one such Director to all of them together either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or substitution for his remuneration above provided. Special remuneration Director going out of Bombay on Company's business or otherwise performing extra services.
135. The Continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for Directors may act notwithstanding vacancy.

the purpose of filling up vacancies or for summoning a General Meeting of the Company.

136. (1) Subject to the provisions of Section 283(2) of the Act, the office of a Director shall become vacant if:
- When office of Directors to become vacant.
- (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
  - (b) he applies to be adjudicated an insolvent; or
  - (c) he is adjudged an insolvent; or
- he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure; or
- any office or place of profit under the Company or any diary thereof is held by him in contravention of Section 314(1) of the Act; or
- he absents himself from three consecutive of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
- he becomes disqualified by an Order of the Court under Section 203 of the Act; or
- he is removed in pursuance of Section 284 of the Act; or
- he (whether he 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
- he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office; or
- (k) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
  - (l) he having been appointed a Director by virtue of his holding any office or other employment in the company ceases to hold such office, or other employment in the Company.
- (2) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the company or to the board of Directors.
- Resignation.
137. (1) Subject to the provisions of sub-clauses(2), (3), (4) and (5) of this Article and the restrictions imposed by Article 145 and the other Articles hereof and the Act and the observance and fulfillment thereof, no Director shall be dis-qualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any Director shall be in any way interested be avoided nor shall any Director, so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the
- Directors may contract with Company.

nature of his interest must be disclosed by him as provided by clause (2), (3) and hereof.

(2) Every Director 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 of Directors or as provided in Clause (4) hereof.

Disclosure of Interest.

(3) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the board held after the Director becomes concerned or interested in the contract or arrangement.

(4) For the purpose of this Article, a General Notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient, disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the finan-

General Notice of Interest.

cial year in which it would have otherwise, expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(5) Nothing in clauses (2), (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the company and any other company where any one of the Directors of the Company or two or more if they together hold not more than 2 per cent of the paid up share capital in the other Company.

(6) An interest Director shall not take any part in the discussion of, or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;

Interested Director not to participate or vote in Board's proceedings.

Provided that this prohibition shall not apply:

to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;

to any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public Company in which the interest of the Director consists solely in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid up share capital of such company;

in case a notification is issued under sub-section (30 of Section 300 of the Act to the extent specified in the notification.

138. (1) The Company shall keep one or more Registers in accordance with Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which section 297 or Section 299 of the Act applies, including the following particulars to the extent they are applicable in each case, namely :-
- Register of contracts in which Directors are interested.

- (a) the date of the contract or arrangement;
- (b) the names of the parties thereto;
- (c) the principal terms and conditions thereof;

in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;

the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.

(2) Particulars of every such contract or arrangement to which Section 297 of the Act or, as the case may be, sub-section 92) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid:-

(a) in the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;

(b) in the case of any other contract or arrangement, within seven days of the receipt at the Registered Office of the company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement whichever is later;

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

(3) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of section 299 of the Act.

(4) Nothing in the foregoing clauses (1), (2) and (3) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials and services, if the value of such goods and materials or the cost of such services does not exceed one thousand rupees in the aggregate in any year. The Registers as aforesaid shall be kept at the registered office of the company and they shall be open to inspection at such office and extracts may be taken from any of them and the copies thereof may be required by any member of the company at the same extent, in the same manner and on the payment of the same fee as in the case of register of Members.

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

140. A Director, Managing Director, Manager or Secretary of the Company shall within thirty days of his appointment to or relinquishment of his office as Director, managing Director, manager or secretary in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under section 303(1) of the Act. the Company shall enter the aforesaid particulars in a register kept for the purpose in conformity with Section 303 of the Act. The company shall also
- Disclosure by Director, etc. of appointments

furnish the aforesaid particulars to the Registrar in accordance with Section 303(2) of the Act.

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

Directors not to hold office of profit.

142. (1) Except with the consent of the company accorded by a special resolution :-

Directors not to hold office of profit.

(a) no Director of the Company shall hold any Office or place of profit; and

(b) no partner or relative of such a Director, no firm in which such a Director or relative is a partner, no private Company of which such a Director is a Director or member and no Director, or manager of such a private company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more.

except that of Managing Director, Manager, legal or Technical Adviser Banker or Trustees for the holders of debentures of the company:

(i) under the Company'; or

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

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

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

Explanation - For the purpose of his clause a special resolution according consent shall be necessary for every appointment in the first instant to an office or place of profit and to every subsequent appointment to such office or place of profit on a higher remuneration not covered by the special resolution, except where an appointment on a time scale has already been approved by the special resolution;

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

(3) If any office or place of profit is held in contravention of the provisions of clause (1) above, the Director, partner relative, firm, private company, or the manager, concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that clause, and shall also be liable to refund to the Company any remuneration received or the monetary equivalent of any perquisite

or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

(4) Every individual, firm, private company or other body corporate proposed to be appointed to any office or place of profit to which this Article applies shall, before or at the time of such appointment declare in writing whether he or it is or is not connected with a Director of the Company in any of the ways referred to in clause (1) hereof.

(5) Any office or place shall be deemed to be an office or place of profit under the Company within the meaning of this Article :

in case the office or place is held by a Director, if the Director holding it obtain from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of profit or otherwise;

(b) in case the office or place is held by an individual other than by a Director, or by a firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it, obtains from the Company anything by way of remuneration, whether as salary, fees, commission, perquisites, right to occupy free of rent any premises as a place of residence or otherwise.

143. 143. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in section 295 and other applicable provisions (if any) of the Act.

Loans to Directors.

144. (1) Except with the consent of the Board of Directors of the Company, a Director of the company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or Director, shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services or (b) for underwriting the subscription of any shares in, or debentures of the Company.

Board of Resolution at 4 Meeting necessary for certain contracts.

(2) Nothing contained in the foregoing Clause (1) shall affect :-

The purchase of goods and materials from the company or the sale of goods and materials to the company, by any Director, relative, firm partner or private company as aforesaid for cash at prevailing market prices, or

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.

Provided that for the purposes of clauses (a) and (b) above such Contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in the foregoing Clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract, but in such a case, the consent of the board shall be obtained at a meeting within three months of the date on which the contract was entered into.

(4) every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the board and not otherwise; and the consent of the Board required under Clause (1) above shall not be deemed to have been given within the



meaning of that Clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) It consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

(6) The Directors, so contracting or being so interested shall not be liable to the company for any profit realized by any such contract or the fiduciary relations thereby established.

#### RETIREMENT AND ROTATION OF DIRECTORS

145. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and, save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General meeting. Retirement by Rotation.
- (2) The remaining Directors shall be appointed in accordance with the provisions of these Articles.
- (3) At the first Annual General Meeting of the Company all the Directors of the Company as are liable to retire by rotation and at every subsequent Annual General meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or of their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Directors to retire annually how detemined.
146. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors, on the same day, who are to retire shall, in default of and subject to any agreement along themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.
147. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment. Eligibility for re-appointment.
148. The Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.
149. If the place of the retiring Director or Directors is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day, is a public holiday till the next succeeding day which is not a public holiday, at the same time and place. Provisions in default of appointment.
- (2) If at the adjourned meeting also, the place of the retiring Director or Directors is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director or Directors shall be deemed to have been reappointed at the adjourned meeting, unless :-
- (a) at that meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost;
- (b) the retiring Director or Directors has or have by a notice in writing addressed to the Company or its Board of Directors, expressed his or their unwillingness to b so reappointed;
- (c) he is or they are not qualified or is or are disqualified for appointment;
- (d) a resolution whether special or ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act;

(e) Article 152 or sub-section (2) of Section 263 of the Act is applicable to the case.

150. Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible, for appointment to the office of Director at any General Meeting if he or some member intending to propose him has at least fourteen clear days before the meeting left at the 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 as the case may be along with a deposit of Rs.500/- (Rupees Five hundred Only) or such sum as may be prescribed for the time being by the Act, which shall be returned only after he is elected as a Director.  
*(As amended by a resolution passed at the Annual General Meeting of the Company held on 23<sup>rd</sup> August 1990)*

Notice of candidature for office of Director.

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 sub clause (1) of this Article or Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent In writing to act as a Director if appointed.

On receipt of the notice referred to in this Article, the Company shall inform its members of the candidature of a person for the office of Director or the intention of a Member to propose such person as a candidate for that office by serving individual notices on the Members not less than seven days before the meeting provided that it shall not be necessary for the company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the town or village in which the Registered Office of the Company is situate of which one is published in the English language and the other in other regional language.

A person other than –

- (a) a Director re-appointed after retirement by rotation or immediately on the expiry of the term of office or
- (b) an additional or alternate Director, or a person filing 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, or
- (c) a person named as a Director of the company under these Articles as first registered.

Shall not act as a Director of the company unless he has within thirty days of this appointment signed and filed with Registrar his consent in writing to act as such Director.

151. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved; Provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.
152. The Company may (subject to the provisions of section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

Individual resolution for Directors' appointment.

Special notice as provided by Article 94 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

on receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and (b) send a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting if on the application either of the Company or any other person who claims to be aggrieved, the court is satisfied that the right conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 132 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided Special Notice of the intended appointment has been given under sub-clause \*(2) hereof. A Director so appointed shall hold office until the date upto which his predecessors would have held office if he had not been removed as aforesaid.

If the vacancy is not filled under sub-clause(5) it may be filled as a casual vacancy in accordance with the provisions in so far as they are applicable, of Article 132, or section 262 of the Act and all the provisions of that Section shall apply accordingly.

A Director who was removed from office under Article shall not be re-appointed as a Director by the Board of Directors.

Nothing contained in this Article shall be taken :

as depriving a person removed thereunder of any compensation or damage payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director, or

as derogating from any power to remove a Director which may exist apart from this Article.

#### INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS AND ALTERATION IN THEIR QUALIFICATION

- |      |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                       |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 153. | to the provisions of the Act and these Articles, the Company may by ordinary Resolution from time to time increase or reduce within the maximum, the number of Directors. Provided that any increase in the number of Directors exceeding 12 shall not have any effect unless approved by the Central Government and shall become void if and so far it is disapproved by that Government. | The Company may increase or reduce number of Directors and after their qualification. |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|

#### PROCEEDINGS OF BOARD OF DIRECTORS

- |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 154. | The Directors may meet together as a board for the dispatch of business from time to time unless the Central Government by virtue of proviso to Section 285 otherwise directs and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum. | Meeting of Directors.        |
| 155. | A Director or the Managing Director may at any time and the Managing Director upon the request of a Director, shall convene a meeting of the Directors. Notice of every meeting of the Directors of                                                                                                                                                                                                                                                                                                                                                                                                                                    | When meetings to be convened |

- the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director. and notice thereof.
156. Subject to the provisions of Section 287 and other applicable provisions (it any) of the Act, the quorum for a meeting of the board of Directors shall be one-third of the total strength of the board of Directors (excluding Directors, if any, whose 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 and are present at the meeting not being less than two shall be the quorum during such time. A Quorum.
- Meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and directions by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the board of Directors generally.
157. If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, or if that day is a public holiday till the next succeeding day which is not a public holiday, time and place as the Director or Directors present at the meeting may fix. Adjournment of meeting for want of quorum.
158. The Directors may elect a chairman of their a Chairman of their meetings and determine the period for which he is to hold office. Appointment of Chairman.
159. All meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the chairman be not present at the time appointed for holding the same then and in that case the Managing Director if present shall be Chairman of such meeting and if the Managing Director be not present then and in that case the Directors shall choose one of the Directors then present to preside at the meeting. Who to preside at meeting of the board.
160. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote. Question at board Meeting how decided (casting vote).
161. Subject to the provisions of Section 292 of the Act and the Article 170, the Directors may delegate any of their powers, to Committees consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes; but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All Acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effects as it done by the board. Subject to the provisions of the Act the board may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the board in terms of these Articles, and may pay the same. Directors may appoint Committees.
162. The meetings and proceedings of any such Committee 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. Meeting of Committee how to be governed.
163. (1) A resolution passed by circular, without a meeting of the Board of a Committee of the Board appointed under Article 162 shall subject to the provisions of Clause 2 hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Resolution by circular.

Directors of a committee duly called and held.

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

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

164. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director, Provided that nothing in this Article shall be deemed to give validity to acts done by the Directors after their appointment had been shown to the Company to be invalid or to have terminated.
- Act of board or committee valid notwithstanding defect of appointment.
165. The Company shall cause Minutes of the Meetings of the board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of section 193 of the Act. The Minutes shall contain a fair and correct summary of the proceedings of the meeting including the following :-
- (i) the names of the Directors present at the meeting of the Board of Directors or of any Committee of the Board.
- (ii) all orders made by the Board Of Directors or Committee of the Board and all appointments of officers and Committees of Directors;
- (iii) all resolutions and proceedings of meetings of the Board of Directors and the Committees of Board;
- (iv) in the case of each resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of the Directors if any, dissenting from or not concurring in the resolution.
- Minutes of proceedings of Directors and Committees to be kept.
166. All such minutes shall be signed by the Chairman of the meeting as recorded or by the person who shall preside as Chairman at next succeeding meeting and all minutes purported to be so signed shall for all purpose whatsoever be prima facie evidence of the actual passing of the resolutions recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.
- By whom minutes to be signed and the effect of minutes recorded.

#### POWRES OF DIRECTORS

167. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorized to exercise and do; Provided that the board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the memorandum or these Articles or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the memorandum or in these Articles or in any regulations not
- General Powers of the Directors.

inconsistent therewith duly made thereunder including regulations made by the company in General Meeting.

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

168. The Board of Directors shall not except with the consent of the company in General Meeting:

Consent of Company necessary for the exercise of certain powers.

(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by the Director;

(c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in Sub-clause (a) above or of any premises or properties used for any such undertaking and without which is cannot be carried on or can be carried only with difficulty or only after a considerable time;

(d) borrow moneys in excess of the limits provided in Article 75;

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profits as determined in accordance with the Act during the three financial years, immediately preceding, whichever is greater.

169. (1) Without derogating from the powers vested in the Board of Director sunder these Articles the board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board :-

Certain powers to be exercised by the Board only at meeting.

(a) The power to make calls on shareholders in respect of money unpaid on their shares;

(b) The power to issue debentures;

(c) The power to borrow monies otherwise than on debentures;

(d) The power to invest the funds of the Company;

(e) The power to make loans.

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

(2) Every resolution delegating the power referred to in clause (1) (c) shall specify the total amount outstanding at any time upto which moneys may be borrowed by the delegates. Provided however, that where the Company has an arrangement with its bankers for the borrowing of moneys by way of over-draft, cash credit or other accounts by means of which the arrangement is made is availed of shall not require the sanction of the Board.

(3) Every resolution delegating the power referred to in Clause (1) (d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be

made by the delegates.

(4) Every resolution delegating the power referred to in Clause (1)(e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made for each such purpose in individual cases and the maximum amount of loan which may be made.

(5) Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the board of any of the powers referred to in (a), (b), (c), (d) and (e) of Clause (1) above.

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

(1) To pay all costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To be preliminary and promotional costs and charges.

(2) to pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 respectively of the Act and Articles 16 and 181.

To pay commission and interest

(3) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company and property rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they 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 reasonable satisfactory.

To acquire property.

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

To pay for property in Debentures and otherwise.

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

To Insure

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

To open accounts with bank

(7) To secure the fulfillment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.

To secure contracts by mortgage.

(8) to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services

To attach conditions of transfer to

rendered to the company, such conditions as to the transfer thereof as they think fit.	any shares.
(9) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof, so far as may be permissible by law.	To accept surrender of shares
(10) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.	To appoint trustees.
(11) 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 debt due, or of any claims or demands by or against the Company.	To bring and defend actions etc.
(12) To refer claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon.	To refer to arbitration.
(13) To act on behalf of the Company in all matters relating to bankrupts and insolvents.	To act in insolvency matters.
(14) To make and give receipts, release and other discharge for moneys payable to the Company and for the claims and demands of the Company.	To give receipts.
(15) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.	To authorize acceptances.
(16) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company and immediately required for the purposes thereof upon such security and other investments (not being shares of this company), or without security and in such manner as they may think fit and from time to time to vary or realize such investments provided that save as permitted by section 49 of the Act all investments shall be made and held in the company's own name.	To invest moneys.
(17) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as 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, covenants, provisions and agreements as shall be agreed on.	To execute Mortgage.
(18) To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company, and to give to any officer 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.	To distribute Bonus.
(19) Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as a part of the working expenses of the Company.	Sharing profits
(20) To provide for the welfare of employees or ex-employees of the Company and its Directors or ex-Directors and the wives, widows and families of the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or quarters or by grants of money, pensions, gratuities, allowances, bonuses, profits, sharing bonuses or benefits or any other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profits sharing or other	To provide for Welfare of employees and to subscribe to charitable and other funds.



schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other form of assistance, welfare or reliefs as the Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable,, benevolent, religious, scientific, national public or any other institutions, objects or purposes or for any exhibition.

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

To create depreciation and other funds.

(22) Subject to the provisions of the Act, to appoint and at their discretion remove or suspend such managers, secretaries, officers clerks, agents and employees 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 and require security in such instance and to such amounts a they may think fit. And also without prejudice as aforesaid from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in sub-clause 24, 25, 26 and 27 following shall be without prejudice to the general powers conferred by this sub-clause.

To appoint employees.

(23) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.

Comply with local laws.

(24) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any such Local Board or any managers or agents, and to fix their remuneration.

Local Board.

(25) Subject to the provisions of Section 292 of the Act and Article, 170, from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any managers or agents so appointed, any of the powers, authorities and discretions for the time being vested in the board of Directors, and to authorize 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

Delegation.

under sub-clause (24) of this Article may be made on such terms, and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and annual or very any such delegation.

(26) At any time and from, time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Board of Director under these presents and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit; and any such appointment may (if the Board of Directors think fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any Company, or the members, directions, nominees or managers of any company or firm or otherwise in favour of anybody persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board of Directors 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.

Power of Attorney.

(27) Subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the Directors to any person, firm, company, or fluctuating body of persons as aforesaid.

To delegate.

(28) Subject to the provisions of the Act and these Articles 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 execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

May make contracts etc.

#### MANAGER DIRECTOR, MANAGER DIRECTORS OR WHOLETIME DIRECTOR OR WHOLETIME DIRECTORS

171. Subject to the provisions of Sections 197-A, 198, 267, 268, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors or a whole time Director or whole time Directors of the Company for such term not exceeding five years at a time and subject to such contract as they may think fit.

Power to appoint Managing Director or whole-time Director.

172. Subject to the provisions of the Act and of these Articles, the Managing Director or Managing Directors, or wholtime Director or wholtime Directors shall act, while he or they continue to hold that office, be subject to retirement by rotation under Article 146, but he or they shall, subject to the provisions to any contract between him or them and the company, be subject to the same provisions as to resignations and removal as the other Directors of the Company and he or they shall **ipso facto** and immediately cease to be a Managing Director or Managing Directors or wholtime Director or wholtime Directors if he or they cease to hold the office of Directors from any cause.

What provisions he shall be subject to.

173. The remuneration of the Managing Director or Managing Directors or wholtime Director or wholtime Directors (subject to section 309 and other applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall be in accordance with the terms or his or their contract with the Company.

Remuneration of Managing Director

174. Subject to the provisions of the Act and to the terms of any resolution of the company in general meeting or of any Resolution of the Board and to the terms of any contract with him or them, the Managing Director or Managing Directors shall have the whole or substantially the whole, of the management of the affairs of the Company.

Powers and Duties of Managing Director.

## SECRETARY

175. The Directors may appoint a Secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The Directors may appoint a temporary substitute for the Secretary, who shall, for the purpose of these presents, be deemed to be the Secretary. The main function of the Secretary shall be responsibility for maintaining registers required to be kept under the Act, for making the necessary returns to the registrar of Companies under the Act and for getting the necessary documents registered with the registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the members, preparing agendas of meetings, issuing notices to Directors preparing minutes of meetings of members and of Directors and of any Committee of Directors and maintaining minute books and other statutory documents and, he shall carry out and discharge such other functions and duties as the Directors or the Managing Director may from time to time require him to do.
- Secretary.

## REGISTERS, BOOKS AND DOCUMENTS

176. The Company shall maintain Registers, Books and documents as required by the Act or these Articles including the following namely :-
- Registers,  
Book and  
Documents.
- (a) Register of Investment not held in Company's name according to Section 49 of the Act.
  - (b) Register of Mortgages, debentures and Charges according to section 143 of the Act.
  - (c) Register of Members and Index of Members according to section 150 and 151 of the Act.
  - (d) Register and Index of Debenture holders according to Section 152 of the Act.
  - (e) Register of Contracts, companies and Firms in which Directors are interested according to the section 301 of the Act and shall enter therein relevant particulars contained in Section 297 and 299 of the Act.
  - (f) Register of Directors and Managing Directors according to Section 303 of the Act.
  - (g) Register of Shareholdings and Debenture holding according to Section 307 of the Act.
  - (h) Register of Investments in shares or Debentures of Bodies Corporate according to section 372 of the Act.
  - (i) Books of Account in accordance with the provisions of Section 209 of the Act.
  - (j) Copies of Instruments creating any charge requiring registration according to Section 136 of the Act.
  - (k) Copies of Annual Returns prepared under section 159 of the Act together with the copies of the Certificate required under Section 161.
  - (l) Register of Renewed and Duplicate Certificate according to rule 7(2) of the Companies (issue of Shares Certificates) Rules, 1960.

The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act or these Article and extracts shall be supplied to

the persons entitled thereto in accordance with the provisions of the Act or these Articles.

The Company may keep a foreign Register of Members in accordance with section 157 and 158 of the Act. Subject to the provisions of Sections 157 and 158, the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch registers of Members and/or Debenture-holders.

#### THE SEAL

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

178. Subject to the provisions relating to the issue of share certificates, every deed or other instrument to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly Constituted Attorney of the Company, be signed by any one Director of the Company provided nevertheless the certificates of debentures may be signed by one Director only or by the secretary of the company or by an Attorney of the Company duly authorized in this behalf and certificates of shares shall be signed as provided in Article 17(a). Deeds how executed.

*(As substituted by a resolution passed at Annual General Meeting of the Company).*

179. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall be accordingly be vested in the Directors. Seal abroad.

#### INTEREST OUT OF CAPITAL

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

#### DIVIDENDS

181. The profits of the Company subject to the provisions of these articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share.

182. Where capital is paid up in advance of calls upon the footing of the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits. Capital paid up in advance at interest not to earn dividend.

183. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a large amount is paid up or credited as paid up on some share than on other. Dividend in proportion to amount paid up.

184. The Company in General Meeting may subject to Section 205 of the Act declare a Dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act may fix the time for payment. When a dividend has been so declared, either the dividend shall be paid or the warrant in respect whereof shall be posted within 42 days of the date of the The Company in General Meeting May declare a dividend.

declaration to the shareholders entitled to the payment of the same.

185. No large dividend shall be declared than is recommended by the Director but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of section 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive. Power to Directors to limit dividend.
186. Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies. Interim dividend.
187. Subject to the provisions of the Act the Directors may retain the dividends payable upon share in respect of which any person is, under Article 27 hereof, entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same. The provisions of this article shall apply to any interest ceased in a share either by reason of transmission by operation of law or otherwise. Retention of dividend until completion of transfer under Article 57.
188. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may 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 Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement thereout.
189. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer. Transfer of shares must be registered.
190. Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Dividends how remitted.
191. Unclaimed Dividend will be dealt with in accordance with the provisions of Section 205A and 205B and other provisions if any of the Act as, may be applicable from time to time, subject to the provisions of Sections 205 to 208 of the Act no unpaid dividend shall bear interest as against the Company. Unclaimed Dividend.

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 by the Company, it shall notwithstanding anything contained in any other provision of these Articles shall -

(a) transfer the dividend in relation to such shares to the Special Account referred to in Section 205-A of the Act, unless the Company as authorized 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.

*(As substituted by resolution passed at the Annual General Meeting of the company held on 23<sup>rd</sup> August, 1990).*

192. Any General Meeting declaring a dividend may on the Dividend and

recommendations of the Directors make a call on each members for 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 members, be set off against the calls.

call together.

#### CAPITALISATION

193. (1) Any general meeting may resolve that any amounts standing to the credit of the share premium account or the Capital Redemption Reserve Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by law from the appreciation in value of any capital assets of the Company) standing to the credit of the General reserve, or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend be capitalized:

Capitalisation

By the issue and distribution as fully paid up shares of the Company; or  
by crediting shares of the Company which may have been issued and are not fully paid up with the whole or any part of the sum remaining unpaid thereon.

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

Such issue and distribution under (1)(i) above and such payment to credit of unpaid share capital under (1)(a) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with the respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under 91)(a) or payment under (10)(b) above shall be made on the footing that such members become entitled thereto as capital.

the Director shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1)(a) above or 9as the case may be) for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under

- (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.

(4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value of distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.

(5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares, and the partly paid shares the sums to applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

(6) When deemed requisite a proper contract shall be filed in accordance with the Act and the board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

#### ACCOUNTS

194. (1) the Company shall keep at its Registered Office proper Books of Account with respect to :
- Books of Accounts to be kept.
- (a) all sums of money received and expended by the Company the matters in respect of which the receipt and expenditure take place;
- (b) all sales and purchases of goods by the company; and
- (c) the asset and liabilities of the company;

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

(2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarized returns, made upto-date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the board think fit, where the main books of the company are kept.

(3) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.

(4) The Books of Account and other books and papers and papers shall be open to inspection by any Director during business hours.

195. The Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with vouchers relevant to any entry in such books of account shall be preserved in good order.
- Books of Account to be preserved.
196. The Directors 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 member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.
- Inspection by member of accounts and books of that Company.
197. The board of Directors shall lay before each Annual General Meeting, a profit and loss account, which shall relate :
- Statements of Accounts to be furnished to General Meeting.
- (a) in case of the first Annual General meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than nine months; and
- (b) in case of any subsequent Annual General Meeting of the Company, to the period beginning with the day immediately after the period for which the account was last submitted and ending with day which shall not precede the day of the meeting by more than six months, or, in cases where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of

Section 166, by more than six months and the extension so granted. The period to which the Account aforesaid relates is referred to in this Article as a "financial year" and it may be less or more than a calendar year, but it shall not exceed fifteen months: Provided nevertheless it may extend to eighteen months here special permission has been granted that behalf by the Registrar.

198.

(a) Subject to the provisions of Section 211 of the Act, every balance sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of the said

Balance Sheet and Profit and Loss Account.

Section, be in the form set out in Part I of Schedule VI of the Act, or as near thereto as circumstances admit or in such other form as may be approved by the Central Government either generally or in any particular case; and in preparing the balance sheet due regard shall be had, as far as may be, to the general instructions for preparation of balance sheet under the heading "Notes" at the end of that Part;

(b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the profit or loss of the Company for the financial year and shall, subject as aforesaid, comply with the requirements of Part II of Schedule VI of the Act, so far as they are applicable thereto.

(2) There shall be annexed to every Balance Sheet a Statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of Section 3872(11) of the Act in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(3) So long as the Company is a holding Company having a subsidiary, the Company shall conform to section 212 and other applicable provisions of the Act.

(4) If in the opinion of the board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the board is of that opinion shall be stated.

199.

(1) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors, by the Secretary if any and by not less than two Directors of the Company, one of whom shall be the Managing Director where there is one.

Authentication of Balance Sheet and Profit and Loss Account.

(2) Provided that when only one Director is for the time being in India, the Balance Sheet and Profit and Loss account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of Clause (1) above.

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

200.

The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' report (including the Auditors' separate, special or supplementary Reports, if any) shall be attached thereto.

Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet.

201.

(1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve in such Balance Sheet; and

Board's report to be attached to Balance Sheet.



amount, if any, which it recommends to be paid by way of dividend and material changes and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

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

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

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

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

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| 202. | The Company shall comply with the requirements of Section 219 of the Act. | Right of members to Balance Sheet and Auditors' Report. |
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#### ANNUAL RETURNS

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| 203. | The Company shall make the requisite Annual Returns in accordance with Section 159 and 161 of the Act, and shall file with the Registrar three copies of the Balance Sheet and profit and Loss Account in accordance with section 220 of the Act. | Annual returns. |
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#### AUDIT

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| 204. | Once at least in every year the accounts of the Company shall be balance and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditor or Auditors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Account to be audited.   |
| 205. | <p>(1) The Company at each Annual general Meeting shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring auditor.</p> <p>(2) At any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless :-</p> <p style="margin-left: 20px;">(a) he is not qualified for re-appointment;</p> <p style="margin-left: 20px;">(b) he has given the Company notice in writing of his unwillingness to be re-appointed;</p> <p style="margin-left: 20px;">(c) a Resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or</p> <p style="margin-left: 20px;">(d) where notice has been given of an intended Resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case</p> | Appointment of Auditors. |

may be, the resolution cannot be proceeded with.

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

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

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

(6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor, or Auditors (if any) may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General meeting.

(7) Except as provided in the proviso to Clause (5) above, any auditor appointed under this Article may be removed from office before the expiry of his term only by the Company in General meeting after obtaining the previous approval of the Central Government in that behalf.

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

(9) The persons qualified for appointment as Auditors shall be only those referred to in section 226 of the Act.

Qualification and disqualification of Auditors.

(10) none of the persons mentioned in section 226 of the Act as not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

206. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the central Government in that behalf.

Audit of Branch offices.

207. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of the first auditors appointed by the Board and of any Auditors appointed to fill any casual vacancy may be fixed by the Directors,

Remuneration of Auditors.

208. (1) Every Auditor of the Company shall have the right of access at all times to the books and vouchers of the company kept at the Registered Office of the Company or elsewhere and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.

Right and duties of Auditors.

(2) All notices of, and other communications relating to, any General Meeting of a Company which any member of the Company is

entitled to have sent to him shall also be forwarded to the Auditor of the Company, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General meeting which he attends Company part of the business which concerns him as Auditor.

(3) the Auditor shall make a report to the Members of the Company on the accounts examined by him and on every balance Sheet and profit and loss Account, and on every other documents declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :-

- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year, and
- (ii) in the case of the Profit and Loss Account, of the profit or loss for its financial year.

(4) the Auditor's Report shall also state :-

- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of this audit;
- (b) whether, in his opinion proper books of account as required by law have been kept by the company so far as appears from his examination of those books, and proper returns adequate for the purpose of his audit have been received from branches not visited by him;
- (c) whether the report on the accounts of any branch office audited under section 232B by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub-section (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;
- (d) whether the Company's balance Sheet and profit and Loss Account dealt with by the report are in agreement with the books of account and returns.

(5) Where any of the matters referred to in clauses (i) and (ii) of Clause (3) of the Article, or Sub-clauses 4(a), (b) and (d) hereof is answered in the negative or with a qualification, the Auditor's Report, shall state the reason for the answer.

(6) the accounts of the Company shall not be deemed as not having been, and the Auditor's report shall not state that those accounts have not been properly drawn up on the ground merely that the Company has not disclosed certain matters if:-

(a) those matters are such as the company is not required to disclose by virtue of any provisions contained in the Act or any other Act, and -

(b) those provisions are specified in the Balance Sheet and profit and Loss Account of the Company.

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

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

DOCUMENTS AND SERVICE OF DOCUMENTS

210. (1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the company) may be served or sent by the Company on or to any member either personally or sending it by you to him to his registered address or (if he has no registered address in India) to the address if any within India supplied by him to the Company.
- How document is to be served on members.
- (2) Where a document is sent by post :-
- (a) service thereof shall be deemed to be effected by properly addressing preparing and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) Such service shall be deemed to have been effected :-
- (i) in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, and
- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
211. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him the day on which the advertisement appears.
- Service on members having no registered address.
212. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives 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 so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
- Service on persons acquiring shares on death or insolvency of member.
213. Subject to the provisions of the Act and these Article notices of General Meetings shall be given :-
- Persons entitled to notice of general meeting.
- in (i) to members of the Company as provided by Article 91 in any manner authorized by Articles 211 and 212 as the case may be or as authorized by the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of members as provided by Article 213 or as authorized by the Act;
- (iii) to the Auditor or Auditors for the time being of the Company in any manner authorized by Article 212 or the Act in the case of any member or members of the Company.
214. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily Vernacular newspaper circulating in the district in which the Registered Office of the company is situated.

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| 215. | Every person, who by operation of law, transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which previously to his name and address being entered on the Register, shall be duly served on or sent to the persons from whom he derives his title to such share. | Members bound by document given to previous holders. |
| 216. | Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint, and such signature may be written or printed or lithographed.                                                                                                                                     | Notice by Company and signature thereto.             |
| 217. | All notices to be given on the part of members to the Company shall be left at or sent by post under certificate of posting or by registered post to the Registered Office of the Company.                                                                                                                                                    | Service of notices of members.                       |

#### AUTHENTICATION OF DOCUMENTS

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| 218. | Save as otherwise expressly provide din the Act or these Articles, a document or proceeding requiring authenticant in by the Company may be signed by a Director, the Managing Director or an authorized office of the Company and need not be under its Seal. | Authenticatio<br>n of<br>documents<br>and<br>proceedings. |
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#### WINDING UP

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|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 219. | If the Company shall be wound up, and the assts available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in portion to the capital paid up at the commencement of the winding up or which ought to have been paid on the shares held by them respectively. But this Article is to b without prejudice to the rights of the holders of shares issued upon special terms and conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Distribution<br>of assets. |
| 220. | <p>(1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution but subject to the rights attached to any preference share capital divide amongst the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, very any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction shall think fit.</p> <p>(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special resolution passed pursuant to Section 494 of the Act.</p> <p>(3) in case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such divisions to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable and accordingly.</p> |                            |
| 221. | A Special Resolution sanctioning a sale to any other Company duly passed pursuant to section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |

consequential rights conferred by the said section.

#### SECURITY CLAUSE

222. (a) Every Director, Manager, Auditor, treasurer, trustee, member of a Committee, Officer, servant, agent, accountant or other person employed in the business of the Comp[any, shall, if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with he customers and the state of the accounts with individuals and in matters 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 the Company's work without the permission of the Directors or the Managing Director or to require discovery of or any information respecting and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Director it will be inexpedient in the interest of the member of the Company to communicate to the public.

#### INDEMNITY AND RESPONSIBILITY

223. (a) Subject to the provisions of Section 201 of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs losses and expenses (including traveling expenses) which any such Director, Managing Director, Officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and even one of them may incur or become liable to by reason of any contract entered into or act or done by him as such Director, Officer or servant or in any way in the discharge of his duties.

Directors' and others' right to indemnity.

(b) Subject as aforesaid every Director, Managing Director, Manager, Secretary or other Officer or employee of the company and the trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is given to him by the Court.

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



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IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH

CP (CAA) 1675/230-232/NCLT/MB/MAH/2019

ALONG WITH

CP (CAA) 1676/230-232/NCLT/MB/MAH/2019

ALONG WITH

CP (CAA) 1677/230-232/NCLT/MB/MAH/2019

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the  
Companies Act, 2013 and other applicable  
provisions of the Companies Act, 2013

AND

In the matter of Scheme of Amalgamation of  
Arrow Textiles Limited and MMG India Private  
Limited with Delta Magnets Limited and their  
respective shareholders ('Scheme')

Arrow Textiles Limited  
[CIN: L51494MH2008PLC178384]

..... Petitioner Company / First Transferor Company

MMG India Private Limited  
[CIN: U27209MH1996PTC222840]

..... Petitioner Company / Second Transferor Company

Delta Magnets Limited  
[CIN: L32109MH1982PLC028280]

..... Petitioner Company / Transferee Company

Date of hearing :- 27.09.2019

Order delivered on: 27.12.2019

Coram:

Hon'ble M.K. Shrawat, Member (J)

Hon'ble Chandra Bhan Singh, Member (T)

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**For the Petitioner(s):** Mr. Gaurav Joshi and Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the Petitioner

**For the Regional Director:** Ms. Rupa Sutar, Deputy Director

**Per: Chandra Bhan Singh, Member (T)**

**ORDER**

1. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to a Scheme of Amalgamation (hereinafter referred to as 'the Scheme') of Arrow Textiles Limited ('First Transferor Company') and MMG India Private Limited ('Second Transferor Company') with Delta Magnets Limited ('Transferee Company') and their respective shareholders.
2. The Board of Directors of the First Transferor Company, the Second Transferor Company and the Transferee Company have in their respective meetings held on September 19, 2018 approved the Scheme and thereafter they have approached the Tribunal for sanction of the Scheme.
3. The First Transferor Company is engaged in the business of manufacturing of woven tape, woven and printed labels. The Second Transferor Company is engaged in the business of manufacturing of soft ferrite magnets and coil winding. The Transferee Company is engaged in the business of manufacturing of hard ferrite magnets.
4. The proposed Scheme would have the following benefits:
  - Provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company;
  - Reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses.



- Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and
  - Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
5. The Authorised Share Capital of the First Transferor Company is Rs. 21,00,00,000/- comprising of 2,10,00,000 Equity Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital is Rs. 19,04,39,390/- comprising of 1,90,43,939 Equity Shares of Rs. 10/- each, fully paid up.
6. The Authorised Share Capital of the Second Transferor Company is Rs. 15,00,00,000/- comprising of 1,50,00,000 Equity Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital is Rs. 13,86,58,700/- comprising of 1,38,65,870 Equity Shares of Rs. 10/- each, fully paid up. The entire issued, subscribed and paid-up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees.
7. The Authorised Share Capital of the Transferee Company is Rs. 10,00,00,000/- comprising of 1,00,00,000 Equity Shares of Rs. 10/- each whereas the Issued, Subscribed and Paid-up Share Capital is Rs. 6,47,10,140/- comprising of 64,71,014 Equity Shares of Rs. 10/- each, fully paid up.
8. Pursuant to the order dated March 15, 2019 passed by this Tribunal in Company Scheme Application No. 1672 of 2018, 1638 of 2018 and 1637 of 2018, the meetings of the Shareholders of the First Transferor Company, the Second Transferor Company and the Transferee Company were convened and held on April 22, 2019 and the Scheme was approved by the requisite majority of the shareholders present in their respective meetings without modification.
9. The Counsel for the Petitioners submit that certain shareholders (hereinafter referred to as 'Objectors'), collectively holding 82,739 equity shares (1.28%) in the Transferee Company, have addressed correspondence to the Transferee Company,



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(copies of which were marked to, *inter alia*, this Tribunal, SEBI, NSE Limited, BSE Limited and the Ministry of Corporate Affairs) expressing their objection/ dissent to the proposed Scheme. Such correspondence has been responded to by the advocates of the Transferee Company. The Petitioners submit that as per provisions of Section 230(4) of the Companies Act, 2013, any objection to the compromise or arrangement shall be made only by persons holding not less than 10% of the shareholding. The Objectors collectively hold 82,739 equity shares (representing 1.28% of the total paid up share capital) in the Transferee Company whereas the total issued, subscribed and paid-up equity share capital of the Transferee Company is 64,71,104 equity shares. Further, the proposed Scheme has been approved by the majority of the shareholders (including majority of the public shareholders as required under SEBI Circular dated March 10, 2017) of the Transferee Company at the NCLT convened meeting of the equity shareholders held on April 22, 2019, and the results of the voting at such meeting were filed with BSE Limited and NSE Limited on the same date. The Objectors have already exercised their right to object to / dissent from the Scheme by submitting their e-vote in this regard at the above mentioned meeting held on April 22, 2019. The Petitioners therefore, respectfully submit that the Objectors do not have the requisite majority / qualification to oppose the proposed Scheme of Amalgamation as required under Section 230(4) of the Companies Act, 2013.

10. The Counsel for the Petitioners further submit that the Income-tax Department has filed their objection to the Scheme with respect to the Second Transferor Company. The Income-Tax Department has objected and stated that the demand of Rs. 29,15,203/- raised on the Second Transferor Company is in arrears. The Counsel for the Petitioners submit that the said demand has been contested by the Second Transferor Company and the matter is pending final disposal. Without prejudice to above, the Petitioners hereby submit that clause 11 of the Scheme specifically provides that all taxes payable by the Transferor Companies under the Income-tax Act, 1961 shall be to the account of the Transferee Company. The Petitioners, therefore, respectfully submit that upon the Scheme becoming effective, the tax arrears of the Second Transferor Company will be on account of the Transferee



Company and the Transferee Company undertakes to discharge the same as and when due.

11. The Counsel for the Petitioners further state that as per clause 5 of the Scheme, the shareholders of the First Transferor Company will be allotted shares in the following proportion:

*"23 (Twenty Three) Equity Shares of Rs. 10 each, fully paid up of the Transferee Company shall be issued and allotted for every 100 (Hundred) Equity Shares of Rs. 10 each, fully paid up held in the First Transferor Company."*

12. The Counsel for the Petitioners further state that as per clause 5 of the Scheme, the entire issued, subscribed and paid up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of the Second Transferor Company shall stand automatically cancelled and there will not be any issue and allotment of equity shares in the Transferee Company.

13. The Official Liquidator has filed his report dated August 2, 2019 stating therein that the affairs of the First Transferor Company and the Second Transferor Company have been conducted in a proper manner and the Scheme is not prejudicial to the interest of the public or the shareholders. Accordingly, the First Transferor Company and the Second Transferor Company may be ordered to dissolve without winding up.

14. The averments made in the Company Scheme Petition and the submissions made by the Counsel for the Petitioners are:

- (i) The Petitioner Companies had complied with all requirements as per directions of the Tribunal and they have filed necessary Affidavits of compliance with this Tribunal. Moreover, the Petitioner Companies undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable.



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- (ii) The Regional Director has filed his Report dated June 10, 2019 stating therein that save and except the observations as stated in paragraph IV(a) to (i) of the report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has stated that:
- a) *The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the Scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such Authorities is binding on the Petitioner Company(s).*
  - b) *It is observed that the Petitioner companies have not submitted a Chairman's Report, admitted copy of the Petition, and Minutes of Order for admission of the Petition. In this regard, the Petitioner has to submit the same for the record of Regional Director.*
  - c) *The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.*
  - d) *In compliance of AS-14 (IND AS-103) the Petitioner Companies shall pass accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.*
  - e) *Petitioner Company have to undertake to comply with the section 232(3)(i) of the Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the date of*



*amalgamation and therefore, petitioners to affirm that they comply with the provisions of section.*

- f) *As per definition of the scheme, Appointed Date means the 1<sup>st</sup> day of October, 2018 or such other date as may be approved by the NCLT or such other competent authority as may be applicable. In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.*
- g) *It is observed that the Petitioner Companies has foreign / non-resident shareholders. The Transferee Company must observe the FEMA guidelines for allotment of shares to the shareholder of the Transferor Company in Transferee Company.*
- h) *As per clause 15 of the Scheme, the authorized share capital shall be consolidated, in this regards, deponent prays that, petitioner company shall company with provisions of Sections 13, 14, 16, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.*
- i) *Observation letter received from BSE dated 17.12.2018 and NSE dated 17.12.2018 for both the petitioner companies, in this regard, deponent prays that, the both petitioner companies shall undertake to comply with the observations made by BSE and NSE.*

- (iii) *Apropos the observations made in paragraph IV(a) of the Report of the Regional Director is concerned, the Petitioner Companies submit that the notices have been served to the concerned authorities as per the provisions of section 230(5) of the Companies Act, 2013. The Petitioner Companies have filed an affidavit dated April 11, 2019 with this Tribunal regarding service of*



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these notices. Further, the Petitioner Companies have intimated the date of final hearing to the authorities to whom notices were served under section 230(5) of the Companies Act, 2013. The Petitioner Companies have filed an affidavit dated August 22, 2019 with this Tribunal regarding service of these intimations.

- (iv) Apropos the observations made in paragraph IV(b) of the Report of the Regional Director is concerned, the Petitioner Companies submit that a copy of the Chairman's Report along with the Scrutinizer's Report, admitted petitions and draft minutes of order for petition of admission has already been filed with the office of Regional Director on August 23, 2018. Further, the certified minutes of order for admission of petition shall be submitted with the Regional Director once it is received from the Registrar.
- (v) Apropos the observations made in paragraph IV(c) of the Report of the Regional Director is concerned, the Petitioner Companies submit that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition are one & the same and there are no discrepancies or deviations.
- (vi) Apropos the observations made in paragraph IV(d) of the Report of the Regional Director is concerned, it is stated that in addition to complying with Ind AS - 103, the Transferee Company undertakes to pass such accounting entries which are necessary to comply with all other applicable Accounting Standards such as IND AS-8 etc.
- (vii) Apropos the observations made in paragraph IV(e) of the Report of Regional Director is concerned, the Petitioner Companies undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the First Transferor Company and the Second Transferor Company against any fees payable by the Transferee Company on its authorized capital subsequent to the Scheme.
- (viii) Apropos the observations made in paragraph IV(f) of the Report of Regional Director is concerned, the Learned Advocate for Petitioner Companies



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submit that as per clause 1.3 of the Scheme, "Appointed Date" means 1st October, 2018 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors. Further, as per clause 1.8 of the Scheme, "Effective Date" means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme is filed by the First Transferor Company, Second Transferor Company and Transferee Company with the jurisdictional Registrar of Companies. As per Section 232 (6) of the Companies Act, 2013 the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. It is stated that the Scheme shall be effective from the Appointed Date i.e. 1st October, 2018 and not at a date subsequent to the appointed date.

- (ix) Apropos the observations made in paragraph IV(g) of the Report of Regional Director is concerned, the Transferee Company undertakes to comply with the relevant FEMA guidelines for allotment of shares to the foreign / non-resident shareholders of the First Transferor Company pursuant to the Scheme. The entire issued, subscribed and paid-up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees and therefore no shares shall be allotted pursuant to the Scheme.
- (x) Apropos the observations made in paragraph IV(h) of the Report of Regional Director is concerned, the Petitioner Companies undertake to comply with the provisions of sections 13, 14, 16, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 for consolidation of authorized share capital pursuant to the Scheme.
- (xi) Apropos the observations made in paragraph IV(i) of the Report of Regional Director is concerned, the Petitioner Companies undertake to comply with the observations made by the BSE and the NSE vide their letter dated December 17, 2018.
15. The observation made by the Regional Director have been explained by the Petitioners in Para 14(iii) to 14(xi) above. The clarifications and undertakings given





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by the Counsel for the Petitioner Companies to the observations made in the Report of the Regional Director are considered by this Bench and those are hereby accepted. Subsequently, this bench hereby directs the Petitioner Companies to comply with the provisions / statements which the Petitioner Companies undertakes herein.

16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
17. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 1675 of 2019, No. 1676 of 2019 and No. 1677 of 2019 filed by the Petitioner Companies are made absolute in terms of prayer clause 32, 31 and 33 respectively of the said Company Scheme Petitions.
18. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-form INC 28 in addition to the physical copy, within 30 days from the date of receipt of the order by the Registry, duly certified by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.
19. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Deputy Director or Assistant Registrar, as the case may be, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.
20. The Petitioner Companies to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. The First Transferor Company and the Second Transferor Company to pay costs of Rs. 25,000/- each to the Official Liquidator, Mumbai. These costs to be paid within four weeks from the date of receipt of order.
21. All authorities concerned, to act on the certified copy of this order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.



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22. Any person interested in this Scheme, is at liberty to apply to the Tribunal in these matters for any directions or modification that may be necessary.
23. The Scheme is sanctioned and the appointed date of the Scheme is fixed as 1<sup>st</sup> October, 2018.
24. Ordered accordingly.


Sd/-  
**CHANDRA BHAN SINGH**  
MEMBER (TECHNICAL)

Sd/-  
**M.K. SHRAWAT**  
MEMBER (JUDICIAL)

Date :- 27.12.2019

AM.

Certified True Copy  
Date of Application 31.12.2019  
Number of Pages 11  
Fee Paid Rs. 55  
Applicant called for production of copy on 02.01.2020  
Copy prepared on 02.01.2020  
Copy Issued on 02.01.2020

  
Assistant Registrar  
National Company Law Tribunal, Mumbai Bench



**SCHEME OF AMALGAMATION  
OF  
ARROW TEXTILES LIMITED ('FIRST TRANSFEROR COMPANY' OR 'ATL')  
AND  
MMG INDIA PRIVATE LIMITED ('SECOND TRANSFEROR COMPANY' OR 'MMG')  
WITH  
DELTA MAGNETS LIMITED ('TRANSFeree COMPANY' OR 'DML')  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

(Under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions  
of the Companies Act, 2013)

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**A) Preamble**

1. This Scheme of Amalgamation ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder for amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Ltd ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML');
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B) Rationale for the Scheme**

It is desired to consolidate the business of First Transferor Company and Second Transferor Company (hereinafter referred to as 'Transferor Companies') and Transferee Company



under a single entity i.e. Transferee Company. Accordingly, it is proposed to consolidate the operations by way of amalgamation.

The proposed restructuring would:

- Provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company;
- Reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses;
- Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and
- Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

**C) Parts of the Scheme**

The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;
- b) **Part B** deals with the amalgamation of Transferor Companies with Transferee Company;
- c) **Part C** deals with the General Terms and Conditions.



**PART A: DEFINITIONS AND SHARE CAPITAL**

1. In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
- 1.1. **"Act" or "the Act"** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
- 1.2. **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. **"Appointed Date"** means 1<sup>st</sup> October, 2018 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);
- 1.4. **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;
- 1.5. **"ATL" or "First Transferor Company"** means Arrow Textiles Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Plot No.101 - 103 ,19th Street , MIDC, Satpur , Nashik - 422 007, Maharashtra ,India;



- 1.6. "Board of Directors" or "Board" in relation to the Transferor Companies and the Transferee Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;
- 1.7. "DML" or "Transferee Company" means Delta Magnets Limited, a company incorporated under the Companies Act, 1956 and having its registered office at B-87, MIDC, Ambad, Nashik - 422 010, Maharashtra, India;
- 1.8. "Effective Date" or "coming into effect of this Scheme" or "upon the scheme becoming effective" or "effectiveness of the scheme" means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by ATL, MMG and DML with the jurisdictional Registrar of Companies;
- 1.9. 'MMG' or 'Second Transferor Company' means MMG India Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at B-87, MIDC, Ambad, Nashik - 422 010, Maharashtra, India
- 1.10. "National Company Law Tribunal" or "Tribunal" or "NCLT" means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;



- 1.11. "Record Date " shall be the date to be fixed by the Board of ATL in consultation with DML for the purpose of determining the equity shareholders of ATL for issue of equity shares pursuant to this Scheme;
- 1.12. "Scheme" or "the Scheme" or "this Scheme" means the Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 20 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;
- 1.13. "SEBI" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.14. 'SEBI Circular' means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
- 1.15. "Share Exchange Ratio" means the ratio in which the equity shares of DML are to be issued and allotted to the shareholders of ATL on amalgamation as per Part B of this Scheme;
- 1.16. "Stock Exchanges": means the BSE Limited ('BSE') and/ or wherever applicable, the National Stock Exchange of India Limited ('NSE').



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 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.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

## 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 NCLT or made as per Clause 20 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date

## 3. SHARE CAPITAL





3.1. The authorized, issued, subscribed and paid-up share capital of the First Transferor Company as on March 31, 2018 is as under:

Particulars	Amount in INR
<b><u>Authorised Capital</u></b>	
2,10,00,000 Equity Shares of Rs. 10/- each	21,00,00,000
<b>Total</b>	<b>21,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
1,90,43,939 Equity Shares of Rs. 10/- each, fully paid up	19,04,39,390
<b>Total</b>	<b>19,04,39,390</b>

Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the First Transferor Company.

3.2. The authorized, issued, subscribed and paid-up share capital of the Second Transferor Company as on March 31, 2018 is as under:

Particulars	Amount in INR
<b><u>Authorised Capital</u></b>	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
1,38,65,870 Equity Shares of Rs. 10/- each, fully paid up	13,86,58,700
<b>Total</b>	<b>13,86,58,700</b>



Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the Second Transferor Company. The entire issued, subscribed and paid up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees.

3.3. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2018 is as under:

Particulars	Amount in INR
<b><u>Authorised Capital</u></b>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
64,71,014 Equity Shares of Rs. 10/- each, fully paid up	6,47,10,140
<b>Total</b>	<b>6,47,10,140</b>

Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the Transferee Company.

**PART B:**

**AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEEE COMPANY**

**4. VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANIES**



4.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Companies shall be vested in and/or be deemed to have been vested in and amalgamated with the Transferee Company, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 230 to 232 of the Act and all other applicable provisions of law, if any.

4.2 Without prejudice to the generality of the foregoing:

(a) the assets of the Transferor Companies as on the Appointed Date shall include, without limitation:

- i) all properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature, and wherever situated, including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipment, other equipment, computers, air conditioners and refrigerators, cash on hand, stock in trade, advances, investments, claims whether recognized or not (including those under any shareholder or share purchase agreements);
- ii) all licenses, permissions, approvals and consents including environmental approvals and approvals of various regulatory bodies;
- iii) all intellectual property rights including copy rights, trade marks, logos, brands whether registered or not and other intellectual property rights;
- iv) all rights relating to property including lease/tenancy rights, sublicensing, subleasing rights or rights to grant sub tenancy, easement rights, permissions,



- approved use; title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and wherever situated;
- v) all rights and benefits under any contracts with customers, suppliers, sellers, shareholders (including rights under any shareholder or share purchase agreements), and other counterparties; and
- vi) tax incentives, minimum alternate tax credit, cenvat credit, sales tax credit and all other rights, (including rights under any shareholder or share purchase agreements).

(b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date, whether or not provided in the books of the Transferor Companies, which shall be deemed to be the debt, liabilities, duties and obligations of the Transferee Company as the case may be, 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 (including any shareholder or share purchase agreement) 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.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of the Transferor Companies as aforesaid shall be subject to the terms and conditions of the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Companies.



- 4.3 (a) All the assets, licenses, permits, quotas, including approvals of various regulatory bodies, permissions, incentives, benefits, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, copy rights, trade marks, logos, brands, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Companies upto the Appointed Date or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operations of the Transferor Companies shall, pursuant to the provisions of Section 232(4) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including permissions, exemptions, exclusions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.
- (b) On the Scheme becoming effective, all moveable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- (c) In respect of all movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be



transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act.

- (d) The entitlement to various benefits under incentive schemes and policies in relation to the Transferor Companies shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income tax, minimum alternate tax, sales tax, value added tax, excise duty, service tax, customs, goods and service tax and other incentives in relation to the Transferor Companies to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Companies.
- (e) The provisions of this Scheme as they relate to the amalgamation of the Transferor Companies with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined 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 of the Income-tax Act, 1961, 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. CONSIDERATION

- 5.1. Upon the Scheme becoming effective and upon the amalgamation of the First Transferor Company with the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares to the shareholders of the First Transferor Company whose name appears in the register of members of the First Transferor Company as on the Record Date as may be stipulated by the Board of Directors of the First Transferor Company or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz

*"23 (Twenty Three) Equity Shares of Rs. 10 each, fully paid up of Transferee Company shall be issued and allotted for every 100 (Hundred) Equity Shares of Rs. 10 each, fully paid up held in the First Transferor Company."*

- 5.2. The entire issued, subscribed and paid up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of the Second Transferor Company shall stand automatically cancelled and there will not be any issue and allotment of equity shares in the Transferee Company.
- 5.3. In case any equity shareholder's holding in the First Transferor Company is such that the shareholder becomes entitled to a fraction of equity share of the Transferee Company, the Transferee Company shall not issue fractional share to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a person nominated by the Board of the Transferee Company on behalf of such



shareholders, who shall sell such shares in the market at such price or prices and on such time or times as the Board may in its sole discretion decide and on such sale, he shall pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor Company in proportion to their respective fractional entitlements.

- 5.4. In the event that the First Transferor Company / the Transferee Company restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 5.5. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 5.6. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Transferee Company.
- 5.7. The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.
- 5.8. The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 42, 62 of the Companies Act.





2013 and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the shareholders of the First Transferor Company, as provided in this Scheme.

- 5.9. The consideration in the form of equity shares shall be issued and allotted by the Transferee Company in dematerialized form to all the shareholders of the First Transferor Company holding such shares in dematerialized form and in physical form to all those shareholders of the Transferor Companies holding such shares in physical form. Further, the Transferee Company shall ensure that the shares so allotted pursuant to this Clause are listed on the Stock Exchanges where existing shares of the Transferee Company are listed.
- 5.10. The equity shares issued and/ or allotted pursuant to Clause 5.1, in respect of such of the equity shares of the First Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Transferee Company.
- 5.11. The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the First Transferor Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The Transferee Company shall apply for listing of the equity shares issued pursuant to Clause 5.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give



such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.

## 6. ACCOUNTING TREATMENT

6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Companies in its books in accordance with principles as laid down in Appendix C to the Indian Accounting Standard 103 (Business Combination) in the following manner:

6.1.1 All the assets and liabilities of the Transferor Companies vested in the Transferee Company pursuant to the Scheme shall be recorded in the books of the Transferee Company at their respective carrying values as appearing in the books of Transferor Companies as on the Appointed Date.

6.1.2 The balance of the reserves appearing in the financial statements of the Transferor Companies as on the Appointed Date is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

6.1.3 The Transferee Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the shareholders of the First Transferor Company.

6.1.4 Inter-company holdings and balances, if any, between the Transferee Company and the Transferor Companies shall stand cancelled.

6.1.5 The difference, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the First Transferor Company and Second Transferor



Company and the face value of shares issued by the Transferee Company after providing for adjustments as stated above shall be adjusted in capital reserve.

- 6.2 In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves / goodwill to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 6.3 Upon coming into effect of this Scheme, any expenses incurred by the Transferee Company in relation to the Scheme (for e.g. stamp duty, share issue expenses, statutory fees, legal fees etc.) shall be debited to the Capital Reserve Account.

#### **7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 7.1 With effect from the Appointed Date and upto and including the Effective Date:
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on its business and activities and shall stand possessed of its 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 Companies and all costs, charges, expenses or losses incurred by the Transferor Companies shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- (c) The Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its 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 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 Companies and the Transferee Company.

- (d) The Transferor Companies shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies as the case may be, prior to the Appointed Date.

- 7.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

#### 8. STAFF, WORKMEN & EMPLOYEES

- 8.1. All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other



entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Companies.

- 8.2. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Companies and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Companies.



9. LEGAL PROCEEDINGS

- 9.1. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising before the Effective Date and relating to the Transferor Companies, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Any cost pertaining to the said proceedings between the Appointed Date and the Effective Date incurred by the Transferor Companies shall be reimbursed by the Transferee Company.
- 9.2. After the Effective Date, if any proceedings are taken against the Transferor Companies in respect of the matters referred to in the Clause 9.1 above, they shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.
- 9.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Companies referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Appointed Date.



10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 10.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Companies, shall continue in full force and effect against or in favor of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.
- 10.2. With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Companies shall stand vested in the Transferee Company without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Transferee Company upon the vesting and transfer of undertakings of the Transferor Companies pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 10.3. 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the



Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

10.4. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by the Transferor Companies for payment after the Effective Date.

## 11. TAXES

11.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, all tax payable by the Transferor Companies under Income-tax Act 1961, Customs Act, 1962, Goods and Services tax or other applicable laws/ regulations dealing with taxes/duties/levies (hereinafter 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 Companies, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Companies. Similarly any advance tax payment required to be made for 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 Companies. Further Minimum Alternate Tax paid by the Transferor Companies under Income Tax Act 1961, shall be





deemed to have been paid on behalf of the Transferee Company and Minimum Alternate Tax Credit (if any) of the Transferor Companies as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set off against the tax liabilities of the Transferee Company. Any refunds/credit under the tax laws due to the Transferor Companies consequent to assessments made on the Transferor Companies 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.

- 11.2. Further, any tax holiday/deduction/exemption/carry forward losses enjoyed by the Transferor Companies under Income-tax Act 1961 would be transferred to the Transferee Company.
- 11.3. On or after the Effective Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for the purpose of re-computing tax on book profits and claiming other tax benefits), goods and services tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 11.4. All taxes paid or payable by the Transferor Companies in respect of the operations and/or profits of the business before the Appointed Date shall be on account of the Transferor Companies and in so far it relates to the tax payment whether by way of deduction at source, advance tax or otherwise by the Transferor Companies in respect of profits or activities or operations of the business after the Appointed Date, the same



shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Companies 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 Companies in respect thereto as done and executed on behalf of the Transferee Company.

13. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the effectiveness of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.



14. PROFITS AND DIVIDENDS

14.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2018 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Transferor Companies and the Transferee Company.

14.2. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company as the case may be.

15. CONSOLIDATION OF AUTHORISED CAPITAL

15.1. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Companies shall stand consolidated and vested in and be merged with the Authorized Share Capital of the Transferee Company without any liability for payment of any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, as such fees and duties in respect of such Authorized Share Capital of the Transferor Companies have already been paid by the Transferor Companies, the



benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective in terms hereof and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

- 15.2. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Section 13 of the Companies Act, 2013 and Section 230-232 and other applicable provisions of the Companies Act, 2013, as set out below:

*"The Authorized Share Capital of the Company is Rs.46,00,00,000/- (Rupees Forty Six Crores only) divided into 4,60,00,000 (Four Crore Sixty Lakhs) Equity Shares of Rs.10/- each. The Company shall have power to increase or reduce the authorized share capital, to classify the unclassified shares and to divide the same in shares of several classes permissible under the Act and to attach thereto respectively such preferential, deferred, qualified and other special rights, privileges, restrictions and conditions as may be determined under the provisions of the law in force for the time being and the regulations of the Company and to vary, modify, abrogate or deal with any such rights, privileges, restrictions and conditions in the manner prescribed by the regulations of the Company and under the provisions of the law in force."*

- 15.3. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of



the Transferee Company as required under Sections 13, 14, 16, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

16. CHANGE OF NAME OF THE TRANSFEE COMPANY

Upon sanction of this Scheme, the name of the Transferee Company shall automatically stand changed without any further act, instrument or deed on the part of the Transferee Company, to "Delta Manufacturing Limited" or such other name as may be approved by the concerned Registrar of Companies and the Memorandum of Association and Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

17. DISSOLUTION WITHOUT WINDING UP

Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board of Directors and any committee thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

18. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY



On and from the Effective Date, the objects of the Transferee Company shall be deemed to have been altered by adding clause 1B and clause 1C to the existing clause 1 and clause 1A in the objects with of the Memorandum of Association of the Transferee Company, which shall read as under:

“  
1B. To buy, sell, market, deal in, trade, develop, import, export all kinds of textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics, non wovens, household linen of all types and to manufacture the same and/or to get manufactured by any method or process including spinning, weaving, knitting, warp knitting, dyeing, processing, printing, finishing, stitching, non wovens, mending, parking and to establish and/or get established mills for manufacturing of the same and to buy, sell market and to deal in, trade, develop, import, export and to manufacture and/or get manufactured all types of fibres including polyester, polyamide, acrylic, cotton, viscose, rayon, silk, wool, all types of filaments, all types of yarns and cords, all types of threads.

1C. To carry on all or any of the businesses of manufacturers manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents and distributors of and dealers in metal objects, products and substances of all kinds, including without limitation ferrite and magnetic products and whether made of ferrous or non ferrous metals, and of and in plastic objects, products and substances of all kinds.”



It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Companies Act, 2013. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Companies Act, 2013 for the amendments of the Memorandum of Association of the Transferee Company.

**PART D**

**GENERAL TERMS AND CONDITIONS**

**19. APPLICATION TO NCLT**

The Transferor Companies and the Transferee Company shall make Applications / Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

**20. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Transferor Companies and the Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and /



or impose. The aforesaid powers of the Transferor Companies and the Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

**21. CONDITIONALITY OF THE SCHEME**

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

21.1.1. The requisite sanctions and approvals of all government, statutory, regulatory, judicial or other authority as may be necessary, and any consents, no-objection confirmations or approvals of the Stock Exchange, in respect of the Scheme being obtained;

21.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and as may be directed by NCLT;

21.1.3. Approval of the shareholders of Transferor Companies and Transferee Company through e-voting and/or any other mode as may be required under any Applicable Law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of First Transferor Company and Transferee Company, against it as required under the SEBI Circular. The term





'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and

21.1.4. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor Companies and the Transferee Company as may be applicable.

**22. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

- 22.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2019 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 22.2. The Transferor Companies and the Transferee Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any appropriate authority / person is unacceptable to any of them



or (ii) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

22.3. In the event of revocation/withdrawal under Clauses 22.1 and 22.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Transferor Companies and the Transferee Company and shall bear its own costs, unless otherwise mutually agreed.

23. COSTS, CHARGES & EXPENSES

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



**IN THE NATIONAL COMPANY LAW TRIBUNAL,**

**MUMBAI BENCH**

**COMPANY SCHEME PETITION NO. 1677 OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of Sections 230 to 232 of the  
Companies Act, 2013 and other applicable  
provisions of the Companies Act, 2013

AND

In the matter of Scheme of Amalgamation of  
Arrow Textiles Limited and MMG India Private  
Limited with Delta Magnets Limited and their  
respective shareholders ('Scheme')

**DELTA MAGNETS LIMITED**

..... Petitioner Company

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CERTIFIED COPY OF THE MINUTES OF  
THE ORDER DATED 27<sup>TH</sup> SEPTEMBER,  
2019 AND SCHEME ANNEXED TO  
COMPANY SCHEME PETITION

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**M/S HEMANT SETHI & CO.**

Advocates for the Applicant

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