



MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF

VARDHMAN POLYTEX LIMITED





प्रारूप ० आई ० नंबर ०
Form I. R.

निगमन का प्रमाण

CERTIFICATE OF INCORPORATION



ता०.....का सं०.....
No. 4242 of 19.....80

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

पोलीटेक्स लिमिटेड

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that.....PUNJAB MOHTA POLYTEX LIMITED

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

मेरे हस्ताक्षर से आज ता०.....को दिया गया।

Given under my hand at.....JULLUNDUR.....this.....20TH EIGHTY

day of.....AUGUST.....One thousand nine hundred and.....
(29th Sravana Saka 1902)

(N.N. MAULIK)
कम्पनियों का रजिस्ट्रार
Registrar of Companies.

PUNJAB, H. P. & CHANDIGARH

जे० एस० सी-1
J. S. C-1.

प्रभासमुटेक-397-19 जनरल एडमिन/76-77-भासमुटेक-(सी-408)-8-9-76-20,000.
MGIPTC-397-19 Genl. Admn./76-77-GIPTC-(C-408)-8-9-76-20,000.

COMPANY NO. 4242

FRESH CERTIFICATE OF INCORPORATION
ON CHANGE OF NAME
IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
PUNJAB, HIMACHAL
PRADESH & CHANDIGARH AT JALANDHAR
(UNDER THE COMPANIES ACT, 1956) (1 OF 1956)



IN THE MATTER OF PUNJAB MOHTA POLYTEX LIMITED


I hereby certify that PUNJAB MOHTA POLYTEX LIMITED

which was originally incorporated on 20-8-1980 under the Companies Act, 1956 and under the name of PUNJAB MOHTA POLYTEX LIMITED

having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956, approval of the Central Government is hereby accorded thereto and the name of the said company is this day changed to VARDHMAN POLYTEX LIMITED

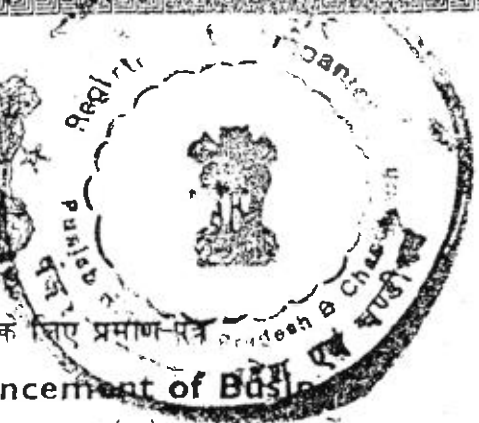
and this certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at Jalandhar this days of 20th day of August
One Thousand Nine Hundred ninty One


(K.L. KAMBOJ)
Registrar of Companies
Punjab, H. P. & Chandigarh



संघर्ष



Co. No. 4242

कारबार प्रारम्भ करने के लिए प्रमाण-पत्र

Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसरण में
Pursuant of Section 149(3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि **पंजाब मोहता पॉली टेक्स**
लिमिटेड

जो कम्पनी अधिनियम, 1956 के अधीन तारीख.....को निगमित की गई थी और जिसने आज विहित प्रारूप में सम्यक् रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1)(क) से लेकर (घ) तक/149(2)(क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the... **PUNJAB MOHTA POLYTEX** ...
LIMITED

which was incorporated under the Companies Act, 1956, on the... **20th** ... day of... **August** **1980**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of section ~~149(1)(a) to (c)~~/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख.....को..... में दिया गया।

Given under my hand at... **J. A. L. A. N. D. H. A. R.** this... **2nd** day of... **December** One thousand nine hundred and... **eighty two**

(**B. M. JAIN**)
कम्पनियों का रजिस्ट्रार

Registrar of Companies

PUNJAB, P. & CHANDIGARH

जे० एस० सी०-10
J.S.C-10

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THE COMPANIES ACT, 1956
PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
VARDHMAN POLYTEX LIMITED

- I. The name of the Company is VARDHMAN POLYTEX LIMITED.
- II. The Registered Office of the Company will be situated In the State of Punjab.
- III. The Objects for which the Company is established are

(A) MAIN OBJECTS OF THE COMPANY to be pursued on its incorporation

1. To carry on all or any of the following business namely ginning, pressing, spinning, weaving, doubling, texturising, processing or manufacturing and dealing in cotton, jute, flax, hemp, silk, artificial silk, wool, rayon, Nylon silk and other nylons, polyester, acrylic, acetate, viscose staple fibres and any other kinds whatsoever of fibrous material, whether natural or synthetic or man made and products thereof, linen manufacturers, wool combers, worsted spinners, worsted stuff manufacturers, manufacturers of yarn, linen cloth and other goods and fabrics, whether textile, felted, netted, looped, woven, non-woven or otherwise fabricated or made and manufacturers of garments and dresses, bleachers and dyers and makers of vitriol, bleaching and dyeing materials and other chemicals and the business of buyers and sellers of and dealers in cotton, kapas, jute, flax, hemp, silk, artificial silk, wool, staple fibres, rayon, polyester acrylic, acetate, nylon and any other kinds whatsoever of fibrous, synthetic and chemical substances and products, yarn cloth or other products manufactured for or from any of the above substances and also to carry on the business of curing, preparing, colouring, Dyeing, bleaching, printing or otherwise processing, any yarn, cloth or other materials, goods or products.
2. To carry on the business of manufacturers of and dealers in yarn, printed and embroidered cloth, fabrics and other kinds of cloth, nets, nettings, mattings, carpets, rugs, waterproof materials and fabrics, paulines, imitation leathers plastic cloth, plastics and plastics products and goods of all kinds, hosiery, threads, knitting yarn millinery, laces and other clothing and dress materials made from all kinds of raw material as well as synthetic and chemical materials and substances.
3. *Substituted vide special resolution dt. 09.09.1996*
To carry on the business of buyers, sellers, dealers, exporters and importers of woollen, silken, cotton, hemp and cotten waste yarn, cotton waste, yarn waste jute and other fibrous material and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw material and manufactured articles.
4. To undertake dyeing, bleaching or printing of yarh, cloth, cotton in process, raw cotton, nylon, silk, wool, jute, hemp and other fibres for any person or persons, firm or firms, company or companies, corporation or corporations or otherwise by agent of the company.
5. To purchase, sell, develop, take in exchange or on lease, hire or otherwise acquire, whether for investment or sale, or working the same, any real or personal estate, including land, mines, business, building, factories, mills, houses, cottages, shops, depots, warehouses, machinery, plant, stock in trade, minerals rights, concession, privileges licenses, easement or interest in or with respect to such property in consideration for a gross sum or rent or party in one way and partly in the other or for any other consideration and to carry on business as builder, constructor, proprietor of flats, apartments, villa, building, shop etc and to let on lease or otherwise apartments therein and to provide for the services, conveniences commonly provided in flats, suits, apartments and residential /commercial quarters

B. OBJECTS INCIDENTAL OR ANCILLARY to the attainment of the main objects:

1. To manufacture or deal in plant, machinery
To purchase and otherwise acquire, manufacture, own, import, sell, export and deal in all materials, substances, appliances, machines, containers and other articles and apparatus and things capable of being used in any of the aforesaid business and to own, lease and otherwise acquire and use facilities of whatever kind as may be convenient or useful or conducive to the effective working of the said business or any part thereof.
2. Construct and superintend building, offices, structures
To acquire, build, construct, alter, maintain, enlarge, pull down remove or replace and to work, manage

and control any buildings, offices, factories, mills, shops, **machinery, engines, roadways**, tramways, railways, branches or sidings, bridges, reservoirs, water courses, **wharves, electric works** and (other works and) conveniences which seem calculated directly or indirectly to **advance the interests of the company**, and to join with any other person or company in doing any of these things.

3. To produce gas, electricity and process by Products.

To produce gas and electricity necessary for the purpose **of the business of the company** and to process all products resulting from or ancillary to such production **and making of gas, to convert** the same into saleable materials like coke, road tar, creosote oil, phenols, **creosotes, carbolic acid** and other chemicals or distilled products and by products and to otherwise deal with and **dispose of the same** and to take all steps incidental or required in respect of the same.

4. General Manufacturers

To buy, sell, manufacture, repair, alter, improve, **exchange, let out on hire, import**, export and deal in all factories, works, plant, machinery, tools, utensils, **appliances, apparatus, products**, materials, substances, articles and things capable of being used in any business **which this company** is competent to carry on or commonly dealt in by persons engaged in any such business **or which may seem** capable of being profitably dealt with in connection therewith and to manufacture, **experiment with, render marketable** and deal in all such products of residual and by-product incidental to or **obtained in any of the business** earned on by the company.

5. Purchase lease, exchange

To purchase, take on lease or tenancy or in exchange, **hire, take options over** or otherwise acquire for any estate or interest whatsoever and to hold, develop, **work, cultivate deal with** and turn to account, concessions, grants, decrees, licences, privileges, claims, options, **leases, property, real or personal** or rights or powers of any kind which may appear to be necessary or convenient **for any business of the company**.

6. Disposal of undertaking and property of company

To sell, exchange, mortgage, let on lease, royalty or tribute, **grant licences, easements**, options and other rights over and in any other manner deal with or dispose of the **whole or any part of the undertaking**, property, assets, rights and effects of the company for such considerations **as may be thought fit** and in particular for stock shares whether fully or partly paid up, or securities of **any other company having** objects in whole or in part similar to those of the company or as may be approved by the **shareholders**.

7. Payment for property and services

To pay for any rights or property acquired by the company **and to remunerate any person**, firm or body corporate rendering services to the company either by cash payment **or by allotment** to him or them of shares or securities of the company as paid-up in full or in part or otherwise.

8. Advances deposited and loans

To lend and advance money, either with or without security, **and give credit** to such persons (Including Government) and upon such terms and conditions as **the company may think fit**, provided that the company shall not carry on banking business.

9. Financial and commercial obligation

To undertake financial and commercial obligations, transactions **and operations of all kinds**.

10. Guarantee and Surety

a) To guarantee the performance of any contract or obligations **of, and the payment of money** of or dividends and interest on any stock, shares or securities of any company, **corporation, firm or person** in any case in which such guarantee may be considered directly or indirectly to **further the objects of the company**.

b) To guarantee the payment of money unsecured or secured **or payable under or in respect of** promissory notes, bonds, debentures, debenture stock, contracts, mortgages, **charges, obligations**, instruments and securities of any company or any authority, supreme, municipal, local or **otherwise or of any persons whomsoever**, whether incorporated or not incorporated

and generally, to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the purpose of the company.

11. To provide research laboratories, lectures, scholarships
To establish, provide, maintain and conduct, or otherwise subsidise, schools, colleges, research laboratories and experimental workshops for scientific and technical research and experiments; to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches both scientific and technical investigations and inventions by providing subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings, and conferences by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests, and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on.
12. To develop land, buildings
To develop and turn to account any land acquired by the company or in which it is interested, and in particular by, laying out and preparing the same for building purposes, constructing, altering, pulling down decorating maintaining, furnishing, fitting up and improving buildings, and by planting, paying, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and other.
13. Patents
To apply for purchase or otherwise acquire and protect, prolong and renew in any parts of the world, any patent rights, brevets invention, trade markets, designs, licences, protections, protections concessions and the like conferring any exclusive or non-exclusive or limited right to their use or of any secret or other information as to any invention, process or privilege which may seem, capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licences or privileges in respect of or otherwise, turn to account, the property rights and information so acquired and to carry on any business in any way connected therewith.
14. To obtain Government or other concessions
To enter into any arrangement with any Government, Central, State, Local or foreign or authority, supreme, municipal, local or otherwise, or body corporate, firm or person, that may seem conducive to the company's objects or any of them, and to obtain from any such Government, authority, body corporate, firm or person, any concessions, grants, decrees, rights, subsidies, loans, indemnities, sanction, protection, charters, contracts, licences, powers and privileges, whatsoever, which the company may think it desirable to obtain and to carry out, exercise and comply with the same.
15. To acquire contracts, licences and concessions
To apply for, tender, purchase, or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or businesses herein mentioned or any of them and to undertake, execute, carry out dispose of or otherwise turn to account the same.
16. To acquire and undertake similar or ancillary business
To acquire and undertake the whole or any part of the business property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this company.
17. Holding Stocks shares and Securities
To subscribe for, underwrite, acquire, hold, and sell shares, share-stock, debentures, debenture-stock, bonds, mortgages obligations securities of any kind issued or guaranteed by any company (body corporate or undertaking) of whatever nature and wheresoever constituted or carrying on business and to subscribe for, underwrite, acquire, hold and sell shares, stock, debenture and debenture-stock, bonds, mortgages, obligations and other securities issued or guaranteed by any

government, sovereign ruler, commissioners, trusts, municipals, local or other authority or body of whatever nature, whether in India or elsewhere.

18. Borrowing

To borrow or raise money or to receive money on deposit for the purposes of the company, in such manner and upon such terms as may seem expedient, and to secure the repayment thereof and of moneys owing or obligations incurred by the Company, and to create, issue and allot redeemable or irredeemable bonds, mortgages or other instruments, mortgages debentures (such bonds, or debentures being made payable to bearer or otherwise and issuable or payable either at par, a premium, discount, or as fully paid), and for any such purposes to charge all or any part of the property and profits of the company both present and future including its uncalled capital. The company shall not carry on any banking business as defined in the Banking Companies Act, 1949.

19. Negotiable instruments

To negotiate loans for the company or other persons or bodies to lend moneys, securities and other properties, to draw, make, accept, issue endorse, discount, buy sell, and deal in bills of exchange, promissory notes, hundies, drafts, bills of lading, warrants and other negotiable or transferable instruments, and all kinds of securities and to become sureties and guarantors for any such purposes.

20. Investments and loans

To invest any moneys of the company not immediately required for the purpose of its business in such manner as may be thought fit, and to lend money to such parties and on such terms, with or without security as may be thought to be for the interest of the company and in particular to customers or persons having and dealing with the company or to companies, firms or persons carrying on any business which may be useful or beneficial to this company.

21. To amalgamate or sell or lease undertaking and rights

To amalgamate with any company or companies having objects altogether or in part similar to those of this company or to sell, exchange, lease, under lease, surrender, abandon, amalgamate, sub-divide, mortgage or otherwise deal with either absolutely, conditionally, or for any limited interests, all or any part of the undertaking, property, rights or privileges of the company, as a going concern or otherwise, to or with any public body, corporation, company, society or association or to any person or persons for such consideration as the company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debentures- stock, securities or property or any other company.

22. To pay expenses of promotion of this or other company.

To pay out of the funds of the company all or any expenses which company may lawfully pay of and incident to the promotion, formation, amalgamations, take over, organization, registration, advertising, and to the issue and subscription of the share or loan capital, including brokerage and commission for obtaining application for, or placing or guaranteeing the placing of the shares or any debentures, debenture stock or other securities of this or any such other company, and also all expenses attending the issue of circulars, export, maps, plans, or notices, or the printing, stamping and circulating of proxies or forms to be filled up by the members of this company subject to section 176(4) of the Companies Act. 1956.

23. Distribution in specie

To distribute any of the assets or property of the company among the members in the event of winding up in specie or otherwise, but so that no distribution amounting to a reduction of capital be made without the sanction of the court where necessary.

24. To insure property

To insure any of the properties, undertaking, contracts, guarantees or obligations of the company of every nature and kind in any manner whatsoever.

25. To promote trade and commercial relations

To promote, carry on, maintain and develop, trade of all kinds and trade, industrial, commercial

and financial relations of every kind and description in all matters connected with the main objects of the company.

26. Donations and payments for services rendered in certain matters

To make donations to such persons and in such cases, and either of cash or 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 to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition not being one intended to serve the cause of any political party or for promoting any political purpose or for any public, general or other object, and to aid in the establishment and support of association for the benefit of persons employed by or having dealing with the company, and in particular provident, friendly or other benefit societies and to grant any pension, either by way of an annual payment or a lump sum to any officer or servant of the company, or to his relatives or dependents.

27. To act as principals agents etc. in above matters

To do all or any of the above things in any part of the world, either as principals, agents, contractors, trustees, or otherwise, and either alone or in conjunction with others, and either by or through agents, subcontractors, or otherwise: with power to appoint a trustee or trustees, personal or corporate, to hold any property on behalf of the company, and to allow any property to remain outstanding in such trustee or trustees.

28. To negotiate for furtherance of or oppose steps against objects

To take all necessary or proper steps in any legislature (central or provincial or state or of a union territory) or with the authority, Government, local, municipal or otherwise of any place in which the company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the company or effecting any modification in the constitution of the company or furthering the interests of its members, and to oppose any steps taken by any person or company, which may be considered likely directly or indirectly to prejudice the interests of the company or its members.

29. To obtain order etc. conferring powers and oppose proceedings

To obtain any order of Act of legislature or parliament for enabling the company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the company or for any other purpose which may seem expedient and to oppose any proceedings or applications which seem calculated directly or indirectly to prejudice the company's interest.

30. Preliminary and underwriting expenses

To pay out of the funds of the company all expenses which the company may lawfully pay with respect to the formation and registration 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 security of the company.

31. Aid to solution of industrial or labour problems

To aid and support, peculiarly or otherwise any person, association, body or movement, having for an object the solution, settlement or surmounting industrial or labour problems or troubles or the promotion of industry or trade concerning the objects or business of the company or related interests.

32. Contribution for charitable or useful purpose

To subscribe, contribute, pay, transfer or guarantee money for or to dedicate, donate, present or otherwise dispose either voluntarily or for value, any moneys or properties of the company to or for the benefit of any national, charitable, benevolent, religious, scientific, local, general or useful objects, purposes or institutions or for any exhibition or for any purpose which may be considered likely, directly or indirectly to further the objects of the company or the interests of its members. No contribution/donation shall, however, be made to any political party or for any political purpose.

33. Pensions and financial assistance to officers and employees

To grant pensions or other emoluments or gratuities to any employees, ex-employees and officers

and ex-officers, (including Directors and ex-Directors) of the company and to the relations connections or dependents of any such persons, and to establish or support associations, institutions, clubs, funds, and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the company or of its members, and to establish and contribute in accordance with the provision to section 77(2) of the Act to any scheme for the purchase by trustees of shares in the company to be held for the benefit of the company's employees, and officers and to lend money to the company's employees, and to provide for the welfare of any employees or ex-employees and officers and ex-officers (including Directors and ex-Directors) of the company, or the relations, connections or dependents of any such persons, by building or contributing to the building of houses or dwelling or quarters or by providing any other amenities and benefits or by creating and from time to time subscribing or contributing to provident funds and other funds, associations, institutions, schemes or trusts and by providing or subscribing or contributing towards places of intructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the company may from time to time think fit.

34. Arbitration

To refer all questions, disputes or differences arising between the company and any other person whosoever (other than a Director of the company) in connection with or in respect of any matter relating to the business or affairs of the company to arbitration in such manner and upon such term as the company and such other person may mutually agree upon in each case, and such reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the rules of the international chamber of commerce relating to arbitration or otherwise.

35. Promotion

To form, incorporate or promote any company or companies whether in India or elsewhere, having amongst its or their object the acquisition of any of the assets or control, management or development of the company or any other object or objects which in the opinion of the company could or might directly or indirectly assist the company in the management of its business or the development of its properties otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person of company in any manner it shall think fit for services rendered or to be rendered in obtaining subscription for or placing or assisting to place or to obtain subscription for or for guaranteeing the subscription of or the placing of any shares in the capital of such company or any bonds, debentures, obligations or securities of any other company held or owned by the company or in which the company has any interest or in or about the formation or promotion of the company or the conduct of its business or in or about the promotion of any other company in which the Company may have an interest.

36. Trustee and agency and other business

To carry on any other business whether manufacturing or otherwise that may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property, real or personal belonging to the Company or in which the Company may be interested and to do all or any of the above things either as principals, agents, trustees, contractors, or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise.

37. Publicity

To adopt such means of making known the products of the Company as may seem expedient, and in particular by advertising through any audio-visual means, in the press, by circular, by purchase and exhibition of works of art or interest by publication of books and periodicals, and by granting prizes, rewards and donations or in any other manner considered suitable.

38. Marketing

To arrange for the marketing and sale of the products, any by-products of the Company and of such raw materials, goods, and articles remaining in its possession as are normally necessary for

carrying on the business of the company but are not immediately required for use by it, and for that purpose either to establish its own shops, agencies or marketing organizations or to appoint selling agents and/or distributors (whether individuals, firms or bodies corporate) in any place in or outside India, to allot, specify, alter or modify their areas of operations or the terms and conditions of their appointment and to pay remuneration to such selling agents and/ or distributors by way of such commission or in such other manner as the Company may deem fit.

39. Trusts

- a) To undertake and execute any trust, the undertaking of which may seem to the Company desirable, either gratuitously or otherwise and vest real or personal property, rights or otherwise, acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- b) To accept gifts and to give gifts and donations, to create trusts for the welfare of employees, members, directors and or their dependants, heirs and children and for any deserving object and for other persons also and to act as trustees.

40. Establishment of association connected with the company or for employees of the Company

To apply the assets of the Company in any way in or towards the establishment, maintenance or extension or any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade, including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debt, strike combination, fire accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the company or any of its predecessors in business or their families or dependants and whether or not is common with other persons or classes of persons and in particular of friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, refractories, dining and recreation rooms, churches, chaples, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscription for any purpose.

41. Depreciation fund and other funds

To create any depreciation fund, reserve, reserve fund, sinking fund, insurance fund, or any special or other fund or account whether for repayment of redeemable preference shares, redemption of debentures or debenture stock, for special dividends, for equalising dividends for repairing, improving, extending and maintaining any part of the property of the Company and/or for any other purpose whatsoever.

42. Disposal of property as present

To dedicate, present, or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or of the public.

43. To appropriate land for public use.

To appropriate use or layout land belonging to the Company for streets, parks, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the company thinks fit.

44. Agencies, branches and registration of company outside India.

To establish and maintain agencies, branches, places and local registers and procure the company to be registered or recognised and to carry on business in any part of world.

45. To do all things incidental

To do all such other things as may be considered to be incidental or conducive to the above objects or any of them.

C. OTHER OBJECTS not included in sub-clauses (A) and (B) above:

1. Importers, exporters, Agents

To carry on the business as importers and exporters of goods or merchandise or any description or to act as shippers, underwriters, commission agents, advertising agents, traveling agents, transport agents, forwarding and clearing agents, brokers, estate agents and hardware merchants, traders and dealers in articles of any type.

2. Mining

a) To purchase, take on lease or otherwise acquire, any mines, mining rights and metalliferous land in India or elsewhere, and any interest therein, and to explore, work, exercise, develop, and turn to account the same.

b) To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market, ore, metal clay and mineral substances of all kinds, and to carry on any other mining and metallurgical operations.

c) To buy, sell, manufacture, and deal in minerals, plant machinery, implements, conveniences, provisions and things capable of being used in connection with mining and metallurgical operations.

3. Iron and Steel

a) To carry on the business as manufacturers, producers, processors, importers, exporters and dealers in all kinds of steel, in particular steel ingots and billets rolled steel tool and alloy steels, special steels, spring steels, high speed steels, high alloy constructional steels, die steels, stainless steels and steels of all other types or nature, in all dimensions and sections.

b) To carry on the business of iron masters, iron founders, steel makers, iron and steel converters, metal workers, smiths, smelters of ore, tinplate makers, tools makers, mill wrights, machinists, brass funders, wire drawers, moulders, metallurgists and to buy sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements rolling stock and hardware of all kinds.

c) To carry on the business of manufactures, importers and exporters of and dealers in forged, pressed, structural and rolled products of all kinds, rods, bars, wires sheets and all kinds of ferrous and nonferrous metal products and to manufacture, produce, export, import, and deal in sheet metal articles of all kinds,

d) To buy, sell, manufacture and deal in rolled steel products, ferrous and non-ferrous wires, rods and coils and articles and products of all kinds made of iron, steel, spring steel, low, medium or high alloy steels and ferrous and non-ferrous metals.

e) To prepare, process, manufacture, assemble, fabricate, repair cast, fit, press, machine, treat, weld, harden, plate, temper, anneal any kind of plants, tools, machineries, moulds accessories, spare parts tools and implements and to do all such other acts or things necessary in connection with the same.

f) To carry on the business as manufacturers, producers, importers, exporters, purchasers, sellers, and dealers in all kinds of metal castings, including alloy castings, iron and/or steel castings and special steel castings, chilled and malleable castings, copper, brass and aluminium castings and castings of all descriptions and of any metals and to process and deal in all or any other products or goods of a character similar or analogous to the foregoing or any of them or connected therewith.

4. Paper and Pulp

To carry on the business of manufacturers of, and dealers in all kinds and classes of paper and pulp including sulphit and sulphate wood pulp, mechanical pulp and soda pulp and papers including transparent, vellum, writing, printing, glazed absorbent, news printing, wrapping, tissue, cover, blotting, filter bank or bond, badami, brown, buff or coloured lines, azure laid, grass or water proof, hand made parchment, drawing, craft, carbon, envelop, and box and straw duplex and triplex boards and all kinds of articles in the manufacture of which in any form pulp, paper or board is used and also to deal in or manufacture artificial leather of all varieties, grades and colour.

5. Rubber and Plastic
To promote, establish, acquire and run or otherwise carry on the business of any plastic or rubber industry or business of manufacture of materials for use in such industries or business such as wax, paper, bakelite, plywood, celluloid, products, chemicals of all sorts and other articles or things similar or allied products or process and to sell, purchase or otherwise acquire or deal in materials or things in connection with such trade and industry.
6. Investments
To carry on investment business in and dealing in shares, stock, securities and properties of any kind and description, including estate business,
7. Underwriting
To subscribe for underwrite, acquire hold and sell shares, share-stock, debentures, debenture-stock, bonds mortgages, obligations, securities of any kinds issued or guaranteed by any company (body corporate or undertaking) of whatever nature and wheresoever constituted or carrying on business; and to subscribe for, underwrite, acquire, hold and sell shares, share stock, debentures and debenture-stock, bonds, mortgage, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere.
8. Engineering goods
To carry on the business of manufacturers of and dealers in automobile parts, accessories, ancillary stores and spares and to engineer, develop, design, assemble, manufacture, produce, import and export, buy, sell, and otherwise deal in industrial, mining, agricultural and other machines, and all types of tools, plants, equipments, instruments, appliance and hardware of all kinds, general fittings, accessories, and appliances of all description made of metal, alloy, glass, synthetic and other fibres, chemicals, and PVS compounds and plastics.
9. Electrical Equipments
To manufacture and/or produce and/or otherwise engage generally in the manufacture or production of or dealing in electrical kilowatt hour meters, magnets, electromagnets, power cables, industrial jewels, ammeters, voltmeters and other type of measuring instruments, electrical or non-electrical, die castings, screws, nuts and bolts, transformers of all types, circuit - breakers, punched card machines, computers and calculators, and their accessories, hoists, elevators, trolleys and coaches, winches, power generators, magnetic separators, winders, air compressors, welders, fans of all types, switches and motors of all types, drills, electric grinders, air conditioners refrigerators, washing machines, television and wireless apparatus including radio receivers and transmitters, electronic instruments, diodes, transistors and allied items, watches and clocks, cameras and any household appliances and any equipment used in the generation transmission and receiving of sound, light and electrical impulses and component parts thereof and other materials and products.
10. Data Processing
To carry on a general business of providing comparative information about the characteristics, interest or other attributes of individuals, communities, organisations, countries or other social units and of any articles or commodities or economic trends or person whatsoever, to design, invent, prepare, own, make use of, lease, sell or otherwise, dispose of and, generally, to deal in and with computers, data processing machines, tapes, cards memory equipment or any other equipment and materials of every kind and description useful in connection with this business, to licence or otherwise authorize others to engage in the foregoing, and to engage in general research and development in area related to or involving the foregoing.
11. Wood Products
To grow, take on lease, acquire, develop, deal in plantations and forests, and to process in all aspects timber, wood, plywood, and all kinds, of wood, and to make products wherein wood is a constituent part and to design, develop, fabricate any products involving the use of wood.

12. Chemicals and fertilizers

To produce, manufacture, use, buy or otherwise acquire, sell, distribute, deal in and dispose of alkalis and acids, gases, compounds fertilizers, chemicals and chemical products of every nature and description and compounds, intermediates, derivatives and by products thereof and products to be made therefrom (hereinafter for convenience referred to generally as, chemicals and chemical products) including specifically, but without limiting the generality of the foregoing calcium carbide, calcium cyanamide, vat, solubilised vat azoic salts, naphthols, all types of floatation regents, wetting agents, insecticides and fumigents, plastics and resins, dyestuffs, explosives, catalytic agents, foods, direct colours, basic and rapid fast colours, pigments, drugs, biologicals, pharmaceutical, serums, vitamin products, hormones, suture, suture, drugs for disease or disabilities, in men or animals; and products derived from phosphate, mines, limestone, quarries, bauxite mines, petroleum, natural gas and other natural deposits useful or suitable in the manufacture of chemicals and chemical products as herein above defined.

13. Oils

To manufacture, produce, refine, prepare, purchase, store, sell and generally to trade and deal in hair oils, edible or vegetable oils, medical oils and mineral oils, and all products and by-products thereof including soap, paint, varnish, lubricants ghee and butter or their substitutes, oil, cloth, candles tallow substitutes glycerine, and in connection therewith to acquire, construct, repair, operate and use factories, and other refineries, buildings, mills, factories, distilleries, ghanies, rotaries expellers, mechanical or hydraulic press etc.

14. Resins and Paints

To carry on the business of manufacturers, and dealers, importer and exporters of natural and synthetic resins, moulding powders, adhesives and cements, oil paints, distempers, cellular paints, colours, varnishes, enamels, gold and silver leaf enamels and sprit and other allied articles.

15. Glass

To manufacture, prepare, import, export, buy, sell and otherwise deal in all kinds of glass, glassware, glass goods, mirrors, looking glass, scientific glass. wares. sheet and plate glass, bangles, flash pearls, bottles, phials and all kinds of articles prepared of glass and to carry on the business of glass, patent, solvers, glass embossers, ecclesiastical lead workers, tablet show card and show case manufacturers .

16. Instruments

To manufacture produce, assemble, distribute, stock, barter, exchange, pledge, repair, use, buy, sell, import and export and otherwise deal in all types of scientific instruments and their accessories, testing instruments process control instruments. electrical and electronic instruments, nautical, aeronautical and survey instruments, optical and ophthalmic instruments general laboratory, medical and surgical Instruments, apparatuses uses, scientific laboratory, glassware photographic, chemical and other instruments apparatuses, appliances equipments, devices contrivances, their accessories and components

17. Entertainment

To carry on the business of proprietors and managers of theatre (Cinemas, picture places and concert halls) and to provide for the production, representation, and performance (whether by mechanical means or otherwise) or operas, stage plays operettas burlesques, vaudevilles, revues, ballets, pantomimes, spectacular pieces promenade, and other concerts and other musical and dramatic performance and entertainments.

18. Hotel

To carry on the business of hotel, tavern, beer house and lodging house keepers, licensed victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, growers and cultivator of grapes and other raw products required for the above purpose, importers and manufacturers of aerated, minerals, medicated, and artificial water and other drinks, purveyors, caterers for public amusements generally, proprietor of motor and other vehicle garage proprietors, job masters, proprietors and managers of pleasure grounds and place of amusements, recreations, sport,

entertainment and instruction of all kinds, agents for railway, shipping and aeroplane companies and carriers, theatrical and opera box office proprietors, entrepreneurs and general agents, and any other business, that can be conveniently carried on in connection therewith.

19. Distillers

To conduct, carry on manufacture and manage the business or trades of whisky, gin, rum, brandy, industrial alcohol, spirits ether and general distillers, compounders and rectifiers, merchants, exporters, importers, brokers, bottlers, sales agents and general trades in relation to the marketing and distribution at home and abroad of spirit, wines, liquors and all other products derived from the cultivation of the grape and generally to undertake, perform and carryout all or any of the operation ordinarily undertaken by distillers proprietors, wine growers, contractors and shipper or by persons or companies engaged in such business and to trade and carry on business in like manner as brewers, malsters, hop-growers and merchants, sale, stout and porter merchants, bottlers, agent and merchants and distributors.

20. Architects and Builders

To carry on all or any of the business of constructional engineers, architects, builders, contractors, decorators, electricians, wood workers and paviours and to acquire, develop, buy, sell real estate, multi-storied or other buildings, group housing scheme etc.

21. Farming and Horticulture and processing.

To carry on the business of farming, horticulture, floriculture, sericulture, dairies, cultivators of all kinds of food grains seeds, fruits, proprietors of orchards and traders, exporters, dealers and sellers of the products of farming, dairy horticulture floriculture, sericulture and pisciculture and fishing and manufactures of drink alcoholice or otherwise, including beverages produced from such products or otherwise, to carry on the business of cultivators, growers manufacturers, millers, grinders, rollers, processors, cold stores, canners and preservers, and dealers of food grains and other agricultural, dairy, horticultural and poultry products, fruits, vegetables, herbs, medicines, flowers, drinks, fluids, gas and fresh, and preservable products and to extract by products and derivatives, whether edibles, pharmaceuticals, medicines or of any other kind or nature whatever and food preparations of every kind and description and generally to carry on the business of manufacture, of and trading in preserved, dehydrated, canned or converted agricultural products, fruits and vegetables, provisions, foods, dairy and poultry products and articles and other derivaties of all kinds and descriptions and to set up and run machinery for processing and preserving the same.

22. Food & Dairy products

To manufacture, process, chemically, electrically or by any other means, refine, extract, hydrolise, manipulate, mix, deodorise, grind, bleach, dydrogenate, buy, sell, import, export, produce or otherwise deal in, seeds and agricultural products, food, food products, dietetiQ. products and preparations, patent drugs and proprietary articles of all kinds, whether basic or derived and in all forms and in particular protein foods of all kinds arid a 1.1 .other ingredients.

23. Dealing and Speculation

To buy, sell, deal in, speculate in shares and securities, foreign exchange, gold, silver, cotton, jute, hessian, oils, oilseeds and commodities of all kinds, agricultural or otherwise, finished or unfinished and to take delivery and hold them as permitted under the law from time to time in force.

24. Boutiques

To organise, run, maintain, operate, promote the **business of interior** decorators, furniture and carpet designers and manufacturers, boutiques operators **of fashion** centres, fashion shows, and to make, acquire, deal in any way in handicrafts, objects **of art, precious** stones, jewellery, whether artificial or otherwise, and articles wherein precious **metals or precious** stones may be used, in textile fabrics, and to manufacture and deal in any products **as are dealt in** by boutiques, fashion shows and interior decorators.

25. Finance Company

To carry on the business of a company established with the object of financing industrial enterprises within the meaning of section 370 of the Companies Act, 1956 and to make loans give guarantee and provide securities to any other company, or business whether promoted and/or managed by this company or not.

26. Technical Information and Know-how

To acquire from or sell to any person, firm, or body corporate or unincorporate, whether in India or elsewhere technical and managerial information, know-how, processes, engineering, manufacturing, operating and commercial data, plans, layouts and blueprints useful for the design, erection and operation of any plant or process of manufacture and to acquire and grant or licence other rights and benefit in the foregoing matters and things and to render any kind of management and consultancy service.

27. Promotion of Rural Development

To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural development and to assist execution and promotion thereof either directly or through any independent agency 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 public in any rural area which the Director consider it likely to promote and assist rural development, and that the words "rural areas" shall include such areas as may be regarded as rural areas under Section 35-CC of the Income Tax Act 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair concessional value of the Directors may think fit and 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 Institutions or Trusts or Funds established under any law for the time being in force or approved by the Central or State Government as the Directors may approve.

28. Activities for growth of national economy

To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit, and the Directors may without prejudice to the generality of the foregoing undertake, carry out, promote and sponsor any activity for publication of any books, literature, news papers etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, or giving scholarship, loan or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner, and the Directors 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 as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority of Central or State Government or any Public Institutions or Trusts or Funds established under any law for the time being in force or approved by the Central or State Government as the Directors may approve.

29. Leasing and Financing

To carry on and undertake business of leasing and to finance leasing operations of all kinds, finance, trading, hire purchase, purchasing, selling, exporting, importing, hiring or letting on hire all kinds of plant, machinery and equipments whether electrical, electronic or mechanical

including tractors, tuggers, shunters, transport/commercial vehicles of any kind for use in land, water and air, motor cars, motor cycles, scooters, cranes, excavators, loaders, implements, tools, utensils, ships, dredgers, tugs, barges, aeroplanes, helicopters, wagons, coaches, tram-cars, telex, teleprinters, electronic private automatic branch exchanges, private automatic exchanges, public address systems, television receivers, industrial robots, furniture, domestic or business appliances, computers, tabulators, data processing machines, and other sophisticated office machinery and appliances and to assist in financing of all and every kind and description of hire purchase or easy payment system or deferred payment or similar transactions and subsidise, finance or assist in subsidising or financing the sale, purchase and maintenance of any goods, articles, commodities of all and every kind upon any terms and to purchase or otherwise deal in all forms of immovable or movable property including land and buildings and of consumer, commercial and industrial items and to lease or otherwise deal with them in any manner including resale thereof, regardless whether the property purchased and leased be new and/or used.

30. General Financing

To carry on the business of general finance, trust, to finance industrial enterprises in their project on turnkey basis or otherwise.

31. Leasing Counselling

To provide leasing advisory counselling service to other entities and/or form the leasing, financing and investment arm of other entities.

32. Financing the immovable properties

To carry on and undertake the business of financing the purchase of immovable properties of all kinds real estate, buildings, factories, flats, depots, warehouses, apartments and the like and to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, apparatus, machinery, materials, goods and articles, lease out or sell any of the same on hire purchase system.

33. Advancing and lending money

To advance or lend money, securities and properties to or with any company, firm, person or association whether falling under the same management or otherwise, in accordance with and to the extent permissible under the provisions contained in Section - 370 and 372 of the Companies Act, 1956 with or without security on such terms as may be determined from time to time. However, the Company shall not carry on the business of banking as defined in Banking Regulations Act, 1949.

34. Underwriters

To carry on the business of underwriters, Managers to issue, Transfer Agents and Brokers of stock, shares, debentures, debenture stock, Government bonds, Government securities, Units of Unit Trust of India, National Saving Certificates and other securities.

IV. The liability of the members is limited

V.* **The Authorised Share Capital of the Company is Rs. 70,00,00,000/- (Rupees Seventy Crores Only) divided into 70,00,00,000 (Seventy Crores) Equity Shares of Re. 1/- (Rupee One Only) each.**

* Altered vide special resolutions dated 25.10.1982, 26.04.1983, 06.12.1992, 15.11.1994, 11.09.2007, 28.02.2008 and 29.08.2011. Further altered vide special resolution dated 07.12.2011 and 04.05.2024

We, the seven persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company stated opposite our respective names:

Names, Addresses, Description and Occupation of Subscribers	No. of Equity shares taken by each subscriber	Signature of Subscribers	Name, Address, Description and Occupation of the witnesses
Mahendra Kumar Mohta S/o Shri Surajmal Mohta B-26 Greater Kailash - I, New Delhi - 110048 Industrialist	One Equity Share	M. K. Mohta	<p style="text-align: center;">Sd/- RAKESH KUMAR JOSHI S/O Late G.L. Joshi, 14th Floor, Atmaram House, 1, Tolstoy Marg, NEW DELHI-110001 SERVICE</p>
Vishweshwar Prasad S. Tiwari S/o Late Sahdeo Tiwari B-220, Greater Kailash - I New Delhi - 110048 Company Director	One Equity Share	V. S. Tiwari	
Mahesh Chandra Agarwal S/o Late Manohar Lal Agarwal 18/27, Shakti Nagar, Delhi - 110007 Chartered Accountant	One Equity Share	M. C. Agarwal	
Ishwar Dutt Sharma S/o Late Mam Raj Sharma Atma Ram House, 1, Tolstoy Marg, New Delhi - 110001 Company Secretary	One Equity Share	I. D. Sharma	
Govind Lahoti S/o Shri R. S. Lahoti A/2-6, Radhey Niwas Krishna Nagar, Delhi - 110051 Service	One Equity Share	Govind Lahoti	
Jia Ram Gupta S/o Shri Mange Ram Gupta 10, Ishwar Colony, Bhamashah Marg, Delhi - 33 Service	Five Preference Shares	J. R. Gupta	
Mohta Industries Ltd. Regd. Off. C-58, Focal Point, Dhandari Kalan, Ludhiana - 141 003 Company	Six Equity Shares	Sd/- For Mohta Industries Ltd. V. S. Tiwari Managing Director	
TOTAL	Eleven Equity Five Preference		

THE COMPANIES ACT, 1956
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
VARDHMAN POLYTEX LIMITED

1. **Table 'A' not to apply but Company to be governed by these articles**

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

INTERPRETATION

2. **Interpretation clause**

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

"The Act" or the "said Act"

"The Act" means "The Companies Act, 1956, as amended up to date.

"The Board" or "The Board of Directors"

"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 Meeting or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles.

"The Company" or "This Company"

"The Company" or "this Company" means VARDHMAN POLYTEX LIMITED.

"Directors"

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

"Dividend"

"Dividend" includes Bonus.

"Gender"

"Gender" - Words importing the masculine gender also include feminine gender.

"Month"

"Month" means the English Calendar Month.

"Office"

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

Adopted by the following Special Resolution passed at an Extra Ordinary General Meeting of the Company held on 1st December, 1980),

Resolved that the regulations contained in the existing Articles of Association of the Company be and hereby deleted and the regulation contained in the document submitted to the meeting and for purpose of identification signed by the Chairman of the meeting, are hereby approved and that the same be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the Articles of Association herein before mentioned."

"Persons"

"Persons" includes body corporate as well as individuals.

"Number"

"Words importing the singular number include the plural number and vice versa."

"These Presents" or "These Regulations"

"These Presents" or "These Regulations" means these Articles of Association as originally framed or altered from time to time.

"Beneficial Owner"

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of Sub-section (1) of Section 2 of the Depositories Act, 1996;

"Depositories Act, 1996"

"Depositories Act, 1996" shall include Depositories Act, 1996 and any statutory modification or re-enactment thereof; and

"Depository"

"Depository" shall mean a Depository as defined under Clause (e) of Sub-section (1) of Section (2) of the Depositories Act, 1996.

"Members"

"Member" means a person

- a) whose name is entered in the Register of Members as holding any share(s) either solely or jointly;
- b) subscribers to the Memorandum of the Company; and
- c) Beneficial Owner (s).

"Seal"

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

"In Writing" and "Written"

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

"Expression in the Act to bear the same meaning in these Articles.

Subject to as aforesaid any words or expression 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.

3. **Copies of Memorandum and Articles of Association to be given to member**

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

4. **Commencement of the business**

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.

5. **Share Capital**

Altered vide special resolutions dated 25.10.1982, 26.04.1983, 06.12.1992, 15.11.1994, 11.09.2007 and 28.02.2008. Further altered vide special resolution dated 29.08.2011.

"The Authorised Share Capital of the Company is as stated in Clause V of the Memorandum of Association of the Company with the power to increase or decrease its capital from time to time and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company

and also to acquire, purchase, hold, re-sell any of its own fully/ partly paid shares and/or preference shares whether redeemable or not and to make any payment out of capital or out of the funds at its disposal for and in respect of such purchase subject to the provisions of the Act in force from time to time."

- 5a. **Power of company to purchase its fully paid-up shares**
Inserted vide Special resolution dt. 15.11.94. The Company shall have power to and in accordance with all applicable provisions of the Act, to purchase any of its fully paid up shares.
6. **Restrictions on allotment etc.**
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 return as to allotment according to Section-75 of the Act.
7. **Shares under the control of the Directors**
Subject to the provisions of the Act and of these Articles, (Particularly Articles 61 and 68 hereof), 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 the compliance of the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and proper and with full power to give to any person the option to the allotted shares of the Company either at par or at a premium or subject to as aforesaid, at a discount such option being exercisable at such times and on such consideration as the Directors think fit provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
8. **Power of General Meeting to offer shares to such persons as the Company may resolve**
In addition to and without derogating from the power for the purpose conferred on the Directors under Article 7, the Company in General Meeting may by special resolution determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original Capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions either at a premium or at par or, subject to compliance of the provisions of Section 79 of the Act, at a discount as such general meeting shall determine and with full power to give any person (whether a member or holder of debentures of the company or not) the option to be allotted shares of any class of the Company either at a premium, or at par or (subject to compliance 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 the Company in general meeting as aforesaid the provisions of Article 68 hereof shall apply to any issue of new shares.
9. **Director may allot shares as fully paid up**
Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company in payment or part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold or transferred, goods or machinery or know-how supplied, or for services rendered to the Company in or about the conduct of its business and shares which may be so allotted may be issued as fully paid up and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 75 of the Act.
10. **Shares to be numbered progressively**
The shares in the capital of the Company shall be numbered progressively according to their several denominations and except in the manner hereinafter mentioned, no share shall be sub-divided.
11. **Acceptance of Shares**
An application signed by or on behalf of an applicant for shares in the Company, followed by an

allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the Register of members shall for the purpose of these Articles be a member.

12. Deposit and calls etc. to be debt payable Immediately

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 holder of such share, become a debt to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

13. Instalments on shares to be duly paid

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

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

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

14A. Dematerialisation

The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh or buyback its shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

UNDERWRITING AND BROKERAGE

15. Commission for placing shares and debentures

The Company may subject to the provision of Section 76 and other applicable provisions (if any) of the Act, at the time of public issue 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 of 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. 1/2% of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares/debentures pay such brokerage as may be lawful.

CERTIFICATES

16. Certificates of Shares

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 one of the aforesaid two Directors shall be a person other than the Managing or Wholetime 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 the share certificates by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose. Provided always that notwithstanding anything contained in this Article, the Certificates of title to the shares may be executed and issued in accordance with

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

17. Members right to certificates

Every member or allottee of share(s) shall be entitled, without payment, to receive atleast one certificate under the Seal of the Company for all the shares or 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. Further, every member shall be entitled to receive the share certificates in marketable lots. 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 and 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 pockets 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 Director may from time to time determine in respect of each class of shares, a member maybe given more than one certificate for each class of shares which are not in marketable lots.

Provided, however, no share certificate(s) shall be issued for shares held by the "Beneficial owner(s)",

18. Limitation of time for issue of certificates

The Company shall within three months after the allotment of any of its Shares or Debentures and within one month after the receipt of application for the registration of transfer of such Shares or Debentures, or in case of debentures such further period not exceeding Nine months as may be granted by the Company Law Board deliver the certificates of such Shares and Debentures allotted or transferred.

19. As to issue of new certificate in place of the defaced, lost or destroyed

- a) The Company shall not charge any fee: for registration of transfer of shares and debentures; for subdivision and consolidation of shares and debenture certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations corresponding to the market units of trading: for sub-division of renounceable Letters of Right: for issue of new certificates in replacement of those which are old, decrepit or torn out or where the cages on the reverse for recording transfers have been fully utilised : for registration of any Power of Attorney, Probate, Letters of Administration or similar other documents. The Company will not charge any fees exceeding those which may be agreed upon with the Exchange for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed: for sub division and consolidation of shares and debenture certificates and sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of Trading.
- 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 counterfoil to the effect that it is "issued in lieu of Share Certificate No " The words "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- c) All blank forms of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the Secretary or the other person duly authorised in this behalf shall be responsible for rendering an account of these forms to the Board.
- d) *Deleted vide general meeting resolution dated. 25.03.2003*
- e) All the books referred to in sub-article (d) shall be preserved in good order permanently.

19A. Refusal to sub- divide consolidate

Inserted vide special resolution dated. 27.08.92.

Notwithstanding anything contained in Article 19, the Board may refuse applications to split up a Share Certificate into several scripts of small denominations if on the face of it such splitting appears to be unreasonable or without genuine need.

CALLS

- 20. Board may make calls**
The Board of Directors may from time to time, (by a resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the condition hereinafter mentioned, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the share or by way of premium) and which are not by the conditions of the allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him personally and at the time appointed by the Directors. A call may be made payable by instalments.
- 21. Calls on shares of same class to be made on uniform basis**
Where any calls are made on the shares, such call shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.
- 22. Notice of call**
At least one month notice on every call otherwise than on allotment shall be given specifying time of payment, and if payable to any person other than the Company the name of the person to whom call shall be paid, provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.
- 23. Call to date from Resolution**
A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by those members whose names appear on the Register of Members on such date, or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.
- 24. Directors may extend time**
The Director may from time to time, at their discretion extend the time for the payment of any call, and may extend such time as to payment for all or any of the members whom 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.
- 25. Amount payable at fixed time or by instalments as calls**
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 nominal amount of the share or by way of premium) every such amount of instalment 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 of instalment accordingly.
- 26. When interest on call or instalment payable**
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 calls shall have been made or the instalment shall be due, shall pay interest on the same at such rate (not exceeding "eighteen percent per annum") as the Directors shall fix from the day appointed for the payment thereof to time of actual payment, but the Directors may waive payment of such interest wholly or in part.
- 27. Judgement decree or partial payment not to preclude forfeiture**
Neither a judgement nor a decree in favour of the company for or other moneys due in respect of any shares nor any part payment of satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share 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 hereinafter provided.
- 28. Proof on trial of suit for money due on Shares**
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 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 Member as the holder of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly posted to the member or his representative in pursuance of these presents; and it shall not be necessary to prove the appointment of Directors who made such call nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

29. **Payment in anticipation of calls may carry interest**

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 (not exceeding eighteen per cent per annum) as the member paying such sum in advance and the Directors agree upon 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 money so paid by him until the same would, for such payment, become presently payable.

FORFEITURE, SURRENDER AND LIEN

30. **If call or instalment not paid, notice may be given**

If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or any part thereof and other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other 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 by such payment.

31. **Terms of Notice**

The notice shall name a day (not being less than one month from the date of service of the notice) on or before which and the place at which such call instalment such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and if payment 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.

32. **In default of payment shares to be forfeited**

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

33. **Entry of forfeiture in Register of members**

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.

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

Any share so forfeited shall be deemed to be the property of the Company and may be sold 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.

35. **Directors may annul forfeiture**

The Director may at any time before any share so forfeited shall have been sold or otherwise

disposed of, annul the forfeiture thereof upon such conditions as they think fit.

36. **Shareholder still liable to pay money owing at the time of forfeiture and interest**
Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalment, interest, expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.
37. **Effect of forfeiture**
The forfeiture of 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.
38. **Surrender of shares**
The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.
39. **Company's lien on shares**
The Company shall have no lien on its fully paid shares. In the case of partly paid shares of the Company shall have a first and paramount lien on such shares registered in the name of such member, whether solely or jointly with others and upon the proceeds of the 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 fulfilment or discharge thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and conditions that Article-14 hereof is to have full effect. Any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as waiver of the Company's lien, if any on such shares.
40. **As to enforcement or lien by sale**
For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell such shares shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for one month after such notice.
41. **Application of proceeds of sale**
The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities of 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 shares so sold.
42. **Certificate of forfeiture**
A certificate in writing under the hand of two Directors that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all person entitled to such share.
43. **Title of purchaser allottee of forfeited shares sold to exercise lien**
Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and use the purchaser's name to be entered in the Register of Members in respect of shares sold and the company may receive the consideration, given for the share on any sale or other disposition thereof and the person to whom such share is sold or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, nor shall title to the share be affected by any irregularity or invalidity in the

proceedings with reference to the forfeiture, sale or other disposal of the share and **after his name** has been entered in the Register of Members in respect of Share, the validity of the **sale shall not** be impeached by any person.

44. **Cancellation of Share Certificates in respect of forfeited shares and shares sold to exercise lien**

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

TRANSFER AND TRANSMISSION OF SHARES

45. **Register of Transfers**

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

46. **Register of renewed and Duplicate Certificates**

The Company shall keep a book to be called "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. **Form of transfer**

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

48. **Application for transfer**

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

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

(3) 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. **Transfer to be executed by the transferor and transferee**

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 shares until the name of the transferee is entered in the Register of Members in respect thereof.

50. **Transfer not to be registered except on production of instrument at transfer**

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 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 shares 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 or 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.

51. Board may refuse transfer in certain circumstances

- (1) Without in any way derogating from the powers conferred on the Board under Article-51, the Board shall be entitled to refuse an application for transfer of shares comprised in a share certificate to several parties involving splitting of shares certificate into small denominations, if on face of it such transfer appears to be unreasonable or without a genuine need. Except as above the company should not refuse transfer in violation of the Stock exchange listing requirements on the ground that the number of shares to be transferred is less than specified number.
- (2) Subject to the provisions of Section 22A of Securities Contracts (Regulation) Act, 1956 and Section 111 of the Act, the Directors may refuse to register the transfer of any of shares inter-alia on the following grounds.
 - (a) That the instrument of transfer is not proper or has not been duly stamped and executed or the certificate relating to the shares has not been delivered to the company or that any other requirement under the law relating to registration of such transfer has not been complied with;
 - (b) That the transfer of shares is in contravention of any law;
 - (c) The transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest of the Company or to the public interest;
 - (d) That the transfer of the securities is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

Further more Directors shall not be bound to give any reason, whatsoever for declining to register shares upon which the Company has a lien or whilst any money 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 the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other reasons indebted to the Company of any account whatsoever except as stated above. The registration shall be conclusive evidence of the approval by the Directors of the transferee.

52. Notice of refusal to be given to transferor and transferee

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 or 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. Transfer by legal representative

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

54. Custody of instrument of transfer

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. Closure of transfer books

The Director shall have power, on giving not less than seven days previous notice by the 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 anyone time.

56. Title of Shares of deceased holder

The executors or administrators of the 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

recognised by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration or Succession Certificate 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 the production of Probate or Letters of Administration or Succession Certificate and under the provisions of Article 57, register the name of any person who claims to be absolutely entitled to the shares standing in the name to a deceased member, as a member.

57. Transmission Clause

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

57A. Nomination

- i) Every holder of shares in, or holder of debentures of the Company may, at any time, nominate in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- ii) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in a disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holder become entitled to all the rights in the shares, or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of the debentures, to nominate in the prescribed manner any person to become entitled to shares in, or debentures of the Company, in the event of his death, during the minority.

58. Power to refuse registration

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

59. Person entitled may receive dividend without being registered as member

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

60. Board may require evidence of transmission

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 ask for any indemnity.

61. Company not liable for discharged of a notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering

or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) or the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company. 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.

62. Deleted vide special resolution dated. 25.03.2003

63. Deleted vide special resolution dated. 25.03.2003

CONVERSION OF SHARES INTO STOCK

64. **Conversion of shares into stock and reconversion**

The Company by ordinary resolution in General Meeting subject to Section 95 of the Act may:

- a) convert any fully paid up shares into stock, and
- b) convert any stock into fully paid up shares of any denomination.

65. **Transfer of Stocks**

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.

66. **Rights of stock holder**

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

67. **Regulation to apply to stocks**

Such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words 'Share and Shareholders' in those regulations shall include 'Stock and Stock holders' respectively.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

68. **Increase of Capital**

The Company may from time to time by ordinary resolution in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given, as the Board shall determine. Such shares may be issued with a preferential; or qualified right as to dividends, and in the distribution of assets of the Company, and with a right of voting at a General Meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

69. **Rights of Equity shareholder to further Issue of capital**

- (1) If the Company proposes to issue new shares 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), then such

new shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act; provided that notwithstanding anything here in before contained the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who at the date of offer, are holders of the equity shares of the Company in any manner whatsoever

- (a) If a Special Resolution to that effect is passed by the Company in General Meeting; or
 - (b) Where no such Special Resolution is passed, if the votes 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 so, vote in person, or where proxies are allowed, by proxy exceed the votes, if any, cast against the proposal 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 the exercise of an option attached to debentures issued or loans raised to convert such debentures or loans into shares in the Company or to subscribe for shares in the Company (whether such option is conferred in Article 80 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.
70. **Increased Capital to be considered same as original Capital**
Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
71. **Buy-back**
(a) Subject to the provisions of Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Act, the Company shall have power to buy its own securities through any of the mode provided by the Act and SEBI (Buy-Back of Securities) Regulations, 1998 as amended time to time.
(b) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
72. **Reduction of capital**
The Company may from time to time subject to the provisions of Sections 78, 80, 100 to 105 inclusive of the Act, by special resolution reduce its share capital and any Capital Redemption Reserve Account or Share Premium Account in any way authorised by law and in particular may payoff any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.
73. **Consolidation division and sub- division**
The company may in General Meeting alter the conditions of its Memorandum as follows:
(a) Consolidate and divide all or any of the share capital into shares of larger amount than its existing shares;
(b) Sub divide its shares or any of them into shares of smaller amount than originally fixed by the

Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

74. **Issue of further Pari Passu shares not to affect the right of shares already issued**

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 .

MODIFICATION OF RIGHTS

75A. **Modification of rights of any class of shares**

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

JOINT HOLDERS

76. **Joint Holders**

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

- (a) The joint holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such shares.
- (b) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability in respect of the shares held by him jointly with any other person.
- (c) Only the person whose name stands first in the Register of Members as one of the jointholders of any share may give effectual receipts for any dividends or other money payable in respect of such share.
- (d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be, entitled to the delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 211) from the Company and documents served on or sent to such persons shall be deemed service on all the joint-holders.
- (e) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy then that one of the such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint-holder present by proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose deceased member's sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

BORROWING POWERS

77. **Power to borrow**
Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, 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 purposes of the Company provided that the total amount borrowed at any time together with the moneys borrowed by the Company (apart 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 this Article means loans repayable on demand or within six months from the date of obtaining the loan such as short term cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.
- 77A. **Conditions on which money may be borrowed**
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 respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debentures stock or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
78. **Bonds, debentures etc. to be subject to control of Directors**
Any bonds, debentures, debenture-stock or other securities or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
79. **Securities may be assignable free from equities**
Debentures, debenture-stocks, 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.
80. **Conditions on which Bonds debentures, etc. may be issued**
Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) 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.
81. **Mortgage of uncalled capital**
If any uncalled capital of the Company is included in or charged by way of any mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
82. **Indemnity to be given**
Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether personal or as surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security of, on, over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or any other person so becoming liable as aforesaid from any loss in respect of such liability.

83. **Register of mortgage etc. to be kept**
The Board shall cause a paper 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 Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company Law Board), so far as they are to be complied with by the Company. The Company shall, if at any time it issues debentures, keep a Register and index of Debenture holders in accordance with Section 152 of the Act.

GENERAL MEETINGS

84. **Statutory Meeting**
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.
85. **Annual General Meeting**
(1) The Company shall, in addition to any other meetings, hold a General Meeting (herein called an 'Annual General Meeting') at the intervals and in accordance with the provisions herein specified. The Company shall, subject to the provisions of Section 210 (3) of the Act, hold its first Annual General Meeting within eighteen months from the date of the incorporation of the Company and if such General Meeting is held within such period it shall not be necessary for the Company to hold any Annual General Meeting in the year of its incorporation or in the following year, but subject to the aforesaid provisions the Annual General Meeting shall after the first Annual General Meeting be so held at least once in every calendar year and within six months after the expiry of each financial year and that not more than fifteen months shall elapse between the date of 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 allowed by the Registrar.
(2) Every Annual General Meeting shall be called at any time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which the Registered Office of the Company is situated. The company may by a resolution passed at Annual General Meeting may fix the time for its subsequent Annual General Meeting. The notice calling such a meeting shall specify it as the Annual General Meeting.
86. **Extra-ordinary General Meeting**
All General Meetings other than Annual General Meeting shall be called Extra- ordinary General Meeting.
87. **Directors may call extra ordinary General Meeting**
The Board of Directors may call an Extraordinary General Meeting whenever they think fit.
88. **Calling of Extra-ordinary General Meeting on Requisition**
(1) The Board of Directors shall on a requisition of such number of members of the Company as shall hold, in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company upon which all calls or other moneys than due shall have been paid, as at that date carries the right of voting in regard to the matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.
(2) The requisition shall set out the matters for the consideration of which the meeting is to be called shall be signed by the requisitioners and shall be deposited at the Registered Office of the Company.

- (3) The requisition may consist of several documents of like form each signed by one or more requisitionists.
- (4) Where two or more distinct matters are specified in the requisition the provisions of clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (5) If the Board of Directors does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters proceed duly to call a meeting for the consideration of 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 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 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 of the Directors as were in default.

89. **Notice of Meeting**

- (1) A General Meeting of the Company may be called by giving not less than twenty-one day notice in writing.
- (2) However a General Meeting may be called after giving shorter notice than twenty-one day 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 part of the paid-up share capital of the Company as gives a right to vote at that meeting.

90. **Contents of notice**

- (1) Every notice of a meeting of the Company shall specify the place and date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
- (2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not to be a member of the Company.

91. **Ordinary and Special Business**

- (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:-
 - (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 and every such item of business including in particular, the nature of the concern, or interest, if any, therein of every Director, provided that where any item of special business as

aforesaid to be transacted at a meeting of the Company relates to, or affects, any other Company the extent of the shareholding interest, in that other Company of every Director of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 2 percent 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.

92. **Service of Notice**

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

93. **Notice to be given to the Auditors**

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

94. **Act of omission to give notice**

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

95. **Resolution requiring Special notice**

(1) Where, by any provision contained in the Act or in these Articles Special notice is required of any Resolution, notice of the intention to move the Resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or is deemed to be served and the day of the meeting.

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

PROCEEDING AT GENERAL MEETINGS

96. **Quorum at General Meeting**

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

97. **Proceedings when quorum not present**

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

less than two) present shall be a quorum and may transact the business for which the meeting was called.

98. **Business at adjourned meeting**

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.

99. **Chairman**

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

100. **Business confined to election of Chairman whilst Chair vacant**

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

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

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

101. **Chairman with consent may adjourn meeting**

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 situated.

102. **Notice to be given where meeting adjourned for thirty days or more**

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

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

At a General Meeting, a resolution ought to be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried or 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.

104. **Demand for poll**

Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by at least five members having the right to vote on resolution and present in person or by proxy or by a duly constituted attorney in case the member is a Company or a Corporation either registered in India or abroad by any member present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company, conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right. The demand for a poll may be withdrawn at any time by the person or persons who makes the demand.

105. **Time and manner of taking poll**

A poll demanded on any question (other than the election of the Chairman or on a question of adjournment, which shall be taken forthwith) shall be taken at such place in the city, town or village in which the Registered Office of the Company is situated and at 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 provision of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken, including the power to take the poll by open voting or by secret ballot and either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

106. Scrutinizers at poll

When a poll is to be taken, the Chairman of the meeting shall appoint two Scrutinizers 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 Scrutinizers arising from such removal or from any other cause. Of the two Scrutineers appointed under this Article one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed.

107. Demand for a poll not to prevent transaction of other business

Subject to the provisions of Articles 100 and 105 hereof, the demand for a poll shall not prevent the continuance of the meeting for transaction of any business other than the question on which the poll has been demanded.

108. Resolution how decided in case of equality of votes

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

109. Reports, Statements and Registers to be laid on the Table

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

110. Registration of certain Resolutions and agreements

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 the passing or making thereof, be printed or type-written and duly certified under the signature of an officer of the Company and filed with the Registrar:

- (a) All Special Resolutions;
- (b) Resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for the purpose unless they had been passed as special resolutions;
- (c) Resolution of the Board or agreements relating to the appointment, re-appointment or the renewal of the appointment or variation of the terms of appointment of Managing Director;
- (d) Resolutions or agreements which have been agreed by all the members or any class of share holders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner and all resolutions or agreements which effectively bind all the members or any class of share holders though not agreed to by all those members;
- (e) Resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act.
- (f) Resolutions passed by the Company according consent to the Board of Directors to exercise any of the powers under clause (a), clause (d) and clause (e) of sub-section (1) of Section 293 of the Act; and

(g) Resolution passed by the Company approving the appointment of sole selling agents under Section 294 of the Act.

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

111. Minutes of General Meeting

The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making, within thirty days of the conclusion of such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be 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 authorised by the Board for the purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

112. Inspection of minutes books of General Meetings

The books 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 restrictions as the Company may by these Articles or in General meeting impose in accordance with the provisions of 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 such sum as may be prescribed by the Central Government from time to time for everyone hundred words or fractional part thereof required to be copied.

113. Publication of report of proceedings of General Meeting

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.

VOTES OF MEMBERS

114. Vote may be given by proxy or attorney

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 representatives duly authorised under Section 187 of the Act and Article 116 hereof.

115. Votes

Subject to the provisions of the Act (particularly of Sections 87, 88 and 92 (2) thereof) and of these articles;

- (1) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a Company as mentioned in Article 116) shall have one vote;
- (2) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a proxy of a corporation or a representative of a company present as aforesaid) or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid-up or partly paid-up) held by him bears to the total paid-up equity capital of the Company;
- (3) Upon a show of hands or upon a poll, the voting right of every member holding preference shares, shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

116. No voting by proxy on show of hand

No member not personally present shall be entitled to vote on a show of hands unless such member is a Corporation present by proxy or unless such member is a body corporate present by

a representative duly authorised under Section 187 of the Act or by a proxy in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

117. Votes in respect of shares of deceased and insolvent members

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

118. Voting by members of unsound mind and minors

A member of sound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll vote by proxy; if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or anyone of his guardians. If more than one to be elected in case of dispute by the Chairman of the meeting.

119. No members to vote unless calls are paid up

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

120. Proxies

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

121. Appointment of proxy

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

122. Deposit of instrument of appointment

The instrument of proxy shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time.

123. Inspection of proxies

Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period being twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

124. Form of proxy

An instrument appointing a proxy shall be in the following form, or shall contain words to the following effect:"

"I/we _____ of _____ in the district of _____ being a member/members of the above named Company hereby appoint _____ of in the district of _____ as my / our proxy to vote for me / us on my/ our behalf at the Annual General Meeting / Extraordinary General Meeting of the Company to be held on the day of _____ and at any adjournment thereof Signed this day of 20____.

125. Custody of the instrument of proxy

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

126. Validity of votes given by proxy notwithstanding death of member etc.

Where the power to act as proxy is given by any member by executing special or general power of attorney, such power of attorney shall be delivered to the Company along with an extra copy thereof and the Company on comparing the copy with the original, shall return the original.

127. Time for objections to vote

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 and not disallowed at any meeting or poll shall be deemed valid for all the purposes of such meeting or poll whatsoever.

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

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

DIRECTORS

129. First Directors

Subject to Section 259 of the Act, the number of Directors of the Company shall not be less than three and not more than twelve.

The first Directors of the Company shall be :-

1. Shri Mahendra Kumar Mohta
2. Shri Vishweshwar Prasad S. Tiwari
3. Shri Mahesh Chandra Aggarwal
4. Shri Ishwar Dutt Sharma

130. a) *Deleted vide Special Resolution dated. 25.03.2003.*

b) Nominee Directors

Substituted vide special resolution dated. 17.10.83

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 (ICICI), and Life Insurance Corporation of India (LIC) or to any other Financing Corporation or Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the company or so long as IDBI, IFCI, LIC and Unit trust of India or any other financing company or Body (each or which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the corporation holds Shares in the company as a result of underwriting or direct subscription or 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 in his or their place(s).

The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s) At the option of the Corporation such Nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the Corporation

such Nominee Director(s) shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

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

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

The Company shall pay to the Nominee Director(s) sitting fees and expenses which the other Director(s) of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and 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 of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the Corporation the sitting fees, in relation to such Nominee Director(s) shall also accrued to the Corporation and the same accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director(s) being appointed as wholtime Director(s) such Nominee Director(s) shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a wholtime director, in the management of the affairs of the Borrower. Such Nominee Director(s) shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

- (c) The Nominee Directors appointed by the financial institutions and Banks will have to be accommodated with in the maximum number of Directors provided in the Articles of Association of the Company.
- (d) The approval of the Central Government would be required to increase the number of Directors beyond 12.

131. Debenture Directors

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 trustee or holders of debentures or debenture 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 Director means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

132. Appointment of Alternate Director

The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called " the original Director") during his absence for the period of not less than three

months from the state in which the meetings of the Board of Directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the said State of Punjab. If the term of (office of Original Director is determined before he so returns to the said State of) and provisions in the Act or in these Articles for the automatic re-appointment of the retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

133. Casual Vacancy

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 when period of office is liable to determine by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.

134. Appointment of Additional Directors

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

135. Qualifications of Directors

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

136. Remuneration of Directors

- (1) The remuneration of a Director for his services shall be such sum as the Board may determine from time to time, but not exceeding such sum as may be prescribed by the Central Government from time to time for each meeting of the Board or of one or more Committees of the Board attended by him or such lesser amount as the Board of Directors may decide in this behalf from time to time. Subject to the limitations provided by and the provisions of additional remuneration, may be paid to anyone or more of the Directors for services rendered by him or them. The Directors may be paid such additional remuneration as the Company in General Meeting subject to the provisions of Section - 309 and 310 of the Act, may from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine, and in default of such determination, equally. Such additional remuneration may by way of salary or commission as laid down in Section-309, 349, 350 and 351 on net profits or by participation in profits or by any or all of those modes.
- (2) The Directors may, subject to as aforesaid, allow and pay to any Directors who is not a bonafide resident of the place where a meeting of the Board of Directors is to be held and who shall come to such place for the purpose of attending a meeting his actual expenditure for travelling, boarding, lodging and other expenses, in addition to his fees for attending such meeting as above specified and the Directors subject to the provisions of sections 309, 310 and 314 of the Act, may from time to time fix the remuneration in addition to the fees laid down by Article 135 (1) to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.
- (3) Subject to provisions of Section 309 and 310 of the Act if any director, being willing, shall be called upon to perform extra services or to make any special exertion in going or residing or otherwise for any of the purpose of the Company, the Company, may subject to as aforesaid, remunerate such Director or where there is more than one such Director to all of them together either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Company and such remuneration may be either in addition to or in substitution for the remuneration above provided.

137. Directors may act notwithstanding vacancy

The Continuing Director may act notwithstanding any vacancy in their body; but so that if the

number falls below the minimum number fixed in Articles 129 hereof the continuing Director or Directors may act for the purpose of filling up vacancies to that minimum or for summoning a General Meeting of the Company.

138. When office of Director to become vacant

- (1) Subject to the provisions of section 283 (2) of the Act, the office of a Director shall become vacant if;
 - (a) he is found to be of unsound mind by a Court of competent jurisdiction; or
 - (b) he applies to be adjudicated an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification incurred by such failure; or
 - (e) any office or place of profit under the Company or any subsidiary thereof is held by him or in contravention of Section 314 of the Act; or
 - (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board of Directors; or
 - (g) he becomes disqualified by an order of the Court under Section 203 of the Act ; or
 - (h) he is removed in pursuance of Section 284 of the Act; or
 - (i) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
 - (j) he acts in contravention of Section 299 of the Act; or
 - (k) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof 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 giving notice in writing addressed to the Company or to Board of Directors, but any such resignation shall be effective when the same is accepted at a meeting of the Board of Directors.

139. Director of contract with company

- (1) Subject to the provisions clauses (2), (3), (4) and (5) of this Article and the restrictions imposed by Article 146 and the other Articles hereof and the Act and the observance and fulfilment thereof, no Director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as vendor, purchaser, 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 realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is hereby declared that the nature of his interest must be disclosed by him as provided by clauses (3) and (4) thereof.
- (2) Every Director who is any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or 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 as provided for in clause (3) hereof or as provided in clause (4) hereof;

- (3) (a) In the case of a 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 the meeting concerned or interested, the Director concerned shall take reasonable steps to ensure that it is brought up and read at the first meeting of the Board after it is given.
- (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 any 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 firm and is to be regarded as concerned or interested in any contract or a arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of his concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of the financial year in which at a time by a fresh notice given in the last month of the financial year which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read in the first meeting of the Board after it is given.
- (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 anyone of the Directors of the Company or two or more of them together holds or hold not more than 2 percent of the paid up share capital in the other Company.
- (6) An interested Director shall not take any part in the discussions 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 discussion or vote and if he does vote, his vote shall be void:

Provided that this prohibition shall not apply:

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

140. Register of contracts in which Directors are interested

- (1) The Company shall keep one or more Registers in accordance with provisions of Section 301 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely: -
 - (a) the date of the contract or arrangement;
 - (b) the names of the parties thereto;
 - (c) the principal terms and conditions thereof;
 - (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;

- e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.
- (2) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be, sub-section (2) of Section 299 of the Act applies, shall be entered in the relevant Register aforesaid;
- (a) in the case of 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 such Director of the Company the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (4) Nothing in the foregoing 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 to the same extent in the same manner and on payment of the same fee as in the case of the Register of Members.
- 141. Directors may be Directors of companies promoted by the Company.**
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.
- 142. Disclosure by Director etc. of appointments**
A Director, Managing Director or Secretary of the Company shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Director, Manager or Secretary in any other Body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303 (1) of the Act. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with the provisions of Section 303 of the Act. The Company shall also furnish the aforesaid particulars to the Registrar of Companies in accordance with Section 303 (2) of the Act.
- 143. Disclosure of holdings**
A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307 of the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's holding of shares and debentures as aforesaid in a Register kept for that purpose in conformity with the provisions of Section 307 of the Act.
- 144. Directors not to hold office of profit**
- (1) Except with the consent of the Company accorded by a special resolution;
- (a) No Director of the Company shall hold any office or place of profit; and
- (b) No partner or relative or such a Director, no firm in which such a Director or a relative is a partner, no private company of which such a Director is a Director or member, and no Director, or Manager of such private Company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more; except that a

Managing Director, Manager, Banker, or Trustee for the holders of Debentures of the Company;

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

Provided that except in the case of falling under sub-section (1-8) of Section 314 of the Act, 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 a subsidiary thereof without the knowledge of the Director, the consent of the Company may be obtained either in the General Meeting aforesaid or within three months from the date of the appointment whichever is later.

Explanation: For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit 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 relation of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place of profit before such Director become 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 or private company concerned shall be deemed to have vacated his or its office as such on and from the date next following the date of the General Meeting of the Company referred to in the first proviso to clause (1) or as the case may be, the date of expiry of the period of three months, referred to in second proviso to that clause, and shall also be liable to refund to the Company, any remuneration received or the monetary benefit 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 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).
- (5) Any Office or place of profit shall be deemed to be an office or place of profit under the Company within the meaning of this Article:
 - (a) in case office or place is held by a Director and the Director holding in obtains from the Company anything by way of remuneration (over and above the remuneration) to which he is entitled as such Director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence or otherwise;
 - (b) in case the office or place is held by any individual other than a Director or by any firm, private company or other body corporate holding it, obtains from the company anything by way of remuneration whether as salary, fees, commission perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.

145. Loans to Directors

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

146. Board resolution necessary for contracts

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

firm or 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 and services or (b) for underwriting the subscription of shares in or debentures of the Company.

- (2) Nothing contained in the foregoing clause (1) shall affect
- (a) The purchase of goods and materials from the Company, of the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at the prevailing market price; or
 - (b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner, or private Company on the other for the sale, purchase or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business.

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

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

RETIREMENT AND ROTATION OF DIRECTORS

147. (1) **Retirement by rotation**

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.

- (2) The remaining Directors shall be appointed in accordance with the provisions of these Articles and particularly in accordance with the provisions of Articles 130(b) and 131.

(3) **Directors to retire annually how determined**

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 the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office.

- (4) Subject to the provisions of the Act and these Articles, 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, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall remain in office until the conclusion of the annual general meeting at which he retires.

148. **Eligibility for reappointment**
Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.
149. **Company to fill up vacancy**
The company at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.
150. **Provisions in default of appointment**
- (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
 - (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless: -
 - (a) at the meeting or at the previous meeting a resolution for the re- appointment of such Director has been put to the meeting and lost;
 - (b) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed ; he is not qualified or is disqualified for appointment;
 - (c) a resolution, whether special or ordinary, is required for his or their appointment or re-appointment by virtue of any provisions of the Act;
 - (d) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.
151. **Right of a person under Section 257**
- (1) Subject to the provisions of the Act and these Articles, any person who is not a Retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has atleast fourteen clear days before the meeting left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, alongwith a deposit of Rs. 500/- which shall be refunded to the person or as the case may be to such member, if the person succeeds in getting elected as a Director.
 - (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under sub-clause (1) of this Article of Section 257 of the Act signifying his candidature for Directorship) propose him as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as Director, if appointed.
 - (3) On receipt of the notice referred to in this Article, the Company shall inform its member of the candidature of that person for the office of a Director or of intention of a Member to propose such person as a candidate for that office, by serving individual notice on Members not less than seven days before the meeting provided that it shall not be necessary for the Company to serve individual notice upon the members if the Company advertise such candidature or intention not less than seven days before the meeting in atleast two newspapers circulating in the city, town or village in which the Registered Office of the Company is situated, of which one is published in the English language and the other in the Regional language.
 - (4) A person other than;
 - (a) a Director re-appointed after retirement by rotation or immediately on the expiry of the term of his, office; or
 - (b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 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 in Article 128, hereof shall not act as a

Director of the Company unless he has within **thirty days of his appointment** signed and filed with the Registrar of Companies his **consent in writing to act as such Director**.

152. Individual resolution for Directors

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

153. Removal of Directors

- (1) The Company may (subject to the provisions of **Section 284** and other applicable provisions of the Act and these Articles) remove any Director **before the expiry** of his period of office.
- (2) Special notice as provided by Article 95 and **Section 190 of the Act** shall be given of any resolution to remove a Director under this Article or to **appoint some other person in place of a Director so removed at the meeting at which he is removed**.
- (3) On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director (**whether or not he is a member of the Company**) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under the 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 the members of the Company, the Company shall unless the representation is received by it too late for it to do so (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made; and (b) send a copy of the representation to every member of the Company and if a copy of the representation is not sent as aforesaid because it was received too late, or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting; provided that copies of the representation need not be sent or read out at the meeting if on the application either of the Company or of any other person who claim to be aggrieved, the court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 133 hereof 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 that Special Notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (6) If the vacancy is not filled under Sub-clause (5) it may be filled as a casual vacancy in accordance with the provisions in so far as they are applicable or Article 133 hereof or **Section 262 of the Act** and all the provisions of that section shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be appointed as Additional Director by the Board of Directors.
- (8) Nothing contained in this Article shall be taken:
 - a) as depriving a person removed there under of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or
 - b) as derogating from any power to remove a Director which may exist apart from this Article.

INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

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

PROCEEDINGS OF BOARD OF DIRECTORS

155. **Meeting of Directors**
The Directors may meet together as a Board for the despatch of business from time to time. Unless the Central Government by virtue of proviso to Section 285 otherwise directs, and shall so meet at least once in every three months and atleast four such meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of the Articles shall not be deemed to be contravened merely by reason of the fact that meeting of the Board which had been in compliance with the terms herein mentioned not be held for want of a quorum.
156. **When meetings to be convened and notice thereof**
A Director or the Managing Director may at any time and the Managing Director upon the request of a Director may at any time shall convene a meeting of the Directors. Notice of every meeting of the Directors of 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.
157. **Quorum**
Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being round off as one or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two third of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not so interested and are present at the meeting not being less than two shall be the quorum during such meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act of the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.
158. **Adjournment of meeting for want of quorum**
If a meeting of the Board could not be held for want of quorum then the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday till the next successive day which is not a public holiday at the same time and place or at any such other place as the Director present at the meeting may by notice to all other directors fix.
159. **Appointment of Chairman**
The Board of Directors may appoint a director to be the Chairman of the Board and determine the period for which he is to hold office. Such director shall also be the Chairman of the Company as provided for in Article-99
- 159A. An individual may be appointed or reappointed to, or hold, the position of Chairperson or Co-Chairperson of the Company and also its Managing Director or Chief Executive Officer (as the case may be) at the same time."
160. **Who to preside at meeting of the Board**
All meetings of the Directors shall be presided over by the Chairman present, but if at any meeting of the Directors the Chairman be not present at the time appointed or holding the same, then in that case, the Managing Director if present, shall be the Chairman of such meeting, and if the Managing Director be also not present, than in that case, the Directors shall choose one of the Directors than present to preside at the meeting.
161. **Question at Board Meeting how decide (casting vote)**
Question arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman of meeting whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting shall have a second or casting vote.

162. Directors may appoint Committees

(i) Subject to the provisions of Section 292 of the Act and Article 170, and other Article hereof the Directors may delegate any of their Powers to committees and every committee so formed shall in exercise of their powers so delegated to it conformity with any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like form effect as is 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 pay the same.

(ii) *Deleted vide Special Resolution dt.;25.03.2003*

163. Meetings of Committees how to be convened

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

164. Resolution by Circulation

(1) Subject to the provisions of the Act and these Articles requiring any resolution to be passed at a meeting of the Board 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 factual as a resolution passed at a meeting of the Board or of a Committee duly called and held

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

165. Act of Board of Committees valid not with standing defect of appointment

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

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

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

167. By whom minutes to be signed and effect of minutes recorded.

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

POWERS OF DIRECTORS

168. General Power of Directors

(1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do: Provided that the Board shall not exercise any powers or do any act or things which is directed or required whether by the Act or any other law or by the Memorandum 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 Memorandum or in these Articles or in any regulations not 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.

169. Consent of Company necessary for the exercise of certain powers

The Board of Directors shall not except with the consent of the Company in General Meeting:

- a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;
- b) remit or give time for the repayment of any debt due by a Director;
- c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in Sub-clause (a) above or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
- d) Borrow moneys in excess of the limits provided in Article 77;
- e) contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits determined in accordance with provisions of sections 349 and 350 of the Act during the three financial years immediately, preceding, whichever is greater.

170. Certain powers to be exercised by the Board only at meetings

- 1) Without derogating from the power vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the company and shall do so only by means of resolution passed at meeting of the Board;
 - a) The power to make calls on shareholders in respect of money unpaid on their shares;
 - b) The power to issue debentures;
 - c) The power to borrow moneys otherwise than on debentures;
 - d) The power to invest the funds of the Company;
 - e) The power to make loans.

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

- 2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any time upto which moneys may be borrowed by the delegate, provided, however, that where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit and other account by means of which the arrangement is made is availed of shall not require the sanction of the Board.
- 3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegate.
- 4) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made and the maximum amount of loan which may be made.
- 5) Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on exercise by the Board of any of the powers referred to in sub- clauses (a), (b), (c), (d) and (e) of Clause (1).

171. **Certain express powers of the Board**

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

- 1) To pay all costs, charges and expenses preliminary and incidental to the promotion establishment and registration of the Company.
- 2) To pay and charge to the capital of the Company any commission or interest lawfully payable there at under the provisions of Sections 76 and 208 respectively of the Act and Articles 15 and 181 hereof.
- 3) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at, or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- 4) At their discretion and subject to the provisions of the Act to pay for any property or rights acquired by or service rendered to the Company, either wholly or partly in cash, or in shares, bonds, debenture stock, mortgage or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- 5) To insure and keep insured against loss or damage by fire or otherwise such period or 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 jointly; also to ensure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue and policies of assurance of this power.
- 6) To open accounts with any bank or bankers and to pay money into and draw money from any such account from time to time as the directors may think fit.
- 7) To secure the fulfilment if any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such other manner as they think fit.

- 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 rendered to the company, such conditions as to the transfer thereof as they think fit.
- 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.
- 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 shall such deeds and things as may be required in relation to any such trust and or provide for the remuneration of such trustee or trustees.
- 11) To institute, conduct, defend, compound or abandon any legal proceeding by or against the company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debt due, or of any claims or demands by or against the Company.
- 12) To refer any claim or demand by or against the Company or any difference to arbitration and observe and perform any awards made thereon.
- 13) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- 14) To make and give receipts, release and other discharges for moneys payable to the Company and for claims and demands of the Company.
- 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.
- 16) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security and other investments (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Provided that save as permitted by Section 49 of the Act all investments shall be made and held by the Company in its own name.
- 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 mortgage of the Company's property's (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, provisions and arrangements as shall be agreed upon.
- 18) To distribute by way of bonus amongst the staff of the Company, a part of profits of the Company and to give to any officer or other person employed by the Company a commission on the profit of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.
- 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 or profits shall be treated as a part of the working expenses of the Company.
- 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 and dependents or connections of such persons, by building of houses, dwellings or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments, or by creating and from time to time subscribing or contributing to provident and other funds profit sharing or other schemes or trust and by providing or subscribing or contributing towards places of instruction, recreation, hospitals, and dispensaries, medical and other attendances other forms 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, subject to the provisions of section 293A of the Act.
- 21) Before recommending any dividend, but subject to the provisions of Section 205 (2A) of the

Act and the rules made thereunder to set aside out of the profits of the company such sums as they may think proper for depreciation or to a Depreciation Fund, Insurance Fund, General Reserve Fund, Sinking Fund, or any special or other funds or account or accounts to meet contingencies, or to pay Redeemable Preference Shares, debentures or debenture-stock or special dividends, and for equalising dividends, for repairing, improving extending and maintaining any part of the property of the company, and/or such purpose (including the purpose referred to in the last preceding sub-clause) as the Directors may in their absolute discretion think conducive to interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restriction imposed by the Act) as the Directors may think fit, and from time to time deal with and vary any such investments and dispose off and apply and expend and/or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest 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 apportioned out of net profits in the business of the Company or in the purchase or repayment of Redeemable Preference Shares, debentures, or debenture stock and that without being bound to keep to the same separate from the other assets, and without being bound, to allow to pay interest on the same with power however to the Directors at their direction to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

- 22) Subject to the provisions of the Act, to appoint at their discretion to remove or suspend such secretaries, officers, clerks, agents and employees for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and of such amounts as 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) and (26) following shall be without prejudice to the general powers conferred by this sub-clause.
- 23) To Comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- 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 person to be members of any Local Board, or any managers or agents, and to fix their remuneration.
- 25) Subject to the provisions of Section 292 of the Act and Article 170, hereof 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 agent so appointed any powers, authorities, and discretion for the time being of and such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation under this sub-clause shall be subject to such conditions as the Board of Directors may determine and the Board of Directors may at any time remove any person so appointed, and may annul or vary 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 attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the power which may be exercised only by the Board of Directors at a meeting of the Board under the Act or these articles or by the Company in General Meeting) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the member or any of the members of any Local

Board, established as aforesaid or in favour of any company or firm or otherwise is favour of any body of persons nominated directly.

- 27) 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 rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR(S)

172. Power to appoint Managing Director

- (a) Subject to the provisions of Section 269, 314, 316 & 317 and Schedule-XIII of the Act, the Board of Directors may from time to time, appoint one or more of Directors as Managing/Whole time Director or Directors of the Company on such remuneration and on such other terms and conditions as the Board may deem fit.
- (b) Where the Company enters into any contract for the appointment of a Managing Director or Whole time Director or varies any such contract or where the Board passes any resolution appointing such a Director or, varies any previous contract or resolution of the Company relating to such appointment, the Company shall send an abstract of the terms of the Contract or variation and a memorandum to every member of the Company as required by Section 302 of the Act and shall otherwise comply with the provisions of the said Section.

173. Managing Director to be non-rotational

A Managing Director so appointed shall not while holding that office be subject to retirement by rotation but he shall be taken into account in determining the number of Directors to retire by rotation.

174. Remuneration of Managing Director and wholetime Director(s)

The remuneration of the Managing Director of a Wholetime Director or Wholetime Directors (subject to the provisions of Section 309 and other applicable provisions of the Act) shall be in accordance with the terms of his or their contract with the Company.

175. Powers and Duties of Managing Director

Subject to provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof the Board may from time to time, entrust to and confer upon any Managing Director(s)/whole-time Director(s) having designation whatsoever, such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit and the Board may confer such power, either collaterally with or to the exclusion of, and in substitution for all or any of the powers already conferred by the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

176. Secretary

Subject to the provisions of section 2 (45) of the Act and the Rules made thereunder, the Directors shall appoint any duly qualified person as the Secretary of the Company for such term, at such remuneration and upon such conditions as they may think fit and Secretary so appointed may be removed by them. The Directors may also appoint a duly qualified person as 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 documents required to be registered with the Registrar of Companies and for carrying out all other administrative and ministerial acts, normally supposed to carry out, such as giving the necessary notices to the members, preparing agendas of meetings, issuing notices to the Directors, preparing minutes of meetings of members and of Directors and of any other statutory documents, and, he shall carry out and discharge such other functions, duties as the Directors or the Managing Director may from time to time require him to do.

REGISTERS, BOOKS AND DOCUMENTS

177. Registers, Books and documents to be maintained by the Company

- 1) The Company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely:
 - a) Register of Investments not held in the Company's name according to Section 49 of the Act
 - b) Register of Debentures and Charges according to Section 148 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 with any of Companies and Firms in which Directors are interested according to Section 301 of the Act, and shall enter therein the relevant particulars contained in Sections 297 and 299 of the Act.
 - f) Register of Directors and Managing Directors according to Section 303 of the Act.
 - g) Register of Shareholdings and Debenture holding of Directors according to Section 307 of the Act.
 - h) Register of Investments in Shares of 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, 195 Article hereof) .
 - j) Copies of annual returns prepared under Section 159 of the Act, together with the copies of the certificate required under section 161 of the Act.
 - k) Register of Renewed and Duplicate Certificates according to Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960.
- 2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and be kept open for inspection for such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to those persons entitled thereto in accordance with the provisions of the Act or these Articles.
- 3) The Company may keep a Foreign Register of Members in accordance with the provisions of Sections 157 and 158 of the Act, subject to the provisions of Section 157 and 158 of the Act, 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

178. Seal

The Directors shall provide a Seal for 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 for Directors previously given, and subject to the provisions of Article 178-A hereof in the presence of a Director of the Company or such other persons appointed by the Directors for the purpose.

178A. Sealing of Share and Debenture Certificates

The Seal shall be affixed on the Share Certificates and Debenture Certificates as required under the Companies (Issue of Share Certificates) Rules, 1960 as also explained in Article 16 hereof.

179. Article No. 179 deleted by Special Resolution Passed at AGM held on 17.10.1983.

180. **Power under section 50**
The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

INTEREST OUT OF CAPITAL

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

DIVIDEND

182. **Division of interest out of capital**
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.
183. **Capital paid up in advance at interest not to earn dividend**
Where capital is paid up in advance of calls upon the footing that the same shall carry interest on such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.
184. **Directors to comply with the provisions of section 205 (2A)**
The Directors shall observe and comply the provisions of Section 205 (2A) of the Act and rules made thereunder, while recommending any dividend.
185. **The Company in General Meeting may declare a dividend**
The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declare a dividend to be paid to the members according to their respective rights, and interests in profits and subject to provisions of the Act may fix the time for its payment. When a dividend has been so declared either the dividend shall be paid or the warrant in respect thereof shall be posted within 42 days of the date of the declaration to shareholders entitled to the payment of the same.
186. **Power of Company to limit dividend**
No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of Sections 205, 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.
187. **Interim Dividend**
Subject to the provisions of the Act, the Directors may, from time to time pay to the members such interim dividends as in their judgement the position of the Company justify
188. **Retention of dividends until completion of transfer under Article 57**
Subject to the provisions of the Act, the Directors may retain the dividend payable upon any shares in respect of which any person under Article 57 hereof, is 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 created in a share either by reason of transmission or by operation of law or otherwise.

189. **No member to receive dividend whilst indebted to the Company and Company's right or reimbursement thereof.**
Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such 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 due from him to the Company.
190. **Transfer of shares must be registered**
A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
191. **Dividends how remitted**
Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the Registered Address of the member or person entitled to the share or in the case of joint holders to that one of them first named in the Register in respect of the Joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.
192. **Unclaimed Dividends**
No unclaimed dividend shall be forfeited and provisions of Section 205-A & 205B, of the Act shall apply to unclaimed and unpaid dividends.
193. **Dividend and call together**
Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call to each members shall not exceed the dividend payable to him and so that the call may be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.

CAPITALISATION

194. **Capitalisation**
- 1) [The Board of Directors in their meeting]¹ may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits including profits or surplus moneys arising from the realisation and where permitted by law from the appreciation in value of any capital assets of the company standing to the credit of the General Reserve, or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend be capitalised:
- a) By the issue and distribution as fully paid up shares of the Company; or
 - b) By crediting shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.
- Provided that any amount standing to the credit of Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of shares of the Company to be issued to members (as herein provided) as fully paid up bonus shares.
- 2) Such issue and distribution and such payment to the credit of unpaid share capital under (1) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their, respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which distribution or payment under (1) above shall be made on the footing that such members become entitled thereto as capital.

1. amended vide special resolution dated 29.08.2011

- 3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid 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 capitalised 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 for 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 trustee upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally the Directors make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise they may think fit.
- 5) Subject to the provisions of the Act and these Articles in case where some of the shares of the Company are fully paid and others are partly paid only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied for the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied prorata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.
- 6) When deemed required a proper contract shall be prepared in accordance with the provisions of 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 effected.

ACCOUNTS

195. Books of account to be kept

- 1) The company shall keep at its Registered Office proper Books of Account with respect to :
 - a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;
 - b) all sales and purchases of goods by the Company;
 - c) the assets and liabilities of the Company; and
 - d) all such accounts and records as may be prescribed under Section 209 (1) (d) of the Act.

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 decide, the Company shall, within seven days of the decision, file with the Registrar of Companies Notice in writing giving the full address, of that other place.

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

196. Books of accounts to be preserved

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

197. Inspection by members of accounts and books of the company

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

198. Statement of accounts to be furnished to Annual General Meeting

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

- a) In case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than nine months; and
- b) In case of any subsequent Annual General Meeting of the Company, to the period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the second provision to sub-section (1) of Section 166 of the Act 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 'final 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 where special permission has been granted in that behalf by the Registrar.

199. Balance sheets and Profit and Loss Account

- 1) a) Subject to the provisions of Section 211 of the Act, every balance sheet give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall subject to the provisions of the said section, be in the form set out in part-I of Schedule VI to 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 the preparation of the balance sheet due regard shall be had, as far as may be to the general instructions for the preparation of the balance sheet under the heading "Notes" at the end of that part.
b) Subject to 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 to as aforesaid, comply with the requirements of part-II of Schedule VI to the Act so far as they are applicable thereto.
- 2) There shall be annexed to every Balance Sheet a statement showing the bodies corporate (including separately and bodies corporate in the same **group with** in the meaning of Section 372 (10) of the Act) in the shares of which **investments have been** made by it (including all investments whether existing or not, made **subsequent to the date** as at which the previous Balance Sheet was made out) and the nature and **extent of the investments** so made in each body corporate.
- 3) So long as the Company is holding Company **having a subsidiary**, the Company shall confirm to Section 212 and other applicable provisions **of the Act**.
- 4) If in the opinion of the Board, any of the **current assets of the Company** have not a value on realisation in the ordinary course of business **at least equal to the amount** at which they are stated, the fact that the Board is of that **opinion shall be stated**.

200. Authentication of Balance Sheet and Profit and Loss Account

- 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, and by not less than two Directors** of the

Company, one of whom shall be the Managing Director where there is one.

- 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 provision 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 of Directors in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

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

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

202. Board's Report to be attached to Balance Sheet

- 1) Every Balance Sheet laid before the Company in Annual General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs: the amounts if any, which it proposes to carry to any Reserve in such balance sheet and the amounts 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 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 class of business carried on by them and generally in the class of business in which the Company has an interest
- 3) The Board shall also give the fullest information and explanation in its reports or in case falling under the proviso to Section 222 of the Act in an addendum to the report, on every reservation, qualification or adverse remark contained in the Auditor's Report.
- 4) The Board's Report and Addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of Clauses (1) and (2) of Article 200.
- 5) The Board shall have the right to charge any person not being a Director with the duty of seeing that a provisions of Clauses (1) to (3) of this Article are complied with.

203. Right of members to copies of Balance Sheet and Auditor's Report

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

ANNUAL RETURNS

204. Annual Returns

The Company shall make and file with the Registrar of Companies the requisite Annual Returns in accordance with the provisions of Sections 159 and 161 of the Act, and shall also file with the Registrar three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act.

AUDIT

205. Account to be audited

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

206. Appointment of Auditors

- 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. The appointment shall be made in accordance with the provisions of Section 224-A of the Act.
- 2) At any Annual General Meeting a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless:
 - a) He is not qualified for re-appointment;
 - b) He has given to the Company notice in writing of his unwillingness to be re-appointed ;
 - c) A Resolution has been passed at that meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or
 - d) Where notice had been given of an intended Resolution to appoint some persons in the place of the retiring auditor and by reason of the death, incapacity or disqualification of that persons or of all those persons as the case may be, the Resolution cannot be proceeded with.
- 3) Where at an Annual General Meeting no auditors are appointed, 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 clause (3) becoming exercisable, give notice of that fact to that Government.
- 5) The first auditor of the Company shall be appointed by the Board of Directors with in 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 any of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the meeting.
- 6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, surviving or the 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) A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a Resolution for appointment of that person to the office of Auditor has been given by a member to the company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with the Section 190 of the Act, and all other provisions of Section 225 of the Act shall apply in the matter. The provisions of this clause shall also apply to the Resolution that a retiring Auditor shall not be re-appointed.
- 9) The person qualified for appointment as Auditor shall ~~only be that~~ referred to in Section 226 of the Act.
- 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.

207. Auditor of Branch Office

The Company shall comply with the provisions of **Section 228 of the Act** in relation to the audit of the accounts of Branch Office of the Company ~~except to the extent to which~~ any exemption may be granted by the Central Government in that behalf.

208. Remuneration of Auditors

The remuneration of the Auditors of the Company ~~shall be fixed~~ by the Company in General

Meeting except that the remuneration of the first Auditors appointed by the Board and or any auditors appointed to fill and casual vacancy may be fixed by the Directors.

209. Right and duties of Auditors

- 1) Every Auditor of the Company shall have the right to access at all times to the books and vouchers of the Company kept at the Registered Office of the Company or elsewhere and shall be entitled to require from the Directors and Officers of the Company such information and explanations as the auditor may think necessary for the performance of his duties.
- 2) All notices of 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 also be forwarded to the Auditors of the Company, and the Auditor shall be entitled to attend any General Meeting which he attends on any 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 document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the Company in Annual 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 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 his 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 purposes 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 228 of the Act by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub section (3) of that 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) The Auditor's Report shall also comply with the requirements of the Manufacturing and Other Companies (Auditor's Report) Order 1975.
- 6) Where any of the matters referred to in sub-clause (i) and (ii) of clause (3) of this Article or Sub-Clauses (4) (a),(b),(c) and (d) hereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.
- 7) The accounts of the Company shall be deemed as not having been, and the Auditors' Report shall not state that these accounts have not been properly drawn upon 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) These provisions are specified in the Balance Sheet and Profit and Loss Account of the Company.

- 210. Accounts when audited and approved to be conclusive**
Every account when audited and approved by an Annual General Meeting shall be conclusive.

DOCUMENTS AND SERVICE OF DOCUMENTS

211. Service of document effected

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

212. Service on members having no registered address

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

213. Service on person acquiring shares on death or insolvency of member

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

214. Persons entitled to notice of General Meeting

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

- i) to all the members of the Company as provided by Article 92 in any manner authorised by Articles 211 & 212 as the case may be or as authorised by the Act;
- ii) the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 213 or as authorised by the Act;
- iii) to the auditor or auditors for the time being of the Company in any manner authorised by Article 211 hereof or the Act in the case of any member or members of the Company.

215. Advertisement

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.

216. Members bound by documents given to previous holders

Every person, who, by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share which

previously to his name and address being entered on the Register, shall be duly served on or sent to the person from whom he derives his title to such share.

217. Notice of Company and signature thereto

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.

218. Service of notice by members

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

AUTHENTICATION OF DOCUMENTS

219. Authentication of documents and proceedings

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

WINDING UP

220. Distribution of assets

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

221. Distribution of assets in specie or kind

- 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 contributors, in specie or kind, any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with like sanction shall think fit.
- 2) If thought expedient, any such decision 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 right or may be excluded altogether or in part but in case any decision otherwise than in accordance with the legal rights of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary if any contributory so dissents rights shall follow in such manner as in such determination were a Special Resolution passed pursuant to Section 494 of the Act.
- 3) In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing intimate to the liquidators to sell his properties and pay him the net proceeds and the liquidators shall, if practicable act accordingly.

222. Rights of share holders in case of sale

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

223. **Secrecy clause**

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

INDEMNITY AND RESPONSIBILITY

224. **Directors and others' right to indemnity**

- 1) Subject to the provisions of Section 201 of the Act, every Director of the Company, Secretary and other Officer or employees of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Officer or employee and the trustees (if any) for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act or deed done by him as such Director, Officer or servant or in any way in the discharge of his duties.
- 2) Subject to as aforesaid every Director, Secretary or other Officer or employees of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which 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.

225. **Not responsible for acts of others**

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

Names, Addresses, Description and Occupation of Subscribers	Signature of Subscribers	Name, Address, Description and Occupation of the witnesses
Mahendra Kumar Mohta S/o Shri Surajmal Mohta B-26 Greater Kaitash - I, New Delhi - 110048 Industrialist	M.K.Mohta	
Vishweshwar Prasad S. Tiwari S/o Late Sahdeo Tiwari B-220, Greater Kailash - I New Delhi - 110048 Company Director	V S Tiwari	
Mahesh Chandra Agarwal S/o Late Manohar Lal Agarwal 18/27, Shakti Nagar, Delhi - 110007 Chartered Accountant	M. C. Agarwal	
Ishwar Dutt Sharma s/o Late Mam Raj Sharma Atma Ram House, 1, Tolstoy Marg, New Delhi - 110001 Company Secretary	I. D. Sharma	
Govind Lahoti S/o Shri R. S. Lahoti A12-6, Radhey Niwas Krishna Nagar, Delhi -110051 Service	Govind Lahoti	
Jia Ram Gupta S/o Shri Mange Ram Gupta 10, Ishwar Colony, Bhamashah Marg, Delhi - 33 Service	J.R.Gupta	
Mohta Industries Ltd. Regd. Off. C-58, Focal Point, Dhandari Kalan, Ludhiana - 141 003 Company	Sd/- For Mohta Industries Ltd V. S. Tiwari Managing Director	SD/- RAKESH KUMAR JOSHI S/O Late G.L. Joshi 14 th Floor, Atmaram House, 1, Tolstoy Marg, NEW DELHI-110001 SERVICE

NEW DELHI
DATED : 9th August, 1980

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH
(ORIGINAL COMPANY JURISDICTION)

COMPANY PETITION NO. 69 OF 2007

CONNECTED WITH

COMPANY PETITION NO. 38 OF 2007

COMPANY PETITION NO.69 OF 2007

IN THE MATTER OF:-

The Companies Act, 1956

IN THE MATTER OF:-

Section 391 (2) - 394 of the Companies Act, 1956

IN THE MATTER OF:

The Scheme of Amalgamation between Amkryon International Private Limited (AIPL) (hereinafter called as the Transferor Company) having its Registered Office at HB - 22, Phase VI, Focal Point, Ludhiana, Punjab WITH Vardhman Polytex Limited (VPL) (hereinafter called as the Transferee Company) having its Registered Office at 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana- 141123.

IN THE MATTER OF:-

- (1) Amkryon International Private Limited (AIPL) (hereinafter called as the Transferor Company) having its Registered Office at HB - 22, Phase VI, Focal Point, Ludhiana, Punjab through its Director, Sh. Sudheer Rangnekar.
..... Petitioner No. 1 /Transferor Company
- (2) Vardhman Polytex Limited (VPL) (hereinafter called as the Transferee Company) having its Registered Office at 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana -141 123 through its Chairman -cum-Managing Director, Sh. Ashok Oswal.
..... Petitioner No. 2 /Transferee Company

PETITION UNDER SECTION 391(2)-394 OF THE COMPANIES ACT, 1956
READ WITH RULE 9 OF COMPANIES COURT RULES, 1959 FOR
SANCTIONING THE SCHEME OF AMALGAMATION, ANNEXURE P-5

PRAYER

It is therefore, respectfully prayed that Scheme of Amalgamation, Annexure P-5, hereto may be sanctioned by this Hon'ble Court so as to be binding on the Transferor Company and the Transferee Company, all the Shareholders and Secured and Unsecured Creditors of the said Companies and all concerned;

Such further orders may also be passed by this Hon'ble Court as this Hon'ble Court may deem fit and proper in the facts and circumstances of the instant case in the interest of justice.

COMPANY PETITION NO. 38 OF 2007

IN THE MATTER OF:-

The Companies Act, 1956

IN THE MATTER OF:-

Section 391 to 394 of The Companies Act, 1956

IN THE MATTER OF:

- (1) Amkryon International Private Limited (AIPL) (hereinafter called as the Transferor Company) having its Registered Office at HB - 22, Phase VI, Focal Point, Ludhiana, Punjab through its Director, Sh. Sudheer Rangnekar.

Petitioner No. 1 / Transferor Company

- (2) Vardhman Polytex Limited (VPL) (hereinafter called as the Transferee Company) having its Registered Office at 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana-141123 through its Chairman-cum-Managing Director, Shri Ashok Oswal.

Petitioner No. 2/ Transferee Company

**PETITION UNDER SECTION 391 OF THE COMPANIES ACT, 1956
READ WITH RULE 9 OF COMPANIES COURT RULES, 1959**

PRAYER

It is, therefore, respectfully prayed that this Hon'ble Court may give necessary direction for convening, conducting and holding the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company/Petitioner No.2 Company and at the same time dispensing with the convening, conducting and holding the meetings of Equity Shareholders and Unsecured Creditors of the Transferor Company/Petitioner No.1 Company in the interest of justice.

Such further or other orders be made and/or direction or directions be given as this Hon'ble Court may be deem fit and proper.

Before the Hon'ble Mr. Justice Permod Kohli

Dated : the 28th day of February, 2008

ORDER ON PETITION

The above Company petition No. 38 of 2007 came up for hearing on 03.05.2007; upon reading the said petition duly supported by the affidavit of Sh. Sudheer Rangnekar, Director of Amkryon International Private Limited (Transferor Company) dated 21.04.2007; Affidavit of Sh. Ashok Oswal, Director of Vardhman Polytex Limited (Transferee Company) dated 21.04.2007, the order dated 03.05.2007, whereby the convening of the meetings of Equity Shareholders and Unsecured Creditors of Amkryon International Private Limited (Transferor Company) were dispensed with, whereas separate meetings of Equity Shareholders, Secured and Unsecured Creditors of Vardhman Polytex Limited (Transferee Company) were directed to be convened and held on 9th of June 2007 at 10.00AM, 10.45AM and 11.15AM respectively for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Amalgamation (Annexure P-5) proposed to be made between transferor and transferee Companies under the Chairperson Ms Puneeta Sethi, Advocate and Sh. Vipul Jindal, Advocate, alternative Co-chairperson with Sh. Ramneek Vasudeva and Sh. Rahul Jindal, as Assisting Advocates; the order dated 31.05.2007, passed in Company Application No. 381 of 2007 in Company Petition No. 38 of

2007, whereby the convening of the meetings of the preference share holders (12% redeemable non-cumulative) of Amkryon International Private Limited (Transferor Company) was dispensed with; and also upon perusing the affidavit of Ms. Puneeta Sethi, Advocate dated 31.05.2007, Indian Express (English) dated 15.05.2007, Dainik Jagran (Hindi) dated 15.05.2007 and Official Gazette of State of Punjab dated 01.06.2007 showing the publications and dispatch of notice convening the said meetings of equity shareholders, secured and unsecured creditors of Vardhman Polytex Limited (Transferee Company); on perusing the reports of the Chairpersons of the meetings of Equity Shareholders, Secured and Unsecured Creditors of Transferee company respectively held on 09.06.2007 as to the result of said meetings; also upon reading the objections filed by the petitioner-companies to the report of the Chairperson of the meeting of the shareholders and perusing the order dated 16.08.2007 passed in C.P. No. 38 of 2007 and upon hearing Shri Vikas Mohan Gupta, Advocate for the Petitioner companies and it appearing from the reports that the proposed scheme of amalgamation has been duly approved by the requisite majority in the meetings of equity share holders, secured and unsecured creditors of the transferee Company present and voting in person and/or proxy and pursuing all other material placed on record;

This Court doth hereby sanction the said scheme of Amalgamation set forth in the Petition and annexed as Annexure P-5 to the Company Petition No. 69 to 2007 and in the schedule hereto and hereby declare the same to be binding on the shareholders and creditors of the above named companies and also on the said Companies and all concerned and the scheme shall come into operation from the effective date after the completion of necessary formalities,

AND

This Court doth further order that the order of sanctioning the scheme of Amalgamation shall be duly notified by the public notice in Indian Express (English Language Daily), Dainik Jagran (Hindi Regional Language daily) and official gazette of Govt. of Punjab within 30 days.

That the parties to the scheme of Amalgamation or other person interested shall be at liberty to apply to this court for any directions that may be necessary in regard to the working of the scheme of Amalgamation and

That the said companies do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

SCHEDULE

(Scheme of Amalgamation as sanctioned by the court)

**SCHEDULE
SCHEME OF AMALGAMATION
BETWEEN
AMKRYON INTERNATIONAL PRIVATE LIMITED
AND
VARDHMAN POLYTEX LIMITED
AND
ITS MEMBERS & CREDITORS
(Scheme as sanctioned by Court)**

[Under Section 391 read with Section 394 of the Companies Act, 1956 in respect of the Amalgamation of Amkryon International Private Limited with Vardhman Polytex Limited]

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **"Act"** means the Companies Act, 1956 or any statutory modifications or re-enactments thereof for the time being in force.
- 1.2 **"Appointed Date"** means 1st April, 2006, or such other date as the Hon'ble High Court for the States of Punjab & Haryana at Chandigarh, may order .
- 1.3 **"Effective Date"** or references in this Scheme to the date of "coming into effect of this Scheme" or **"effectiveness of this Scheme"** shall mean the last of the dates on which the conditions and matters referred to in clause 15 hereof occur or have been fulfilled or waived;
- 1.4 **"Record Date"** means such date following the Effective Date as may be fixed by the Board of Directors of the Transferee Company to whom shares of the Transferee Company will be allotted pursuant to this Scheme for the purpose of giving effect to the provisions of Clause 9 hereof.
- 1.5 **"Scheme"** means this Scheme of Amalgamation in its present form or with modification(s) approved or imposed or directed by the Hon'ble High Court for the states of Punjab & Haryana at Chandigarh.
- 1.6 **"Transferor Company"** means Amkryon International Private Limited a Company incorporated under the Act and having its Registered Office at HB 22, Phase VI, Focal Point, Ludhiana. The Transferor Company is engaged in the business of manufacture of garments.
- 1.7 **"Transferee Company"** means Vardhman Polytex Limited, a Company incorporated under the Act and having its registered office at 341K-1, Mundian Khurd, P.O.Sahabana, Chandigarh Road, Ludhiana- 141123. The Transferee Company is engaged in the manufacturing of yarn.
- 1.8 **"High Court"** means the Hon'ble High Court for the States of Punjab & Haryana at Chandigarh.
- 1.9 **"Undertaking of the Transferor Company"** mean
- (a) all assets and property of the Transferor Company wherever situate, whether current or fixed, movable or immovable, tangible or intangible as on the Appointed Date (hereinafter referred to as "the said assets");
- (b) All the secured and unsecured debts, liabilities including contingent liability, bank liability in whatsoever manner, duties, charges and obligations including lien, mortgages and pledge, sundry creditors, bonus, sales tax, excise and other taxation and additional liability to bonus whether or not provided in the books of accounts of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said liabilities");
- (c) Without prejudice to the generality of the sub-clause (a) above, the Undertaking of the Transferor Company shall include land and buildings, plant and machinery, capital work in progress, goods in transit, stocks, investments, cash and bank balances, bills of exchange, bank guarantees, post dated cheques, receivables, credits, deposits, claims, powers, authorities, allotments, leasehold rights, tenancy rights, entry and occupation rights, approvals, consents, registrations, contracts, ISI/BIS

marks, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, other intangibles, industrial and other licenses, permits, authorizations, quota rights, goodwill, trademarks, patents, brand name and other industrial and intellectual property rights, including domain names, websites, copy rights, designs, engineering and process information, technology, computer programme, import quotas, telephones, telex, facsimiles and other communication facilities and equipments, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, available under any rule, regulations, statute including direct and indirect taxes, and particularly sales tax benefits/exemptions, benefit and exemption under the Income Tax Act, 1961, electricity duty benefit, modvat/cenvat benefit and customs duty benefit, central excise registration and exemptions, stamp duty benefit and exemption, export and import incentives and benefits, awards citations or any other benefit / exemption given by Central or State Government belonging to or in the ownership, power or possession or control of the Transferor Company.

2. **SHARE CAPITAL**

1. **Authorised & Paid-up Share Capital of Amkryon International Private Limited, the Transferor Company as on 31.03.2006**

Share capital	Particulars	(Rs. in Lac)
Authorized	15,00,000 Equity Shares of Rs. 10/- each	150.00
	8,50,000 Redeemable Non-cumulative Preference Shares of Rs. 100/- each	850.0
	Total	1000.00
Issued, Subscribed & Paid up	5,00,000 Equity Shares of Rs. 10/- each.	50.00
	3,00,000 12% Redeemable Non-cumulative Preference Shares of Rs. 100/- each.	300.00
	Total	350.00
Share Application Money (Preference Shares) (To be converted as unsecured loan under the scheme and cancelled)		526.5

2. **Authorised & Paid-up Share Capital of Vardhman Polytex Limited, the Transferee Company as on 31.03.2006**

Share capital	Particulars	(Rs. in Lac)
Authorized	1000 Redeemable Cumulative Preference Shares of Rs. 100/- each.	1.00
	1,99,90,000 Equity Shares of Rs. 10/-each	1,999.00
	Total	2,000.00
Issued, Subscribed & Paid up	Equity Shares of Rs. 10/- each fully paid up (10622957 Equity Shares of Rs. 10/- each)	1,062.30
	Add: Forfeited Shares (Amount Originally Paid-up)	3.45
	Total	1,065.75

3. TRANSFER OF UNDERTAKING OF THE TRANSFEROR COMPANY

- 3.1 With effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Act, stand transferred to and vest in or be deemed to be transferred to and vested in the Transferee Company on a going concern basis without any further act, deed matter or thing (save as provided in Clause 3.2 below) so as to become on the Appointed Date, the assets (subject to encumbrances and charges, if any existing thereon) or liabilities of the Transferee Company. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create or provide any further or additional security thereof after the Effective Date or otherwise.
- 3.2 With effect from Appointed Date, in respect of such of the assets of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall stand so transferred by the Transferor Company without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property and an integral part of the Transferee Company.
- 3.3 In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 3.2, the same shall, as more particularly provided in sub-clause 3.1, without any further act, instrument or deed, stand succeeded/transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.
- 3.4 Each of the moveable assets (other than those specified in sub-clause 3.2), including sundry debtors, outstanding loans and advances recoverable in cash or in kind or for value to be received and deposits with government, semi-government, local and other authorities and bodies, forming part of the Undertaking, shall, without any further act, instrument or deed be succeeded/transferred to and vested and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of the Act and appropriate entries shall be made in the books of accounts of the Transferee Company to record the aforesaid change.
- 3.5 The Transferee Company may inform in such manner as it may deem fit and proper to each debtor or depositor (as the case may be) of the Transferor Company that pursuant to the High Court having sanctioned this Scheme under Sections 391 to 394 of the Act, the said debts, loans and/or advances specified in sub-clause 3.4 be paid or made good or held on account of, as the case may be, the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize the same do stand transferred to the Transferee Company and that appropriate entry should be passed in their respective books to record the aforesaid change.
- 3.6 All debts, liabilities, duties and obligations of every kind, nature and description forming part of the Undertaking of the Transferor Company shall also under the provisions of Sections 391 to 394 of the Act, without any further act, deed or instrument be and stand transferred or deemed to be transferred to, and vested with, the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company and further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations arise in order to give effect to the provisions of this clause.
- 3.7 On and from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required the Reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appear in the financial statements of the Transferor Company.
- 3.8 Upon this Scheme becoming effective, any loans or other obligation due between or amongst the Transferor Company and the Transferee Company, if any, shall stand discharged and there shall be no liability in that behalf.
- 3.9 In the case of any difference in the accounting policy between the Companies, the impact of the same on the arrangement will be quantified and adjusted in the Revenue Reserve(s) of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

3.10 All cheques and other negotiable instrument, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted by the Bankers of the Transferee Company and credited to the account of the Transferor Company. Similarly, the Banker of the Transferee Company shall honour cheques issued by the Transferor Company for payment after the Effective Date.

3.11 The Transferor Company has inspected, examined and seen the Directors' Report, Audited Balance Sheet and Profit & Loss Account of the Transferee Company for the period ended 31st March, 2006, and also for the previous years and have satisfied themselves about the correctness thereof. The Transferee Company also accepts the correctness of the Accounts of the Transferor Company up to the Appointed Date.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

4.1 Subject to the other provisions- of the Scheme, all contracts, deeds, agreements, bonds and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if it had at all material times been a party thereto.

4.2 Any inter-se contracts between the Transferor Company with the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective.

4.3 Transferee Company shall be entitled to use the labelling and marking materials for the goods manufactured and packaged which Transferor Company was entitled to use pursuant to the packing laws and Weights and Measures Laws and other similar laws till such time as such packaging materials, labels, wrappers, boxes carrying such labelling rights and disclosures and information in accordance with these laws are exhausted. Transferee Company is authorized to advise the statutory auditors of the sanction of the Scheme even prior to it becoming effective after the pronouncement of the sanction order for enabling the change to be made/noted with effect from the Effective Date and for permission to continue to use the materials till they are exhausted despite the effectiveness of the Scheme.

5. DATE WHEN SCHEME COMES INTO OPERATION

5.1 This Scheme though operative from the Appointed Date, shall be effective from the Effective Date.

6. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE

6.1 With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall:

(a) carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by them shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;

(b) carry on its business with reasonable diligence and shall not without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose of the Transferor Company Undertaking or any part thereof except in the ordinary course of business;

(c) not, without the prior written consent of the Transferee Company, undertake any new business or substantial expansion of its existing business.

(d) The transfer and vesting of the properties and liabilities and the continuance of the proceedings by the Transferee Company and/or the contracts, etc. shall not affect any transaction or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done lawfully and executed by Transferor Company in the ordinary course of business.

7. TAX AND OTHER MATTERS

7.1 With effect from the Effective Date, in accordance with the CENVAT Credit Rules, 2002 framed

under the Central Excise Act, 1944 as are prevalent at the time of sanction of the Scheme, the CENVAT credit lying unutilized in AMK accounts shall stand transferred to 'VPL' as if the same were the CENVAT credit unutilized in 'VPL' account. It is declared that the transfer of the CENVAT credit allowed on consumption or stock of inputs as such or in process, including on capital goods are also transferred to the Transferee Company. The inputs or capital goods on which the credit has been availed of have been duly accounted for. Similarly any VAT credit according to local state laws shall also stand transferred to Transferee Company.

- 7.2 The Transferee Company shall be entitled to refund and/or set off all amounts paid by either of the Transferor Company or the Transferee Company under the Central Excise Act, 1944 towards excise duty paid on the export sales or disputed amount under appeal if any with the Commissioner (Appeals) upon this scheme becoming effective.
- 7.3 (a) 'Transferor Company and Transferee Company are expressly permitted to revise their Income Tax returns and related TDS certificates and the right to claim refund, advance tax credits etc. upon this Scheme becoming effective and have expressly reserved the right to make such revisions in the Income Tax loss returns and related TDS certificates and the right to claim refund, advance tax credits etc. pursuant to the sanction of this Scheme.
- (b) ALL taxes of any nature, duties, cesses or any other like payment or deductions made by AMK to any statutory authorities such as Income Tax, Sales Tax, Excise Duty, Service Tax etc, or by tax deduction / collection at source, in so far as it relates to, or is for and on account of the Undertakings, relating to the period after the appointed date up to the effective date shall be deemed to have been on account of or paid by VPL to the extent it relates to the undertakings and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company and not to Transferor Company upon the passing of the orders on this scheme by the High Court upon relevant proof and documents being provided to the said authorities.
- (c) All the benefits of IT Act 1961 available to the transferor company including benefits upon amalgamation, shall be available to the transferee company in the same manner as it would have been available to the transferor company had the amalgamation not taken place.
- 7.4 Any returns filed by the Transferor Company with the State Government for VAT or Sales Tax matters, with the Excise Authorities and Income Tax Authorities of the Central Government shall be deemed to have been filed for and on behalf of the Transferee Company i.e. VPL.
- 7.5 It is expressly clarified that upon the Scheme becoming effective all taxes payable and any and all refunds of claims receivable by the Transferor Company from the Appointed Date onwards shall be treated as the tax liability or refunds of claims as the case may be of the Transferee Company; similarly all credits for tax deduction at source on income of the Transferor Company; or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with if so made by the Transferor Company or the Transferee Company. Similarly any payment required to be made for by specified due dates in the tax laws shall also be deemed to have been made correctly if so made by the Transferor Company.

8. ACCOUNTING TREATMENT:

On the Scheme becoming effective, the Transferee Company shall account for the merger in its books of accounts with effect from Appointed Date as under:

- 8.1 With effect from the appointed date the share application money from different parties standing in the books of Transferor Company as on 31st March 2006 (other than from the Transferee Company) shall be transferred to the Transferee Company as an unsecured loan; and correspondingly, the same amount would become an unsecured loan from the transferee company to the Transferor Company from 1st April 2006.
- a) The said share application money (as stated in para 8.1) including the amounts already credited in the books of the Transferor Company, as having been made by the Transferee Company shall be entirely converted into unsecured loan and adjusted in the Amalgamation Reconstruction Account.

- 8.2 Upon the vesting of the assets and liabilities in the Transferee Company pursuant to the approval of this Scheme, all the assets and liabilities shall be recorded as per the valuation on 1st April 2006 in the books of the Transferor Company including revaluation if any. The indicative reference statement of assets and liabilities is attached as Annexure I.
- 8.3 Any adjustment in share capital account shall also be adjusted in Amalgamation Reconstruction Account.
- 8.4 The net credit balance of amalgamation reconstruction account if any shall be transferred to amalgamation reserve account. If there remains a debit balance in amalgamation reserve account it shall be adjusted against share premium account.
- 8.5 Transferee Company shall, record the assets and liabilities of Transferor Company vested in it pursuant to this Scheme, at their respective book values as on 1st April, 2006.
- 8.6 Transferee Company shall credit the aggregate face value of the new 8% non cumulative redeemable preference shares issued by it to the shareholders of Transferor Company pursuant to this Scheme to the Share Capital Account in its books of accounts.
- 8.7 In case of any difference in accounting policy between Transferor Company and Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the balance of Profit and Loss Account of the Transferee Company to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 9. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFEE COMPANY**
- 9.1 3,00,000 (Three Lacs Only) 12% non cumulative redeemable preference shares of Rs 100/- each of Transferor Company, being the shares in Transferor Company held by Transferee Company as investments and transferred to Transferee Company pursuant to Clause 3 of this Scheme shall stand cancelled.
- 9.2 Simultaneously with the above in consideration for the transfer and vesting of the Undertaking of the Transferor Company to the Transferee Company, the Transferee Company shall without any further act or deed, issue and allot to each member of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date, in the ratio of 1 (One) 8% non cumulative redeemable Preference Share of Rs. 100/- (Rupees One Hundred only) each redeemable on any date within a period of 18th months from the date of issue and credited as fully paid-up in the Transferee Company for every 100 (One Hundred) equity share of Rs.10/- (rupees ten only) each fully paid up held by such member in the Transferor Company ("the Share Entitlement Ratio").
- 9.3 The Board of Directors of the Transferee Company shall be at liberty to redeem the 8% non cumulative redeemable preference shares at any time within 18th months from the date of issue by giving three months notice to the holders of preference shares.
- 9.4 The shares to be issued and allotted pursuant to para 9.2 above shall rank in all respects pari-passu with each other.
- 9.5 The shares issued to the members of the Transferor Company pursuant to clause 9.2 above shall be issued in physical form by the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company. The 8% non cumulative, redeemable Preference Share of Rs.100/- (Rupees One Hundred only) each issued as above will not be subject to listing with the stock exchange(s) in which the equity shares of the Transferee Company are listed.
- 9.6 The issue and allotment of 8% non cumulative redeemable Preference Share of Rs. 100/- (Rupees One Hundred only) each in the Transferee Company by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under section 81 (1A) and any other applicable provisions of the Act were duly complied with.
- 9.7 In the case of the equity or preference shares held by the Transferee Company in the paid-up share capital of the Transferor Company and vice-versa, the same shall effectively stand cancelled on the Effective Date.

9.8 The cancellation of preferences' share capital held in the Transferor Company and share premium account in the Transferee Company as above, which amounts to reduction of share capital of the Transferor Company and the Transferee, Company respectively, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction and sufficient compliance of the provisions of Section 100 to 104 of the Companies Act, 1956, rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital

9.9 Upon the Scheme being effective the Authorized share capital of the Transferor Company would be added to the authorized share capital of the Transferee Company and the authorized share capital of the Transferee Company would stand increased to that extent without any further act or deed. The Board of Directors of the Transferee Company are authorized to make such changes in the Memorandum and Articles of Association of the Transferee Company to give effect to the change in authorized share capital of the Transferee Company without following any procedure under the Act upon sanction of the Scheme.

10. LEGAL PROCEEDINGS

10.1 All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as the same had been instituted by or pending and/or arising against the Transferee Company.

11. EMPLOYEES OF THE TRANSFEROR COMPANY

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

11.2 On the Scheme becoming finally effective the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of or in relation to the obligation to make contribution to the Provident Fund, Gratuity Fund and Pension and or Superannuation Fund or any other Special Fund created or existing for the benefit of staff, workmen and other employees (including former employees) of the Transferor Company in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds. It is the aim and intent of the Scheme that all the rights and duties and powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company.

12. DISSOLUTION WITHOUT WINDING UP

12.1 On the Scheme becoming effective the Transferor Company shall be dissolved without going through the process of winding up and shall be succeeded by the Transferee Company.

13. APPLICATIONS TO THE HIGH COURT

13.1 The Companies shall make applications/petitions under section 391 and 394 and applicable provisions of the Act to the High Court for the States of Punjab & Haryana at Chandigarh for sanction of this Scheme and for dissolution of the Transferor Company without winding up.

14. MODIFICATION OF THE SCHEME

14.1 The Board of Directors of the Transferor Company and the Transferee Company in their full and absolute discretion may assent to any modification or amendment to the Scheme which the High Court, and/or any other competent authority may deem fit to approve/impose and effect any other modification or amendment which the Boards may consider necessary or desirable and give such direction for settling any question, doubt or difficulty arising under the Scheme or in regard to its

implementation or any other matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the Transferor Company and/or the Transferee Company for any reason whatsoever the Transferor Company and/or Transferee Company shall be at liberty to withdraw from the Scheme at any time.

15. SCHEME CONDITIONAL ON APPROVAL/SANCTION

15.1 The Scheme is conditional upon and subject to:

- (a) The approval of and agreement to the Scheme by the requisite majority in number and value of such classes of persons of the Transferor Company and the Transferee Company as may be directed by High Court for the states of Punjab & Haryana at Chandigarh, either at meeting or through Consent /No Objection letters, on the Application made for direction under Section 391 of the Act for calling/dispensing of meeting(s) and necessary resolution(s), if any been passed under the Act for the purpose.
- (b) The sanction of the Scheme by the Hon'ble High Court for the states of Punjab & Haryana at Chandigarh under section 391 and 394 of the Act and necessary order or orders under section 394 of the Act being obtained.
- (c) Such other sanctions and approvals under any law including sanction of any Governmental Authority as may be required by law in respect of this Scheme being obtained
- (d) The filing of the necessary certified copies of Order/ Orders of the High Court for the states of Punjab & Haryana at Chandigarh sanctioning the Scheme with the Registrar of Companies, Punjab.

16. EFFECT OF NON RECEIPT OF APPROVAL/SANCTIONS

- 16.1. The Board of Directors of the Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to both of them.
- 16.2 In case the Scheme is not sanctioned by the Hon'ble High Court, for any reason whatsoever or for any other reasons, the Scheme cannot be implemented, the Scheme will become null and void and of no effect and in that event no rights and/or liabilities shall accrue to or be incurred inter-se by the Transferor Company and the Transferee Company and the parties shall bear and pay their respective costs and expenses incurred in connection with or relating to the Scheme or pursuant thereto.
- 16.3 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax deferment, incentives, concessions and authorizations, shall stand vested and permitted or continued by the order of sanction of the Hon'ble High Court, the Transferee Company shall file the Scheme, for the record of the statutory authorities who shall take it on file, pursuant to the sanction order of the Hon'ble High Court.

17. SETTLEMENT OF DIFFERENCE OR ISSUE THROUGH ARBITRATION

- 17.1 If any doubt or difference or issue arise between the parties hereto or any of their shareholders, creditors, employees and any other as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability vested under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to arbitration of a sole arbitrator appointed by consent of both the parties and law of arbitration as in force shall apply.

18. COSTS AND EXPENSES

- 18.1 All costs, charges and expenses of the Transferor Company and of the Transferee Company in relation to or in connection with the Scheme shall be borne by the Transferee Company.

Dated this 28th day of February, 2008
(By the Court)

Sd/-
Assistant Registrar
For Registrar

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH
(ORIGINAL COMPANY JURISDICTION)

COMPANY PETITION NO. 69 OF 2007

(CONNECTED WITH COMPANY PETITION NO. 38 OF 2007)

COMPANY PETITION NO.69 OF 2007

IN THE MATTER OF:-

The Companies Act, 1956

IN THE MATTER OF:-

Section 391 (2) - 394 of the Companies Act, 1956

IN THE MATTER OF:-

The Scheme of Amalgamation between Amkryon International Private Limited (AIPL) (hereinafter 'called as the Transferor Company) having its Registered Office at HB - 22, Phase VI, Focal Point, Ludhiana, Punjab WITH Vardhman Polytex Limited (VPL) (hereinafter called as the Transferee Company) having its Registered Office at 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana-141123.

IN THE MATTER OF:-

- (1) Amkryon International Private Limited (AIPL) (hereinafter called as the Transferor company) having its Registered Office at HB - 22, Phase VI Focal Point, Ludhiana, Punjab through its Director Sh. Sudheer Rangnekar. -

..... Petitioner No. 1/ Transferor Company

- (2) Vardhman Polytex Limited (VPL) (hereinafter called as the Transferee Company) having its Registered Office at 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123 through its Chairman-cum-Managing Director Sh. Ashok Oswal

.... Petitioner No. 2 / Transferee Company

PETITION UNDER SECTION 391(2)- 394 OF THE COMPANIES ACT,
1956 READ WITH RULE 9 OF COMPANIES COURT RULES, 1959 FOR
SANCTIONING THE SCHEME OF AMALGAMATION, ANNEXURE P-5

PRAYER

It is, therefore, respectfully prayed that Scheme of Amalgamation, Annexure P-5, hereto may be sanctioned by this Hon'ble Court so as to be binding on the Transferor company and the Transferee company, all the Shareholders and secured and unsecured Creditors of the said companies and all concerned;

Such further orders may also be passed by this Hon'ble Court as this Hon'ble Court may deem fit and proper in the facts and circumstances of the instant case in the interest of justice.

Before the Hon'ble Mr. Justice Permod Kohli

Dated: the 28th day of February, 2008

ORDER ON PETITION

The above noted company Petition No. 69 of 2007 coming up for further hearing on 28.02.2008 duly supported by affidavits of Sh. Sudheer Rangnekar, Director of Amkryon International Private Limited (Transferor Company) dated 04.08.2007; and affidavit of Sh. Ashok Oswal, Director of Vardhman Polytex Limited (Transferee Company) dated 04.08.2007; upon perusing the said petition, the order dated 16.08.2007 whereby notice of petition was issued to the Regional Director, Northern Region, Ministry of Company Affairs, Noida and to the Official Liquidator and notice of petition was also directed to be published in Indian Express (English), Dainik Jagran (Regional Language) and Official Gazette of the Punjab Govt.; and upon the pursuing the affidavits of Shri Vikas Mohan Gupta, dated 26.09.2007 showing the publication of notice of the petition under Section 391 to 394 of the Companies Act, 1956 in Indian Express (English) dated 13.09.2007, Dainik Jagran (Hindi) dated 13.09.2007 and the Official Gazette of the Punjab Govt. dated 21.09.2007; and upon hearing Shri Vikas Mohan Gupta, Advocate for the petitioner companies and persuing the Affidavit of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Company Affairs, Noida, dated 11.10.2007; and the report of Shri D.P. Ojha, Official Liquidator dated 07.11.2007; upon persuing the affidavit of Sh. Ashok Oswal s/o Sh. R.C. Oswal, Chairman and Managing Director of Vardhman Polytex Limited (Transferee Company) in reply to the affidavit filed by the Regional Director, Northern Region, Ministry of Corporate Affairs and also upon reading all other material placed on record THIS COURT DOTH ORDER.

- (1) That all the properties, rights and powers of the transferor company specified in the first, second and third parts of the Schedule hereto and all the other properties, rights and powers of the Amkryon International Private Limited (Transferor Company) be transferred without further act or deed to the Vardhman Polytex Limited (Transferee Company) and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in the transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same; and
- (2) That all the liabilities and duties of Amkryon International Private Limited (Transferor Company) be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the transferee company; and
- (3) That all proceedings now pending by or against the transferor company be continued by or against the transferee company; and
- (4) That the transferee company do without further application allot to the members of the transferor company the shares in the transferee company to which they are entitled under the said Scheme of Amalgamation; and
- (5) That the aforesaid companies do within 30 days after the date of this order, cause certified copies of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered the transferor company shall stand dissolved without the process of winding up and the Registrar of Companies shall place all documents relating to the transferor company and registered with him on the file kept by him in relation to the transferee company and the files relating to the said two companies shall not be consolidated accordingly; and
- (6) That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

Schedule
(as supplied by counsel)

SCHEDULE

Part I

(Short description of the freehold property of the transferor company)

Statement as on Appointed Date 01.04.2006

Fixed Assets

Plant and Machinery, building and other fixed assets amounting to Rs 103.72 lacs under below:

Plant and Machinery

Sr. No.	Particulars	(Rs in lac)
1	Plant & Machinery	57.25
	Total	57.25

Land & Building

Sr. No.	Particulars	(Rs in lac)
1.	Land situated at Village Uchi Mangli, Chandigarh Road, Ludhiana	4.82
2.	Building situated at HB-22, Phase VI, Focal Point, Ludhiana	10.86
	Total	15.68

Vehicle and other fixed Assets

Sr. No.	Particulars	(Rs in lac)
1.	Electric Installation in the Factory Building	7.37
2.	Furniture & Fixtures	23.42
	Total	30.79

Other Assets

Sr. No.	Particulars	(Rs in lac)
1.	Deferred Tax Assets (Other Asset)	41.80
2.	Misc. Expenditure (Other Asset)	5.89
	Total	47.69

Current Assets

Sr. No.	Particulars	(Rs in lac)
1.	Current Assets	72.51
2.	Loans & Advances	8.02
	Total	80.53

Liabilities

Sr. No.	Particulars	(Rs in lac)
	Current Liabilities & Provisions	45.57
	Unsecured Loans	49.50
	Total	95.07

Part II
(Short description of the leasehold property of the transferor company)
Statement as on Appointed Date 01.04.2006

Fixed Assets

Plant and Machinery, building and other fixed assets amounting to Rs 24.03 lacs under below:

Plant and Machinery

Sr. No.	Particulars	(Rs. In lac)
	-----NIL-----	

Land

Sr. No.	Particulars	(Rs in lac)
	Landsituated at SIPCOT Industrial Growth Centre, Perundurai, Tamilnadu (The said land has been forfeited by the SIPCOT Authorities and a refund of Rs. 16.56 lacs dated 25.09.2006 has been received.)	24.03
	Total	24.03

Vehicle and other fixed Assets

Sr. No.	Particulars	(Rs. In lac)
	-----NIL-----	

Current Assets

Sr. No.	Particulars	(Rs. In lac)
	-----NIL-----	

Liabilities

Sr. No.	Particulars	(Rs. In lac)
	-----NIL-----	

Part III

(Short description of all stocks, shares, debentures and other charges in action of the transferor company)

Statement as on Appointed Date 01.04.2006

Shares / Stocks / Debentures / Other Charges

Sr. No.	Particulars	(Rs. In lac)
	-----NIL-----	