

Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136,
Maharashtra, India

Tel + 91 240 6653700
Fax + 91 240 2564540

email: varroc.info@varroc.com
www.varroc.com
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2023-24/68

September 13, 2023

To,

The Manager- Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation
Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578
[Debt: 973455 & 975062]

Sub: Intimation of amendment in Articles of Association of the Company

Ref: Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is to inform you that shareholders at the 35th Annual General Meeting of the Company held on Wednesday, September 13, 2023, have duly approved the alterations below and consequent amendment to Articles of Association of the Company (AOA). Copy of amended MOA & AOA is attached herewith and also available on the website of the Company i.e. www.varroc.com.

Brief details of amendments made thereof are mentioned below:

I. Insertion of new Sub-Clause (i) (A) in the existing Clause (t) of Article 23 of Articles of Association of the Company as below;

“23 (t) (i)(A) Debenture trustees, on behalf of the Debenture Holders, shall have a right to recommend, appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the “Debenture Trustee Nominee Director”) within such timelines stipulated under Applicable Law as amended, updated and replaced from time to time in the event of:

- 1. Two consecutive defaults in payment of interest to the Debenture Holders; or*
- 2. Default in creation of security for Debentures; or*
- 3. Default in redemption of Debentures*

The right to appoint the Debenture Trustee Nominee Director shall be exercised by the Debenture Trustee(s) as per the statutory guidelines as may be applicable from time to time. The Debenture Trustee Nominee Director appointed pursuant to above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification Shares. The Nominee Director so appointed shall vacate his office on discharge of his duties as required under the applicable laws/ Rules, Regulations, Circulars.”

II. Substitution of existing Clause (ii) of the Article 65 (The Seal) of Articles of Association of the Company by the following;

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“(ii) The Common Seal shall not be affixed to any instrument except by the authority of a Resolution of the Board or a Committee of the Board authorized by it in that behalf.”

Kindly take the same on record and note the compliance.

For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

VARROC ENGINEERING LIMITED

Last Modified on: 13/09/2023

Certificate of Incorporation Consequent upon conversion to Public Limited Company



सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Mumbai
Everest, 100 Marine Drive, Mumbai, Maharashtra, India, 400002

Corporate Identity Number: U28920MH1988PLC047335

Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company

IN THE MATTER OF VARROC ENGINEERING PRIVATE LIMITED

I hereby certify that VARROC ENGINEERING PRIVATE LIMITED which was originally incorporated on Eleventh day of May One thousand nine hundred eighty-eight under the Companies Act, 1956 as VARROC ENGINEERING PRIVATE LIMITED and upon an intimation made for conversion into Public Limited Company under Section 18 of the Companies Act, 2013; and approval of Central Government signified in writing having been accorded thereto by the RoC - Mumbai vide SRN G75443168 dated 05.02.2018 the name of the said company is this day changed to VARROC ENGINEERING LIMITED.

Given under my hand at Mumbai this Fifth day of February Two thousand eighteen.



V T SAJEEVAN

Registrar of Companies

RoC - Mumbai

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

VARROC ENGINEERING LIMITED

L - 4, MIDC, WALUJ, AURANGABAD, Maharashtra, India, 431136





Word "Private" Added
u/s 43 A (2A) w.e.f. 24/12/88

प्रारूप ० आई० आर०
Form I. R.

M. S. G.
Registrar of Companies,
Maharashtra, Mumbai

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता०.....का सं०.....
No.1.1-47335 of 19 88.....

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

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

I hereby certify that VARROC ENGINEERING PRIVATE
LIMITED

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

मेरे हस्ताक्षर से आज ता०..... को दिया गया।
Given under my hand at BOMBAY this ELEVENTH
MAY..... One thousand nine hundred and EIGHTYEIGHT

V. S. GADGALI
(V.S. GADGALI)

कम्पनियों का रजिस्ट्रार
Registrar of Companies
Maharashtra



No. 11- 47335/TA

(Section 18(1) of the Companies Act, 1956)

**CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS**

M/s. VARROC ENGINEERING LIMITED

having by Special Resolution passed on 28/3/2000

altered the provisions of its Memorandum of Association
with respect to its objects, and a copy of the said resolution

having been filed with this office on 17/4/2000

I hereby certify that the Special Resolution passed on 28/3/
2000 together with the printed copy of the Memorandum
of Association, as altered, has this days been registered.

Given under my hand at MUMBAI

this NINETH day of JUNE

~~One thousand nine hundred and ninety~~ TWO THOUSAND



V. C. Davey
DY. (V. C. DAVEY)

REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.



सत्यमेव जयते

प्रारूप ० आई० आर०
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता० का सं०
No.1.1-47335..... of 19 88.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज

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

I hereby certify that **VARROC ENGINEERING PRIVATE**
LIMITED

is this day incorporated under the Companies Act, 1956 and that the Company is limited.

Word "Private" deleted
Sec. 43-A (1), 43-A (1A), 43-A (1B)
43-A (1C) from the name of Company.
Act, 1956 No. 1 of 1956
W.E.F. 1.7.97

मेरे हस्ताक्षर से आज ता०

Given under my hand at **BOMBAY** this **ELEVENTH** day of **MAY** One thousand nine hundred and **EIGHTYEIGHT**

V.S. GARGALI
(V.S. GARGALI)

कम्पनी का रजिस्ट्रार
Registrar of Companies
Maharashtra





सत्यमेव जयते

प्रारूप ० आई ० आर ०
Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता० का सं०

No.1.1-47335 of 19 88.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज

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

I hereby certify that VARROC ENGINEERING PRIVATE LIMITED

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

मेरे हस्ताक्षर से आज ता० को दिया गया।

Given under my hand at BOMBAY this ELEVENTH

MAY One thousand nine hundred and EIGHTYEIGHT

V.S. GARGALI
(V.S. GARGALI)

कम्पनियों का रजिस्ट्रार

Registrar of Companies
Maharashtra



THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

VARROC ENGINEERING LIMITED *

- I. The name of the Company is VARROC ENGINEERING LIMITED *.
- II. The Registered office of the Company will be situated in the State of Maharashtra.
- III. The Objects for which Company is established are:-
 - A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-
 1. To carry on business as electrical engineers, iron founders, mechanical engineers, tool-makers, die casters, brass founders, metal workers, machinists, iron and steel converters and processors, smiths and manufacturers of electrical instruments, apparatus, equipments, tools motors generators, welders, electroplating apparatus and other machinery.
 2. To carry on business of manufacturers, importers exporters, buyers, sellers distributors, dealers, sub-contractors, repairers, agents of all kinds of machines, tools, dies, jigs, fixtures, patterns, designs, plants, apparatus, utensils, hardware materials, plastic goods, implements, spare parts, accessories and components of all description whether electrical mechanical or otherwise.
 3. To carry on the business of merchants manufacturers, importers, exporters sellers, buyers dealers and agents for sale and purchase in spare parts and accessories of Automobiles, electric motors and generators transformers, switchgear, meters, instruments, wires and cables, lamps, fans, fittings, electro-medical and X-ray apparatus, heaters, radiators, ovens, refrigerator, Air-conditioning equipment and appliances, and various other kind of electrical machinery instruments, apparatus and goods and component parts.
 - 3(a). To generate electrical power through/by any method/process/source including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, geo-hydel, wind, tidal waves within or outside India for own consumption and/or supplying for domestic, industrial or any other purpose whatsoever.

[* The status of the Company has been changed from Varroc Engineering Pvt. Ltd. to Varroc Engineering Ltd. pursuant to special resolution passed by the members at their extra-ordinary general meeting held on 25-01-2018]

- 3(b). To buy, sell, supply, exchange, market, function as a licensee and otherwise deal in power and energy, transmission and distribution systems for distribution, transmission and supply of energy and for that purpose to own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on, control, take on hire, lease power generation plants of all kinds including co-generation plants, wind farms, solar farms, hydel projects, thermal power stations.
- 3(c). To carry on business of manufacturing, producing, buying, selling, importing, exporting, repairing, servicing and dealing in every way in parts and things required for and capable of being used for or in connection with generation, transformation, transmission, carriage, preparation, radiation, distribution, conduction, conversion insulation, supply, measurement, accumulation and employment of electricity, heat, light, gas, atomic, solar, wind or any other form of energy whatsoever.
- (B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:
4. To enter into contracts, agreements and arrangements with any other person, firm, company or body corporate for the carrying out by such other persons, firm company or body corporate on behalf of the Company of any of the objects for which the Company is formed.
 5. To employ experts to investigate and examine into condition/s, prospectus, value, character and circumstances of any business concern and undertaking and of any assets, property or rights.
 6. To repair alter, remodel clean renovate, convert, manipulate and any goods from time to time belonging to the Company.
 7. To purchase, take on lease or in exchange, hire or otherwise, acquire any immovable or moveable property any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any lands, buildings easements machinery plant and stock-in-trade and either to retain any property to be acquired for the purpose of the Company's business purposes or to turn the same to account as may seem expedient.
 8. To develop and assist in developing any landed property, and for that purpose to make advances and to give guarantees and to make such arrangement as may be expedient and build, construct, alter, improve, maintain, enlarge, pulldown, remove or replace and to develop work, manage, carry out and control any buildings, offices, electric workshops, stores, chawls and other work and conveniences which the Company may think necessary and convenient for the purpose of business of the Company and which may seem calculated directly or indirectly to advance the Company's interests and to

contribute to subsidise or otherwise assist or take part in the construction, improvement maintenance, development working management carrying out or control thereof and to join with any other person or company in doing any of these things.

9. To let on lease or on hire purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance the purchase of any article or articles whether made by the Company or not, by way of loans or by the purchase of any such article or articles and the letting thereof on the hire purchase system or otherwise howsoever.
10. To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, stocks debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
11. To remunerate any person or company for services rendered in placing or assisting to place or guaranteeing the placing of shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of property by the Company or the conduct of its business.
12. To acquire and undertake the whole or any part of the business propend money in experimenting upon, testing or improving and such posing to carry on any business which the Company is authorised to carry on or possessed of property, suitable for the purpose of this Company.
13. To establish or promote or concur in establishing or promoting any company or companies for the purposes of acquiring all or any of the property, right, and liabilities of the Company and to place or guarantee the placing of under-write, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company.
14. To enter into any arrangement with any Government or authority, supreme municipal. Local or otherwise, or any person or company that may seem conducive to this Company's objects or any of them and to obtain from any such Government, authority, person or company any rights, privileges, charters, contracts, licences and concessions which the company may think it desirable to obtain and to carry out, exercise and comply therewith.
15. To apply for, promote and obtain any Act, charter, privileges, concessions, licences, authorisation, if any, and/or from any Government, State or municipality provisional order or licence or any authority for enabling the company to carry any of its objects into

effect or for examining any of the powers of the company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.

16. To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent right brevets d'invention, trade marks, designs, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information to any invention which may seem capable of being used for any of the purposes of the Company and to use, exercise, develop or grant licences in and to use, exercise, develop or grant licences in respect of or otherwise, turn to account the property rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
17. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry out all scientific and technical researches experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of the scientific or technical professors or teachers and by providing for the award of exhibitions scholarships, prizes and grants to student 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 of the business which the Company is authorised to carry on.
18. To purchase or acquire or otherwise obtain and/or to sell, import or otherwise disclose and to enter into all manner of technical, financial and/or other collaboration agreements with any person, firm, company or body corporate or local body or authority or government of India (both Central as well as State) or in any part of the world for the purchase or acquisition or sale impartation or disclosure of technical knowledge, know-how or any other secret, technical or other information.
19. To make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person corporation introducing business to this Company, and also to subscribe contribute or otherwise assist or guarantee money or charitable scientific, religious or benevolent, national, public or other institutions, objects or for any exhibition or for any public, objects

and to establish and support or aid in the establishment and support of association, institutions, funds, trusts and conveniences for the benefit of the employees or ex-employees (including Directors) of the Company or its predecessors in business or of persons having dealings with the Company or the dependents, relatives or connected with such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lumpsum and to make payments towards insurances and to form and contribute to provident fund benefit funds of or for such persons.

20. To refer to or agree to refer any claim, demand, dispute or any other question, by or against the Company or in which the company is interested, or connected or concerned and whether between the company and the members of his or their representatives or between the Company and third parties to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds matters and thing and things and to carry out or enforce the awards.
21. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining application for or taking or undertaking or procuring the underwriting of shares, debentures or other securities of the Company.
22. To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested including in such preliminary expenses all or any part of the costs and expenses or any property acquired by the Company.
23. To amalgamate, enter into any partnership or into any arrangements for sharing profits, union of interests, co-operation, joint venture or reciprocal concessions, or for limiting competition with any person, or company or acquire the business of any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage, in or which can be carried on in conjunction therewith.
24. To pay for any rights or property acquired by the Company and to remunerate any person or Company for services rendered or to be rendered in placing of shares in the Company's capital or any debenture, debenture stocks or other securities of the Company or the acquisition of property by the Company or the conduct of its business whether by cash payment or by the allotment of shares, debentures or other securities of the Company, credited as paid up in full of in part or otherwise.

25. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press or on radio or on television by circulars by purchase and exhibition of work of art or interest publication of books and periodicals and by granting prizes, rewards and donations.
26. Subject to provisions of Section 58A of Companies Act and Reserve Bank of India directives to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and to secure the repayment of any money, borrowed, raised or owing by mortgage, charge or lien upon all or any of the property assets of the Company (both present and future) including its uncalled capital and the carrying such other rights as allotment and/or occupation any other immovable property of the Company or any part or parts thereof and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company or any obligation undertaken by the Company or any person or company as the case may be.
27. To invest and/or deal with the funds of the Company not immediately required in such manner and upon such securities as shall from time to time be thought necessary for the benefit of the Company and to create any reserve fund sinking fund insurance fund depreciation fund or provident fund or thereabout.
28. To draw, make accept, endorse discount, execute and issue bills of exchange, promissory notes bills of lading, warrants debentures and other negotiable or transferable instruments or securities.
29. To send and advance monies or give to such person or persons or companies and on such terms as may seem expedient and in particular to customers and other having dealing with the Company to guarantee the performance of any contract or obligation and the payment of monies of or by such person or companies.
30. To sell improve, manage, develop, exchange, lease mortgage, dispose off, turn to account or otherwise deal with all or any part of the property or any rights of the Company for the time being.
31. To establish and maintain or procure the establishment and maintenance of any contributor or non-contributor pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pension, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or is allied to or associated with the Company or with any such other company as aforesaid, and the wives, widows, families and dependents of any such persons and also establish and subsidise and subscribe to any institutions,

associations, clubs or funds calculated to be for the advance the interests and well being of the Company or of any such other company as aforesaid, and make payments towards the insurance of any such persons as aforesaid and any such other company as aforesaid.

32. Subject to the provisions of the Companies Act, 1956 to distribute among the members in specie any property of the Company or any proceeds of sales or disposal of any property of the Company in the event of winding up.
33. To ensure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principles or otherwise.
34. To carry out in any part of the world all or any part of the Company's objects as principals, agents, contractors or otherwise either alone or in conjunction with any other persons, firm association, corporate body, municipality, province State or Government or colony or dependency thereof.
35. To establish branches or appoint agencies in or outside India for or in connection with any of the objects of the company and in particular in relation to the investment of money, the sale of property and the collection and receipt of money.
36. To procure the Company to be registered or recognised in any part of the world.
37. To enter into and/or procure any arrangements with person, firm or company in or outside India for obtaining or supply of technical know-how and/or technical and or administrative services within India or outside India including the benefit of existing techniques, benefit of technical research, training of technical or administrative personnel for the plant and lay out of the plant and all other services.
38. To promote, organise and hold or assist in promoting, organising and holding, industrial and other exhibitions for the furtherance of trade, industry or commerce, to appoint agents or agencies, to open branches or other offices for the purpose of advertising, selling, exhibiting, keeping or disposing of goods and other merchandise in connection with the Company's objects.
39. To procure the registration or incorporation or recognition of the company or any other institution, business or company promoted, undertaken, formed established, acquired, aided, fostered, subsidized, acquired by the company in cluding any interest or

management rights, in any such institution business or company or in or under the laws of any place in or outside India.

40. To purchase, take on lease, or in exchange or otherwise acquire, improve, develop, render valuable, turn to account any real or personal properties and any rights or privileges which may be necessary or convenient to carry out the objects of the Company.
41. To establish showrooms, workshops, offices laboratories, factories, institutions, branches, concerns or other undertakings and to establish home and village industries in connection with the production, manufacture and supply of the goods of the Company and to manufacture appliances and apparatus for the production and manufacture of machinery and articles useful or beneficial to carry out the objects of the Company.
42. To appoint agents and managers and constitute agencies of the Company in India or in any other country whatsoever for selling the products of the Company.
43. To transact, deal in or carry on all kinds of agency business, and subject to the provisions of any law for the time being in force, in particular in relation to the collection, payment, remittance and transmission of moneys, securities and valuables of investment of the same, purchase, sale and improvement, development, management of property including business concerns and undertakings.
44. To create any reserve fund sinking fund, insurance fund, and dividend equalisation fund or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company of or any other purposes conducive to the interest of the Company.
45. Subject to the provisions of the Companies Act, 1956, or any other enactment in force, to indemnify and keep indemnified officers, directors, agents and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interests of the Company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.
46. Subject to the provisions of the Companies Act, 1956, to sell mortgage, exchange, let on lease or royalty and otherwise grant licences, easements, options and other rights over and in respect of any or all the property, assets, rights and effects of the Company in consideration of cash and or stock, shares whether fully or partly paid up, debentures or securities of any other Company having objects similar to this Company.

47. To grant annuities, pensions, allowances, donations, provident fund, gratuities and bonuses to any employees or ex-employees (including Directors and ex-Directors) of the Company or the relations, connections or dependents of any such persons and to establish or support associations, institutions or non-political bodies, clubs, schools, funds, societies schemes and trust (religious, scientific, educational provided or otherwise) advancing the interest which may be considered and calculated to benefit any such persons or otherwise advance the interests of the Company or of its members and to establish and contribute to any scheme for purchase by trustees of shares in the Company to be held for the benefit of the Company's employees and to support or subscribe to any charitable objects and institutions and to clubs, societies or funds.
48. To expend money in experimenting upon and testing improving or seeking to improve any patents, rights, inventions, discoveries, processes secrets, know how, technical data, concession or information which the Company may acquire or proposes to acquire.
49. To procure the Company and or Company's products/objects to be registered or recognised under any law including trade and merchandise marks act or authority for carrying out the objects of the Company.
50. To apply or tender and or enter into or otherwise acquire any contracts, sub-contracts, in carrying out the objects or business of the Company and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
51. To register as Government contractors with the Central Government, particularly with the Director General of Supplies and Disposals, Railways, defence departments and State Governments, department, authority, local body, port trust for supply of goods manufactured dealt in by the Company.
52. To promote any other company for the purpose of acquiring all or any of the property of this Company or advancing directly or indirectly the objects or interest thereof and to take or otherwise acquire and hold shares in any such company and to guarantee the payment of any debentures or other securities issued by any such company.
53. To purchase or otherwise acquire and undertake all or any part of the business, property and liability of any person or company or concerns carrying on any business which the Company is authorised to carry on, or of any person or concerns possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith and to pay in cash and or shares in consideration thereof.
54. To make arrangements to send at the expenses of the Company, any person or persons whether in the employment of the Company or not,

for technical or other studies or research connected with the business of the company or to acquire special or advanced knowledge and experience in that line or field by such studies, works, research and apprenticeship training or in any other way to any place station, or institution, technical or otherwise within India or abroad and to contribute to any such arrangement in any manner whatsoever.

55. To underwrite, sub-underwrite, to invest in and acquire, hold, sell, buy or otherwise deal in shares, debentures, debenture stocks, bonds, units, obligations and securities, issued by engineering companies in general and metal, steel and cement companies in particular.
56. To finance industrial enterprises and to promote companies engaged in industrial and training business.
57. To manage shares, stocks, securities, finance and real estate.
58. To take part in the formation, supervision or control of the business or operations of any company or undertaking and for that purpose or in any other capacity and to appoint and remunerate any Directors, Administrators or Accountants or other Experts or Agents.
59. To enter into agreement contract for, undertake or otherwise arrange for receiving, mailing or forwarding any circulars, notices, reports, brochures materials, articles and things belonging to any other company, firm, institution or person or persons, by means of delivery by hand or otherwise.
60. To negotiate loans, to draw, accept, endorse discount, buy, sell or otherwise deal in shares, debentures, coupons and other negotiable instruments and securities.
61. To act as selling agents of companies publicity and advertising agents and also to provide specialised services in investor relations relating to the above objects.
62. To purchase or otherwise acquire, erect, maintain or reconstruct any buildings, offices, workshops, mills, plant, machinery and other things found necessary or convenient for the purposes of the Company.
63. To undertake and execute any trusts and also to undertake and execute the offices of executor of the will of any deceased persons administrators of any deceased persons, trustees, for debenture-holders or debenture-stock holders of any company and to appoint trustees to hold securities on behalf and protect the interest of the Company.

64. To obtain any provisional order or Act of the Government for enabling the Company to carry on any of its objects into effect or for effecting any modification of the Company's constitution.
65. To open current or other accounts with any banks or merchants, to pay money into and draw money from such accounts.
66. To amalgamate, enter into partnership or make any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession or for limiting competition with any individual, person or company carrying on or engage in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith .
67. To form, promote, subsidise, organise and assist or aid in forming, promoting, subsidising, organising or aiding companies, or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of this Company, or of advancing directly or indirectly the objects thereof, or for any other purpose which the Company may think expedient.
68. To establish competitions in respect of contributions or information suitable for insertion in any publications of the Company or otherwise for any of the purpose of the Company, and to offer and grant prizes, rewards and premiums of such character and on such terms as may seem expedient.
69. To provide for and furnish or secure to any members or customers of the Company or to any subscribers or purchasers or possessors of any publication of the Company or of any coupons or tickets, issued with any publication of the Company any conveniences, advantages, benefits or special privileges which may seem expedient and either gratuitously or otherwise.
70. To refer to or agree to refer any claims, demand, dispute or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives, or between the Company and third parties, to arbitration and to observe and perform and to do all acts, matters and things to carry out or enforce the awards.
71. To apply for promote and obtain any statute, order regulation, or other authorisation or enactment and to oppose any bills, proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

72. To sell, dispose of, transfer the business, property and undertaking, of the Company, or any part thereof, for any consideration which the Company may seem fit to accept.
73. To acquire whether by purchase, hire, exchange or otherwise howsoever office furniture and equipment of all kinds for the purpose of hiring the same or otherwise making the same valuable for use by any person, firm or company.
74. To carry on the business of electrical mechanical motor and general engineers manufacturers and merchants of, agents for and dealers in engineering specialists of every description.
75. To carry on business as electrical mechanical and general engineers and contractors, iron master iron founders, steel makers and converters and manufacturers of and workers in metals and alloys of all descriptions electroplaters, nickel platers, chromium platers, bronzers, oxidizers and metal platers generally, painters, varnishes, laquerers, enamellers, cabinet makers, polishers, welders, gilders, goldsmiths, silversmiths, watchmaker, jewellers, brass founders, metal and glass makers, refiners and workers.
76. To construct and repair engines, boilers and machinery.
77. To carry on the business of manufacturers, exporters, importers, maintainers of and dealers in electrical and electronic appliances and apparatus, including transistors, semiconductors, integrated circuits, solid state devices and components, valves, cathode ray tubes, resistors, fixed and variable inductors, coil and transformers, fixed, tunable and variable, wires, microphones, analyzers, testers, controllers, stabilizers, oscilloscopes of all kinds and description including component parts, materials and accessories thereof.
78. To produce, manufacture, install, maintain, repair, import, export, buy, sell or otherwise deal in wire-less, transmitting and receiving sets, television and radio broadcast receiving sets, radiograms, tape and wire recorders, sound recording processing and reproducing apparatus, stereo and hi-fi-systems and equipments record changers discassettes, microphones, loudspeakers, speaker systems, earphones, headphones and cassettes and cartridges thereof.
79. To manufacture, buy, sell or otherwise deal in and represent all types of electrical, electronic mechanical fluid power and or other plants, equipments, machines, tools, accessories, instruments, gauge apparatus tools, dies, jigs, fixtures, including premises, lathes, shapers planers, grinders die casting machines, trainers, implements, dumpers, shovels rotta drills, loaders, unloaders, winches cranes, steering, gears. captains, ladders, refuge collectors,

rolling stock, turn tables, lifts, hoists, pipe bending machines, stakers, lifting platforms, lifting trucks, power houses, cutters, borers, buffer shock absorbers, closers, openers, and other equipment of any kind including parts, accessories, sub-assemblies, controls, relays and spare parts thereof and also all electrical, electronic mechanical fluid power or other generation, transmission and utilisation circuits including components thereof like pumps, compressors, generators, motors switchgear, valves, transistors, diodes, batteries, accumulators, pressure vessels, conductors, pressure tubes, fittings, oil seals, and insulation materials and generally, to handle engineering business of any type and in any form.

80. To carry on business as iron masters, iron founders, iron workers, steel makers, steel founders, proprietors and metal workers, metal makers, refiners and workers generally, iron and steel converters, smiths, tin plate makers and alloy makers, refiners and workers generally.
81. To carry on business of manufacturers, processors, refiners, smelters, makers, converters, finishers, importers, exporters, agents merchants, buyers, sellers and dealers in all kind and forms of steel including tools and alloy steels, stainless steel and other special steels, iron and other metals and other alloys and to search for, get work, raise, make manufacture process, buy, sell and otherwise deal in steel and other metals, ores, minerals and other substances, alloy and metal scrap of all kinds.
82. To carry on in India or elsewhere the business of manufacturers, processors, fabricators, drawers, and re-rollers, of ferrous and non-ferrous metals, steel, alloy steels, special and stainless steels, shaftings, bars rods, flats squares from scrap, sponge iron ingots, pre-reduced billets, billets of M.S. Medium carbon H.C. and other goods including manufacturing processing and fabricating of pipes, utensils, wires, nails, wire rope, wire products, screws, expanded metals, hinges, plates, sheets, strips, hoops, rounds, circles and angles.
83. To carry on and execute in any part of the world the business of mechanical, electrical, hydraulic, chemical and civil engineers, government, military, railway and civil constructors and as construction engineers and building and supervision contractors and/or do any turn-key jobs in respect of the same.
84. To carry on the business of engineers, civil, mechanical and electrical, engineering consultants, builders and contractors, iron founders, steel makers and manufacturers of and dealers in railway materials, all types of machinery, plant, implements, tools and accessories and metal ware of every description and to carry on all or any of the business of tool makers, brass founders, and re-rollers of all metals

and metal compounds, ferrous and non-ferrous metal workers, mechanists, smiths, welders, metallurgists, wire drawers, tube makers, boiler makers, millwrights, galvanizers, vulcanisers, jayanners, general merchant and contractors and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in minerals, metals, machines, dyes, implements, rolling stock, hardware and chemicals of all kinds.

85. To carry on the business of makers of and dealers in scientific and industrial instruments of all kinds for indicating, recording, controlling, measuring and timing and machine tools, precision tools, surgical instruments and appliances and artificial limbs, dental and optical equipment and goods, anatomical, orthopedic and surgical appliances of all kinds and providers of all requisite for hospital, patients and invalids.

(C) OTHER OBJECTS:

86. To carry on business of farming, agriculture and horticulture in all their respective forms and branches and to grow, produce, cultivate, manufacture, process, prepare, refine, extract, manipulate, grind, buy, sale or otherwise deal in all kinds of agricultural, horticultural and farm produce and products including, foodgrains, cereals, seeds, oilseeds, plants, flowers, vegetables, fruits and to do all such things as may be required to carry on these activities.
87. To carry on business as securities, business and official managers, messengers, telephone operators, forwarding agents and commercial agents and to provide a telephone answering service for subscriber and other and provide services in connection with the reception and forwarding of message and information by telephone, telegram, letter, radio and by any means whatsoever.
88. To carry on business as business consultants, market research consultants, business transfer agents, valuers and estate agent and to act as intermediaries in the introduction of sellers, purchaser, partners and employers. To promote or be interested in promoting or undertaking the formation and establishment of such institution, business of such company, whether industrial engineering and construction, trading, manufacturing or otherwise to acquire, promote aid, foster, subsidise or acquire interest or management rights in any industry or undertaking.
89. To carry on business of engravers, shorthand writers, copyist and language translators. To do business as commission agents, selling agents, manufacturers representatives and in any other capacity for and on behalf of local or foreign principals and act as agents of any company or concern carrying on similar business.

90. To carry on the business of spinners, weavers and manufacturers of cotton, importers, exporters and dealers in sign, prints, man-made fibres and fabrics, silk, art silks, cotton, wool flex, hemp, jute and all products thereof and to work on, buy, sell or deal in linen cloths, cotton, silk satin, velvet, velveteen yarn and fibres.
91. To carry on the business of weavers of all kinds of cotton, silk, wool, artificial silk yarn, nylon, any other synthetic or man-made fibres or textiles or any other raw materials and the preparation, doubling, combing, dyeing bleaching, cleaning, finishing and rendering marketable of all such cotton, silk wool, waste silk, artificial silk, rayon, any other synthetic or man-made fibres or textiles and other raw materials.
92. To carry on business of manufacturing refining importing, exporting, buying, selling and dealing (whether by wholesale or retail) in all kinds of chemicals, heavy chemicals, fine chemicals, organic and mineral intermediate photographic chemicals, chemical products of any kind or nature whatsoever, acids, gasses salts alkalies, fertilizers and chemical, industrial and other preparations articles and compounds (whether of animal, vegetable, mineral or any other original) cellulose, cement, oil, dyes, cosmetics, paints, pigments, varnishes, resins, colour, minerals, electrical photographic, surgical and scientific apparatus and minerals. To transact and carry on agency business and manufactures agents or representatives of any company or concern and to do perform all and singular the savants duties, servants duties, servants and authorities pertaining to such offices respectively to comply with and to become bound by all restrictions, limitations appertaining to such offices respective or imposed by terms of any agreements entered into for any of the purposes aforesaid.
93. To carry on the business of manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description and of and in radio, television and telecommunication requisites and supplies and electrical and electronic apparatus, appliances, equipment and stores.
94. To carry on the business of manufacturers, merchants, importers, exporters, sellers, buyers, repairers and agents for the sale and purchase of and dealers in instruments, apparatus appliances and accessories for indicating, recording, controlling, measuring and timing, pressure, humidity, flow, depth density movement and temperatures and for other industrial, commercial scientific purposes.
95. To carry on business of technical and/or financial and/or industrial and/or administrative consultants in all their various aspects and to be appointed as technical and/or financial and/or industrial and/or

administrative consultants of persons firms or companies established and/or to be established.

96. To build, fit out and repair and lend money upon ships and vessels of every description.
97. To construct, maintain for the use of the Company or for letting out on hire, graving and other docks and other conveniences for the building, repairing or docking of ships and other vessels and to aid in or contribute to the construction of any such work.
98. To buy or otherwise acquire ships and vessels, complete or not complete, sound or out of repair, for the purpose of improving re-selling or otherwise making a profit out of the same.
99. To construct, hire purchase, otherwise acquire and work on ships and vessel of any class, and to establish and maintain lines or regular services of ships or other vessels and to carry on business of ship owners and to enter into contract for the carriage of mails, passengers, goods and cattle by any means and either by its own vessels and other forms of transportation or by or over the vessels, and modes of transportation of others.
100. To carry on the business of designing, manufacturing, assembling of, importing and exporting of buying, selling and distribution of and otherwise dealing in all grades, types and qualities, shapes, sizes categories and description of cells and batteries including manganese dioxide, dry cell and batteries and components, materials, accessories, subassemblies, main assemblies as well as packaging, required directly or indirectly for the manufacture of cells and batteries including zinc and zinc alloy castings, bars, sheets, pellets, cans and electrodes, chemicals, electrolytes mixes, solutions and pasters, printed paper, metal and plastic sheets and laminates as well as containers and jackets thereof, plastic heat shrinking P.V.C. and paper tubes, electrodes and carbon rods, tops, bottoms, insulators, caps rings, and guides, as well as all kinds of components for any type or types of cells and batteries whether wet or dry or any other type.
101. To design, manufacture, assemble, process, import, export, buy, sell and otherwise deal in all types and descriptions of fuel, cells, primary and secondary cells and batteries including wet and dry, hybrid, stationery transaction, portable high performance, high temperature with inorganic and/or organic electrolytest, Leclanches, mercury, ammonium chloride, manganese dioxide/zinc voltanic, alkaline, manganese mercury oxide/zinc (Ruben- Mallory or Kallum), lead acid storage, automobiles, alkaline storage nickel cadmium and nickel iron.

102. To purchase, manufacture, buy, sell, import, export or otherwise deal in electrical lamps, flash lights, torches, beacons, reflectors and electrical heating apparatus.
103. To produce, prepare, manufacture, press, vulcanise repair, retread, purchase, sell, import, export and to deal in all types of belts, tyres and semi tyres for any type of vehicles for heavy, light and passenger transport, cars, motor cycles, agriculture tractors, industrial tyres, aeroplanes, inner tubes, flaps, appliances made with natural and synthetic rubber and plastic in textiles, metals and chemicals in general and all the accessories relating to the industry and commerce of tyres.
104. (a) To carry on the business as manufacturers, designers and makers of and dealers in materials handling equipment, comprising all types of hoists, cranes, winches grab buckets, conveyors, elevators, to carry on and conduct workshops for manufacture of and dealers in components such as wheels, bails, gear boxes control gear and all other components of materials handling industry.
- (b) To carry on business as makers of and dealers in metal enamel aluminium and alloys, to carry on and conduct workshop and foundries of iron, brass and other metals.
- (c) To carry on trade business of iron, steel engineers and iron founders in all their respective branches.
105. To handle, manufacture, assembling processing, finishing, construction, fabrication, building construction, erection, operation, servicing, designing, planning, consultation, repairs, alterations, improvements, renovations, hire, lease packaging and or allied activities including purchase, import, sell, export, supply, trade agencies, representations, contracts in respect of all types of metals and alloys in all forms including sheets, plates, flats, tubes, pipes, rods, rounds, squares angles, channels, hexagons, bars, coils, wires, strips, circles, seals, ingots, seams, sections, scraps; residues, dross dust bye-products, and products made thereof and particularly plant, machinery, vehicles, vessels, structures, apparatus, instrument, tools, domestic utilities, hardwares, including parts thereof.
106. To establish, compile print, publish and carry on newspapers, periodicals, gazettes, trade lists, year books, statistics and other publications as literatures and to carry on business as newspaper proprietors, publishers and advertising agents in all their respective branches.
107. To carry on the business of dyers, printers, and bleachers, of yarns, cloths, fabrics, cotton wools, silks, and staples, fibres and materials of every description and kind.

108. To conduct, carry on and manage the business of trade of whisky, gin rum, brandy and general distillers, compounders and rectifiers, merchants, exporters, importers, brokers, bottlers, the general traders in relation to the marketing and distribution at home and abroad of spirits, wines, liquors and all other production derived from the cultivation of grapes and to undertake, perform and carry out all or any of the operations ordinarily undertaken by distillery proprietors wine growers, contractors and shippers or by person and companies engaged in such business.
109. To trade and carry on business in like manners as brewers, malters, shop growers and merchants, malt factors, corn merchants, wine and spirit merchants and importers and distillers, ale stout and porer merchants, barley and general grain importers, dryers, and merchants, of and dealers in yeast findings, using, glass and other dryers, requisites manufacturers of and dealers in all kinds of aerated, mineral and medicated waters and general temperance and other drinks, beverages, cordials and the like manufacturers of and dealers in licensed victuallers, hotel keepers, bar house keepers, restaurant keepers, lodging house keepers, manu-facturers and merchants tobacconists, farmers, dairymen, dealers, grain sellers dryers, timber merchants, brick makers and manufacturers of and dealers in bottle makers, bottle stoppers makers, copper manufacturers of boxes, cartons paper and other bags and providers of all kinds of goods, products or wares necessary or desirable for use.
110. To promote, establish, acquire, run and or otherwise carry on the business of plastic, industry in all their aspects, as known at present or hereafter or business or manufacturers of plastics or machinery or materials for use in such industries, such as wax, paper, bakelite, plywood, celluloid products, chemicals of all sorts and other articles and things and similar or allied products or processes and to manufacture and carry on the business of making machinery or any materials which are required for any such plastic industry or in any way useful in connection with the same and to carry on business as plastic products merchants or dealers and to sell purchase or otherwise acquire or deal in machinery, machinery materials or things in connection with such trade industry or manufacture and to do all things as are useful or necessary in relation to or in connection with such business or industry or manufacture.
111. To build, erect, acquire, purchase, take over or run factories of all kinds and particularly to establish acquire or carry on business of ginning and pressing factories, textile mills.
112. To carry on business as importers of and wholesale dealers in retail of china potteries, porcelain, glassware, earthen ware, terra-cotta, bottle, flasks, stoppers, cases, umbrellas, glasses, windows, strained

glass, plate glass, shelves, table tops, mirrors, glassfares and similar goods.

113. To carry on business as glass blowers, banners, bevellers, silverrs, embossers, and engravers and as artists, potters, glazour, sand blast workers, colliery proprietors, brick and tile makers, quarry owners, metal and wood workers.
114. To carry on business as proprietors, printers, publishers and distributors of newspapers, journals, magazines, leaflets, pamphlets, diaries, books, periodicals and other literary or journalist works of any description and to acquire goodwill and copy right of and continue the publication of any existing publication or works.
115. To carry on in India and/or elsewhere business as importers, exporters, buyers, and sellers of and merchant and dealers in and manufacturers of cotton and other textiles, hessian, jute yarn, machinery of all kinds, mill-stores, sizing materials, chemicals, colours, textile specialities, wall equipments and appliances, articles and merchandise and goods of all descriptions and to carry on the business of wholesale and retail merchants.
116. To carry on in any part of the world, the business of consultants, planners and designers in regard to all matters pertaining to the business of mechanical, electrical, hydraulic, chemicals and civil engineers, government, military, railway and civil constructors and as construction engineers and or any manufacturing business of all types.
117. To manufacture buy, sell, lease, import, export take on hire purchase system or otherwise acquire and deal in all kinds and any description of machinery tools, tackles, spare parts, fixed or loose accessories, stores, plants, furnaces, transformers, of all types, tubes, tanks, pipes and pipe tools all kinds of metal and alloys, convertors, prime movers and other manufacturers, implements and other things in connection with the business of mechanical, electrical hydraulic, chemical and civil engineers.
118. To carry on either separately or in conjunction with one another all or any of the business of collecting, editing, summarising, amplifying and disseminating inter-national trade and commercial information for the private use of clients, subscribers, associates or others for general or restricted publication in any language and in any medium and to undertake or co-operate in market research and other marketing assignment or activities in any part of the world.
119. To carry on business of travel agency and to act as tourist agents and contractors and to facilitate travelling and to provide for tourists and travellers or promote the provision of conveniences of all kinds.

120. To carry on the business as timber merchants, saw mill proprietors or furnishers and buy, sell, grow, prepare for market, manipulate, import, export and deal in articles/furniture of all kinds.
121. To carry on the business of exporters and importers, function as export house and deal in all varieties of commodities/and for this purpose to also engage in ancillary services such as shipping, forwarding, road transport and inland transport.
122. To carry on the business of manufacturers of and dealers in organic and inorganic chemicals, petro-chemicals, fertilizers, manufactures, pesticides, calcium carbide, ethyl alcohol, coal-tar, hymedicines, ointments, essences, acids, toilet requisites, soaps, detergents, cosmetics, perfumes, dyes, paints, colours, pigments, varnishes, inks, explosives, ammunition, fuels, oils, greases, lubricants.
123. To carry on the business of advertising contractors and agents; to acquire and dispose of advertising time, space or opportunities in any media; to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites.
124. To carry on business as financiers, concessionaires and to undertake and carry out and execute all kinds of financial operations subject to provisions of the Act.
125. To act as financial consultants or management consultants and to provide advice, services and consultancy in various fields including general administration, commercial, financial, legal, economic, labour, industrial public relations, scientific, technical direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
126. To acquire and hold by way of investment or resell and to let on hire-purchase, lease or rent any metals, bullion, gold, silver, silver articles, diamonds, precious stones, ornaments and jewellery and paintings and coins and manuscripts and objects of art and to pay for same either in cash or otherwise.
127. To act as managers to public issue of other companies, and to act as investment advisers, or financial advisers to individual or company or advise on portfolio management to corporations, companies or individuals.
128. To transact or carry on all kinds of agency business and in particular, in relation to the investment of money, the sale of property and the collection and receipt of money.
129. To carry on business as under-writers, financiers and bills brokers and generally to undertake and execute agencies and commissions of any kind and to negotiate and arrange for the borrowing or lending of

money and the subscription or underwriting of shares, debentures and other securities.

130. To transact and carry on all kinds of agency business and to appoint or be appointed as buying agents, selling agents, and manufacturers agents and representatives of any company or concern and to do perform all and singular the servants duties, servants and authorities pertaining to such offices respectively to comply with and to become bound by all restrictions, limitations appertaining to such offices respectively to comply with and to become bound by all restrictions, limitations appertaining to such offices respective or imposed by terms of any agreements entered into for any of the purposes aforesaid.
131. To carry on business as importers, exporters, buyers, sellers, of and merchants and dealers in and manufacturers of merchandise goods, materials and machinery of all kinds spare parts and accessories and equipment.

AND IT IS HEREBY DECLARED THAT:

- (i) The objects incidental or ancillary to the attainment of the main objects of the Company as aforesaid shall also be incidental or ancillary to the attainment of the objects of the Company herein mentioned.
- (ii) The word "Company" (save when used with reference to this Company) in this memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.
- (iii) The objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction and shall extend to all parts of the world and the objects set forth in any clause of sub-paragraph C shall, subject to the provisions of the Companies Act, 1956, be independent and shall in no way be limited or restricted by reference to or inference from the terms of the clauses of sub-paragraph A or by the name of the Company.

Nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Regulation Act, 1949 or the Insurance Act, 1938.

IV. The liability of the members is limited.

V *(1) (a) The Authorised Share Capital of the Company is Rs.50,45,00,000 (Rupees Fifty Crore Forty Five Lakhs Only) comprising of:

- (a) Rs. 25,45,00,000 (Rupees Twenty - Five Crore and Forty-Five Lakhs only) divided into 25,45,00,000 Equity Shares of Re. 1 each.
- (b) Rs. 25,00,00,000 (Rupees Twenty - Five Crore only) divided into 25,00,00,000 Preference Shares of Re. 1 each.

with power to increase or reduce the capital of the Company and to consolidate and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.

- (b) The minimum paid up share capital of the Company shall be Rs. 1,00,000 (Rupees One Lac only).
- (2) The Company shall have power to increase or reduce its capital from time to time to such amounts as the Company may determine.
- (3) The shares in the capital of the Company for the time being be subdivided or consolidated or divided into different classes with different or preferential rights, privileges or conditions as may be decided by the Company from time to time. The Company may also issue shares for consideration other than cash. The rights, privileges or conditions attached to preference shares shall be defined by the Directors at the time of issue of such shares.

***The existing clause V(1)(a) is amended and replaced pursuant to the Ordinary Resolution passed by the Members at their 33rd Annual General Meeting held on 25-08-2021**

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

Name of subscriber and signature	Addressee, description, and occupation of subscriber	No. of equity shares taken by each subscriber	Name, addressee, description, occupation and signature of Witness
NARESH CHANDRA S/o ADISHWAR LAL Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay-400 026 Business Man	500 (Five Hundred)	NANDKISHOR C. PANPALIA S/O CHAMPALAL KEDAR BHAWAN, 134, O.H. LANE, KALBADEVI RD, BOMBAY -2 CHARTERED ACCOUNTANT SD/-
Tarang Jain S/o Naresh chandra Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay-400 026 Business Man	500 (Five Hundred)	
ANURANG JAIN S/o Naresh chandra Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay-400 026 Business Man	500 (Five Hundred)	
		1500 (One Thousand Five Hundred)	

Bombay dated 9th April 1988

Note: By a Special Resolution passed at the Extraordinary General Meeting of the Shareholders of Varroc Engineering Limited (the “**Company**”) held on 25th March, 2018, these Articles were adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of the Company.

THE COMPANIES ACT, 2013 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

VARROC ENGINEERING LIMITED

PRELIMINARY

1. CONSTITUTION OF THE COMPANY

- a. Save as provided herein, the regulations contained in Table “F” in Schedule I to the Companies Act, 2013, or in the Schedule to any previous Act (as defined below) shall not apply to the Company, except in regard to matters not specifically provided in these Articles. In case of any contradiction between the provisions of Table ‘F’ and these Articles, the provisions of these Articles will prevail.
- b. These Articles are in accordance with the prevailing laws in India. In case of amendment to any act, rules, regulations, etc. the article herein shall be deemed to have been amended to the extent that article will not be capable of restricting what has been allowed by the Act by virtue of an amendment, subsequent to adoptions of the article.
- c. These Articles shall be binding on the Company and its members as terms of agreement between them.
- d. The regulation of the management of the Company and for the observance of the Members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.

2. DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- (a) “**Act**” means the (i) Companies Act, 2013 and the Rules (including any amendments, modification(s) or re-enactment thereof, for the time being in force) and clarifications issued thereunder to the extent in force pursuant to the notification of the notified sections; and (ii) Companies Act, 1956, and the rules thereunder, to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be.
- (b) “**Annual General Meeting**” shall mean an annual general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- (c) “**Articles**” shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

- (d) “**Auditors**” shall mean and include those persons appointed as such for the time being by the Company.
- (e) “**Board**” shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- (f) “**Board Meeting**” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- (g) “**Beneficial Owner**” shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- (h) “**Business Day**” means a day excluding Sundays and public holidays, on which banks are generally open for business in Aurangabad for a transaction of ordinary banking business.
- (i) “**Capital**” or “**Share Capital**” shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- (j) “**Chairman**” shall mean such person as is nominated or appointed in accordance with Article 22(e) herein below.
- (k) “**Companies Act, 1956**” shall mean the Companies Act, 1956 (Act I of 1956), to the extent in force for the time being.
- (l) “**Company**” or “**this Company**” shall mean Varroc Engineering Limited, a company incorporated under the laws of India.
- (m) “**Committees**” shall have the meaning ascribed to such term in Article 37.
- (n) “**Depositories Act**” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- (o) “**Depository**” shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- (p) “**Director**” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- (q) “**Dividend**” shall include interim dividends.
- (r) “**Equity Share Capital**” shall mean the total issued and paid up equity share capital of the Company, calculated on a Fully Diluted Basis.
- (s) “**Equity Shares**” shall mean fully paid up equity shares of the Company having a face value of Rs. 1 (Rupees One only) per equity share or any face value as may be changed from time-to-time, and one vote per equity share or any other issued Share Capital (as defined below) of the Company that is reclassified, sub-divided, consolidated, reorganized, reconstituted or converted into equity shares.
- (t) “**Executor**” or “**Administrator**” shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

- (u) “**Extraordinary General Meeting**” shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- (v) “**Financial Year**” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year or any period construed as financial year under the provisions of the Companies Act, 2013.
- (w) “**Fully Diluted Basis**” shall mean, in reference to any calculation, that the calculation should be made in relation to the Equity Share Capital, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for Equity Shares (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.
- (x) “**General Meeting**” shall mean a meeting of holders of Equity Shares and any adjournment thereof.
- (y) “**Independent Director**” means a non-executive Director (other than a nominee Director) as defined in the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (z) “**India**” shall mean the Republic of India.
- (aa) “**Law**” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules, regulations, or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- (bb) “**Listing Agreement**” means the agreement(s) entered into with the stock exchange(s) in India, on which company’s shares are listed.
- (cc) “**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other rules or regulations as issued by Securities and Exchange Board of India from time-to-time governing listing norms of a listed company.
- (dd) “**Managing Director**” shall have the meaning assigned to it under the Act.
- (ee) “**MCA**” shall mean the Ministry of Corporate Affairs, Government of India.
- (ff) “**Memorandum**” shall mean the memorandum of association of the Company, as amended from time to time.
- (gg) “**Notified Sections**” shall mean the sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect.
- (hh) “**Office**” shall mean the registered office for the time being of the Company.
- (ii) “**Officer**” shall have the meaning assigned thereto by Section 2(59) of the Act.
- (jj) “**Ordinary Resolution**” shall have the meaning assigned thereto by Section 114 of the Act.

- (kk) “**Paid up**” shall include the amount credited as paid up.
- (ll) “**Person**” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- (mm) “**Register of Members**” shall mean the register of shareholders, along with the index of beneficial owners maintained by the Depository, to be kept pursuant to Section 88 of the Act.
- (nn) “**Registrar**” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- (oo) “**Related Party**” shall have the meaning assigned to in section 188 of the Act;
- (pp) “**Relative**” shall have the meaning assigned to in Section 2(77) of the Act;
- (qq) “**Rules**” shall mean the rules made under the Act and notified from time to time.
- (rr) “**Seal**” shall mean the common seal(s) for the time being of the Company.
- (ss) “**SEBI**” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- (tt) “**Secretary**” shall mean a company secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other administrative duties.
- (uu) “**Securities**” shall mean the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- (vv) “**Shareholder**”/ “**Member**” shall mean any shareholder of shares of the Company.
- (ww) “**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- (xx) “**Shares**” mean the Equity Shares and preference shares issued by the Company;
- (yy) “**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act.
- (zz) “**Subsidiary(ies)**” means any subsidiaries of the Company as determined under the Act and such other companies which may become Subsidiaries in future in accordance with applicable Law.
- (aaa) “**Transfer**” shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible

securities) or voting interests or any interest therein, and the word “Transferred” shall be construed accordingly.

- (bbb) “**Tribunal**” shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

Unless the context otherwise requires, words or expressions contained in these Articles and not otherwise defined or used herein, shall bear the same meaning as in the Act or any statutory modification thereof in force, unless the context of the same as used in these Articles is to the contrary.

3. CONSTRUCTION

1. In these Articles (unless the context requires otherwise):
 - (a) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
 - (b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
 - (c) References to Articles and sub-Articles are references to Articles and Sub-Articles of and to these Articles unless otherwise stated and references to these Articles include references to the Articles and Sub-Articles herein.
 - (d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
 - (e) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
 - (f) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
 - (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
 - (h) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
 - (i) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
 - (j) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital

of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

- (k) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (l) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

2. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

3. PUBLIC COMPANY

The Company is a public company within the meaning of Section 2(71) of the Act and accordingly:

- (a) is not a private company;
- (b) has a minimum paid-up share capital as per Law;
- (c) has minimum of seven (7) members. Also, where two (2) or more persons hold one (1) or more shares in the Company jointly, they shall, for purposes of this provision, be treated as a single Member.

4. SHARE CAPITAL

- (a) The Authorized Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association as altered from time to time.
- (b) The Share Capital of the Company may be classified into Equity Shares and / or Preference Shares with differential rights as to Dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (c) The Paid up Share Capital shall be at all times at least a minimum of such amount as may be prescribed under the Act.
- (d) All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to Dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (e) 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.
- (f) Subject to these Articles and the provisions of section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of

the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, determine.

- (g) The Board may allot and issue Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and / or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully / partly paid up shares and if so issued shall be deemed as fully / partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (h) The amount payable on application on each share shall not be less than 5% (five percent) of the nominal value of the share or, as may be specified.
- (i) Nothing herein contained shall prevent the Directors from issuing fully Paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company, subject to Law.
- (j) The fully paid Shares shall be free from all lien and that in the case of partly paid Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.
- (k) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (l) All of the provisions of these Articles shall apply to the Shareholders.
- (m) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity 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 on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (n) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- (o) Subject to the terms of these Articles, the Company in a general meeting upon the recommendation of the Board may consider offering shares of the Company to its employees including whole-time functional Directors under employee stock option plan or directly or through a committee, appointed by the Board. The allotment of such shares under this plan shall be in terms of the extant provisions in the Act, rules, regulations and guidelines of all the applicable statutes, from time to time.
- (p) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed in accordance with Article 9 of these Articles. The directors may also comply with the provisions of such rules or regulations of any depository with which shares of the Company are being dematerialized and with any of such stock exchange with which the Company gets listed at any point of time.
- (q) The Board may, in accordance of Article 16 of these Articles, from time to time, with the sanction of the Company in General Meeting by Ordinary Resolution increase the share capital of the

Company by such sum to be Divided into shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given, as the Board may determine.

- (r) The Company may by Ordinary Resolution:
 - (i) Consolidate classify, re-classify and divide all or any of its share capital into shares on larger amount than its existing shares:

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

- (ii) Subdivide its existing shares or any of them into shares of similar amount than is fixed by the Memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived subject nevertheless to the provisions of Section 61 of the Act; and
 - (iii) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of share capital within the meaning of the Act.
- (s) The Company may, in accordance of Article 16 of these Articles, reduce in any manner, from time to time, by special resolution:
 - (i) Its share capital; and
 - (ii) Any capital redemption reserve fund or any share premium account.

5. SECURITIES

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Securities on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

6. DEMATERIALIZATION OF SECURITIES

- (a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and / or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) **Securities in Depositories to be in fungible form:**

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88 and 89 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) **Rights of Depositories & Beneficial Owners:**

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) **Register and Index of Beneficial Owners:**

The Company shall cause to be kept a register and index of Shareholders with details of shares held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of Shareholders for the purposes of the Act. The Company shall have the power to keep in any state or country outside India a part of the register for the members resident in that state or country.

(h) **Cancellation of Certificates upon surrender by Person:**

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(i) **Service of Documents:**

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(j) **Transfer of Securities:**

- (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (k) **Allotment of Securities dealt with by a Depository:**
- Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (l) **Certificate Number and other details of Securities in Depository:**
- Nothing contained in the Act or these Articles regarding the necessity of having certificate number / distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (m) **Provisions of Articles to apply to Shares held in Depository:**
- Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
- (n) **Depository to furnish information:**
- Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.
- (o) **Option to opt out in respect of any such Security:**
- If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the Depositories Act and Securities and Exchange Board of India (Depositories and Participants) Regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.
- (p) **Overriding effect of this Article:**
- Provisions of this Article 6 will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles in Part A.
7. **COMMISSION AND BROKERAGE**
- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or procuring subscription, (whether absolutely or

- conditionally), for any shares in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, debentures, or debenture-stock or other securities of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for Shares, debentures or other securities of the Company.
- (b) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

8. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium, at par or at a discount (subject to compliance with Section 53 and Section 54 of the Act) at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting to give to any Person or Persons the option or right to call for any shares of the Company either at par or premium during such time and for such consideration as the Board thinks fit and may issue and allot shares of the Company in the capital of the Company on payment in full or part of any property sold and transferred or for any, services rendered to the Company in the conduct of its business and any shares of the Company which may be so allotted may be issued as fully Paid up shares of the Company and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares of the Company shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with the applicable provisions of the Act and the Rules:
- (i) Every Shareholder or allottee of shares shall be entitled, without payment, to receive one or more certificates in marketable lots specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company pursuant to receipt of permission from the Board. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). 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. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding

Rupees twenty (20).

- (iii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 8 (d) (i) above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holder shall be sufficient delivery to all such holders.
- (iv) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable / marketable lot.
- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

9. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
 - (i) is proved to have been lost or destroyed; or
 - (ii) has been defaced, mutilated or torn and is surrendered to the Company.
- (c) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the prima facie evidence of the interest of the Beneficial Owner.
- (d) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees twenty (20) for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for

issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including rules made under the Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to the debentures of the Company.

- (e) The provisions of this Article shall *mutatis mutandis* apply any other Securities of the Company.
- (f) When a new share certificate has been issued in pursuance of sub-article (c) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (g) Where a new share certificate has been issued in pursuance of sub-articles (c) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (i) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (g) of this Article.
- (j) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (k) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (l) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

10. SHARE WARRANTS

The Company may issue share warrants subject to, and in accordance with, the provisions, if any, of the Act, and accordingly the Board may in its discretion, with respect to any Share which is fully Paid up, on application in writing signed by the Persons registered as holder of the Share, and

authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

11. **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

The Company may exercise the power of conversion of its shares into stock and in that case clause 37 of Table 'F' in Schedule I to the Act shall apply.

12. **CALLS**

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call of such shares as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The joint holders of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- (d) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(e) **Restriction on Power to make calls and notice:**

No call shall exceed one-fourth of the nominal amount of share, or be made payable within 30 days' after the last preceding call was payable. Not less than, 14 days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

- (i) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 10 per cent interest per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

(f) **Amount payable at fixed times or payable by installments as calls:**

If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time, or by investments at fixed time or whether on account of the amount of the share or by way of premium, every such amount or installment, shall be payable as if it were a call duly made by the Board end of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to amount or installment accordingly.

(g) **Evidence in action by Company against shareholders:**

On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder and that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(h) **Payment of call in advance:**

The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act), agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(a) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable

(b) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

(c) **Revocation of calls:**

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

13. **FORFEITURE OF SHARES**

(a) **If call or Installment not paid notice may be given**

(i) If any Shareholder fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid serve a notice on such Shareholder requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company for the reason of such non payment.

- (ii) The notice shall name a day (not being less than 14 days from the date of notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time and at the place appointed the shares in respect of which such call was made or installments is payable will be liable to be forfeited. If notice is not complied with shares in respect of which such notice was given may be forfeited.
- (b) If the requirements of any such notice as aforesaid, be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.
- (c) **Notice after forfeiture:**

When any share shall have been so forfeited, notice of the resolution shall be given to the Shareholder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make such entry as aforesaid.
- (d) **Forfeited share to become property of the Company:**

Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit and 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 Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to any person or persons entitled thereto.
- (e) **Power of annul forfeiture:**

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise annul forfeiture disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
- (f) **Liability on forfeiture:**

A person whose share has been forfeited shall cease to be a Shareholder in respect of the share forfeited but shall, notwithstanding remain liable to pay and shall forthwith pay to the Company all calls, or installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the date of forfeiture, until payment at such rate of interest per annum as the Board may determine and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- (g) **Evidence of forfeiture:**
 - (i) A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary, of the Company, and that a share in the Company has been duly forfeited on a

date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- (h) **Forfeiture provisions to apply to non-payment in terms of Issue:**

The provisions of Article 13 hereof shall apply in the case of non- payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of a share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

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

14. **LIEN**

- (a) The Company shall have a first and paramount lien upon every share / debenture not being a fully Paid up share / debenture registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called on payable at a fixed time in respect of such share / debenture whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share / debenture shall be created except upon the footing and condition that Article 15 hereof is to have fully effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures subject to Section 205A of the Act. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this clause. Fully paid up shares / debentures shall be free from all lien.

- (b) **As to enforcing lien by sale:**

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it think fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell has been served on such Shareholder, his executor or administrators or his payment of the moneys called or payable at a fixed time in respect such shares for fourteen days after the date of such notice. The Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

- (c) **Application of proceeds of sale:**

The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the

residue, if any, shall (subject to a like lien for sums not presently payable as existed, upon the shares before the sale) be paid to the person entitled to the share at the date of this sale.

(d) **Board may issue new certificate:**

Where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered upto the Company by the former holder of such share the Board may issue a new certificate for such share distinguishing in such manner as it may think fit from the certificate not so delivered up.

15. **TRANSFER AND TRANSMISSION OF SHARES**

- (a) The Company shall maintain a “Register of Transfers” and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. All provisions of Section 56 of the Act and statutory modifications thereof shall be complied with in respect to all transfers of shares of the Company and registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
- (ii) 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 in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (c) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (d) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (e) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a Shareholder of the Company. The Board shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be,

was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused.

- (f) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (g) Subject to the provisions of these Articles, the Company shall not refuse the transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (h) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (i) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 19(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (j) The Board shall not knowingly register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (k) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (l) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if

he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (m) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (n) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (o) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and / or consolidation of shares and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (p) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (q) There shall be a common form of transfer in accordance with the Act and Rules.

The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall *mutatis mutandis* apply to the transfer or transmission by operation of Law to other Securities of the Company.

16. INCREASE AND REDUCTION OF CAPITAL

(a) Increase of Capital

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say:

- (i) it may increase its Share Capital by such amount as it thinks expedient;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

- (iii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is 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;
- (v) cancel shares which, at the date of the passing of the resolution in that behalf, 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. Such cancellation of shares shall not be deemed to be a reduction of share capital;
- (vi) The Company shall have power, subject to and in accordance with all applicable provisions of the Act and Articles, to purchase any of its own fully paid Shares whether or not they are redeemable and may make payment out of capital in respect of such purchase;
- (vii) Subject to Applicable Law (including the Act), the Company may issue Shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue;

(b) Reduction of capital:

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. Option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings. This Article is not to derogate any power the Company would have under Law, if it were omitted.

(c) Further issue of capital

- (i) Where at any time, in terms of Section 62 of the Act, the Company proposes to increase its

subscribed capital by the allotment of further shares either out of the unissued capital or out of the increased Share Capital, such shares shall be offered—

- A. to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
- a. the aforesaid offer shall be made by notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the aforementioned offer shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (a) above shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company; and
 - d. Nothing in sub-clause b of clause A of sub-article (i) above shall be deemed:
 - (i) to extend the time within which the offer should be accepted; or
 - (ii) to authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favor the renunciation was first made has declined to take the shares comprised in the renunciation.
 - e. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
 - (i) to convert such debentures or loans into shares in the Company; or
 - (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).
- Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term:
- (a) either has 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 that Government in this behalf; and
 - (b) in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.
- B. (i) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause A above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by the 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 by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

C. to employees under a scheme of employee stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed.

(ii) The notice referred to in sub-clause (a) of clause A of sub-article (i) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(iii) The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and other applicable provisions of the Act.

17. SURRENDER OF SHARES

Subject to the provisions of Section 66 of the Act, the Board may accept from any Shareholder the surrender on such terms and conditions as shall be agreed to, all or any of his shares.

18. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013 and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48 of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting.

19. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

(c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on

the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of Section 71 of the Act and the Companies (Share Capital and Debentures) Rules, 2014.

20. **BORROWING POWERS**

(a) **Power to borrow**

Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board, raise or borrow either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company provided that the Board shall not, without the sanction of the Company pursuant to a Special Resolution passed in a General Meeting borrow any sum of money which together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the Paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

(b) **Conditions on which money may be borrowed:**

The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being without the sanction of the Company in the General Meeting.

(c) **Issue at discount or with special privileges:**

Subject to the provisions of Section 53 of the Act, any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges to redemption, surrender, drawings, allotment of shares, appointment of Directors or otherwise.

Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions

hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

21. GENERAL MEETING

- (a) In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next Annual General Meeting. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

(b) When Annual General Meeting to be held

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

(c) Venue, Day and Time for holding Annual General Meeting

- (i) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (ii) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

(d) **When extraordinary general meeting to be called**

- i) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- ii) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- iii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any directors or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- iv) The Extraordinary General Meeting called under this Article shall be subject to the Act as amended.

(e) **Circulation of Shareholders' resolution:**

The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of Shareholders.

(f) **Notice of meetings**

- (i) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- a. every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent Shareholder of the Company,
 - b. Auditor or Auditors of the Company, and
 - c. all Directors.
 - d. Any other persons, as the Board may decide
- (ii) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
 - (iii) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their / its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
 - (iv) Special Business: Subject to the applicable provisions of the Act, where any items of

business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the Relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the Relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 (Two) per cent of the Paid up share capital of that other company. All business transacted at any General Meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (v) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (vi) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (vii) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (viii) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

22. PROCEEDINGS AT GENERAL MEETINGS

(a) Business of Meetings

The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and declare dividends. All other business transacted at an Annual General Meeting and all businesses transacted at any other General Meeting shall be deemed special business.

(b) Quorum to be present when business commenced:

No business shall be transacted at any General Meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act.

(c) When, if quorum not present, meeting to be dissolved and when to be adjourned:

If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting, if convened such requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present within half-an-hour from the time appointed for holding the meeting

those Shareholders, who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.

(d) **Resolution to be passed by company in general meeting**

Any act or resolution which under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 114 of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114 of the Act.

(e) **Chairman of General Meeting**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting. If there is no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Shareholders present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the Shareholders present shall, on a show of hands or on a poll if properly demanded, elect one of their member being a Shareholder entitled to vote, to be the Chairman.

(f) **Chairman can adjourn the General Meeting**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the 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, and except as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment of the business to be transacted at the adjourned meeting.

(g) **How questions to be decided at meetings**

Every question submitted to a meeting shall be decided, in the first instance by a show of hands and in the case of equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to votes to which he may be entitled to as a member.

(h) **Poll**

If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and such time, not being later than forty-eight hours from the time when the demand was made and at such place as the Chairman of the meeting directs, and subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the resolution on which the poll was demanded.

(i) The demand of a poll may be withdrawn at any time.

(ii) Where a poll is taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be Shareholder (not being an Officer or employee of the Company) present at the meeting provided such a Shareholder is available and is willing to be appointed to scrutinize the vote given on the poll and to report to him thereon.

- (iii) On a poll a Shareholder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes use all his votes or cast in the same way all the votes he uses.
- (iv) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

(i) **Passing Resolutions by Postal Ballot**

Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law be required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

- (j) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law. Further, as per sub-clause (xxi) the Company shall also provide e-voting to the Shareholders of the Company.

(k) **Votes of Shareholder:**

Save as hereinafter provided, on a show of hands every Shareholder present in person and being a holder of an equity share shall have one vote and every Shareholder present as a duly authorized representative of a body corporate, being a holder of equity shares, shall have one vote.

- (i) Save as hereinafter provided on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 47 of the Act.
- (ii) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (iii) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (iv) 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, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (v) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

- (vi) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (vii) 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 30 (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 that purpose.
- (viii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (ix) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (x) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
- (xi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (xii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (xiii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (xiv) The Company shall cause minutes to be duly entered in books provided for the purpose of:
 - a. the names of the Directors and Alternate Directors present at each General Meeting;
 - b. all Resolutions and proceedings of General Meeting.
- (xv) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (xvi) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (xvii) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (xviii) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

- (xix) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (xx) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (xxi) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Regulations or any other Law, if applicable to the Company.
- (xxii) Procedure where a Company or body corporate is a Shareholder of the Company

Where a body corporate (hereinafter called “Shareholder Company”) is a Shareholder of the Company a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such Shareholder Company at a meeting of the Company shall not, by reason of such appointment, be deemed to be a proxy and the lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one Director or such Shareholder Company and certified by him as being a true copy of the resolution shall on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the Shareholder Company which he represents, as that Shareholder Company could exercise if it were an individual member.

Where the President of India or the Governor of a State is a Shareholder of the Company than his representative at meeting shall be in accordance with Section 112 of the Act.

- (xxiii) Joint holders:

Where there are joint registered holders of any share anyone of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Shareholder in whose name any share is registered shall, for the purposes of this Article be deemed joint-holders thereof.

- (xxiv) Proxies permitted:

Votes may be given either personally, or in the case of a body corporate, by a representative duly authorized as aforesaid or by proxy.

- (xxv) Instrument appointing proxy to be in writing, Proxies may be general or special:

The instrument appointing a proxy shall be in writing under the hands of the appointer

or of his Attorney duly authorized in writing or if such appointer is a body corporate be under its common seal or the hand of its Office or Attorney duly authorized. A proxy who is appointed for a specified meeting shall be called a Special Proxy. Any other proxy shall be called a general Proxy.

(xxvi) Instrument appointing a proxy to be deposited at the Office:

The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not less than 48 (forty-eight) hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

(xxvii) Whether vote by proxy valid through authority revoked:

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the vote of Chairman is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

(xxviii) Form of instrument appointing a special proxy:

Every instrument appointing a special proxy shall be retained by the Company and shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act or as near thereto as possible or in any other form which the Board may accept.

(xxix) Restriction on voting:

No Shareholder shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien, but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.

(xxx) Admission or rejection of votes:

Any objection as to the admission or rejection of a vote either, on a show of hands or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or rendered and every vote not disallowed at such meeting shall be valid for all purposes.

23. **DIRECTORS**

- (a) The first Directors of the Company were:-

Sl. No.	Name
1	Mr. Naresh Chandra
2	Mr. Tarang Jain
3	Mr. Anurang Jain

- (b) The business of the Company shall be managed by the directors who may exercise all such powers of the Company as are not restricted by the Act or any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless, to any regulations of these Articles, to the provisions of the Act, and to such regulations not being inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting. Nothing shall invalidate any prior act of the Directors which would have been valid if that regulation had been made.
- (c) The number of Directors shall not be less than three (3) nor more than fifteen (15). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.
- (d) The Directors need not hold any qualification shares in the Company.
- (e) Subject to the provisions of the Act and the rules framed thereunder and as may be determined by the Board, each non-executive Director shall receive out of the Company by way of sitting fees for his services a sum not exceeding the sum prescribed under the Act or the central government from time to time for every meeting of the Board or Committee thereof attended by him.
- (f) The Director shall also be paid travelling and other expenses for attending and returning from meeting of the Board (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company.
- (g) The Directors may also be remunerated for any extra services done by them outside their ordinary duties as directors, subject to the provisions of Section 188 of the Act.
- (h) Subject to the provisions of the Act if any Director, being willing, shall be called upon to perform extra services for the purposes of the Company then, subject to Section 197 of the Act the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration provided above.
- (i) Subject to the provisions of Section 188 of the Act, the remuneration of Directors may be a fixed or a particular sum or a percentage sum or a percentage of the net profits or otherwise as may be fixed by the Board, from time to time.
- (j) Subject to the provisions of Sections 188 and 184 of the Act, no Directors shall be disqualified by his office from contracting with the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established but it is declared that the nature of his/her interest must be disclosed by him / her at the meeting of the Directors at which the contract is determined if his / her interest then exists or in any other case, at the first meeting of the directors after he / she acquires such interest.

- (k) Subject to Section 161 of the Act, any Director (hereinafter called the “Original Director”) shall be entitled to nominate an alternate director (subject to such person being acceptable to the Chairman) (the “**Alternate Director**”) to act for him during his absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director during the Original Director’s absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.
- (l) The Directors shall have the power, at any time and from time to time, to appoint any person as additional directors in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.
- (m) The Company may, by Ordinary Resolution, of which special notice has been given in accordance with the provisions of Section 115 of the Act, remove any Director, if any, before the expiration of the period of his office, notwithstanding anything contained in these regulations or in any agreement between the Company and such Director. Such removal shall be without prejudice to any contract of service between him and the Company.
- (n) If a Director appointed by a Company in a General Meeting, vacates office as a Director before his term of office would expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any person so appointed shall retain his office so long only as the vacating director would have retained the same if vacancy had not occurred, provided that the Board may not fill such a casual vacancy by appointing thereto any person who has been removed from the office of director under Article 23 (m).
- (o) Section 167 of the Act shall apply, regarding vacation of office by director. A director shall also be entitled to resign from the office of directors from such date as he may specify while so resigning.
- (p) **Company in general meeting increase or reduce number of Directors:**

Subject to Article 23 (c) and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

(q) **Chairman of the Board of Directors**

The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

If for any reason the Chairman is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman Managing Director or Whole-time Director of the Company may act as Chairman to the Board of Directors of the Company.

(r) **Independent Directors**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the Listing Regulations.

(s) **Equal Power to Director**

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

(t) **Nominee Directors**

(i) Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement / facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

**(i)(A)* Debenture trustees, on behalf of the Debenture Holders, shall have a right to recommend, appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the “Debenture Trustee Nominee Director”) within such timelines stipulated under Applicable Law as amended, updated and replaced from time to time in the event of:

1. Two consecutive defaults in payment of interest to the Debenture Holders; or
2. Default in creation of security for Debentures; or
3. Default in redemption of Debentures

The right to appoint the Debenture Trustee Nominee Director shall be exercised by the Debenture Trustee(s) as per the statutory guidelines as may be applicable from time to time. The Debenture Trustee Nominee Director appointed pursuant to the above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification Shares. The Nominee Director so appointed shall vacate his office on discharge of his duties as required under the applicable laws/ Rules, Regulations, Circulars.

****The new Sub-Clause (i) (A) inserted in the existing Clause (t) of Article 23 pursuant to the Special Resolution passed by the Members at their 35th Annual General Meeting held on 13-09-2023.***

- (ii) The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.
- (iii) Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.
- (iv) Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.
- (v) The nominee director shall be entitled to receive all notices, agenda, minutes, etc., and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member.
- (vi) If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

(u) Director's fees, remuneration and expenses:

- (i) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is / are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (ii) All fees / compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting, in applicable cases. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

(v) Vacation of Office of Director:

Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall ipso facto be vacated if:

- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
- (ii) he applies to be adjudicated an insolvent; or

- (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; or
 - (vii) 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 185 of the Act; or
 - (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (ix) he acts in contravention of Section 184 of the Act; or
 - (x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or
 - (xi) he is removed in pursuance of Section 169 of the Act; or
 - (xii) he is disqualified under Section 164(2) of the Act.
- (w) The Company shall keep at its Office a register containing the particulars of its Directors and key managerial personnel as may be prescribed under Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (x) The Company shall not appoint or employ, or continue the appointment or employment of a person as its managing or whole-time Director who is disqualified under Section 196(3) and other applicable provisions of the Act or other applicable laws and regulations.
- (y) All acts done by Board, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director and such person had been appointed and was qualified to be a Director as the case may be.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

24. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 23 (c) hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose

25. **PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting subject to compliance with the applicable law.

26. **POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - i. 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. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
 - ii. Remit, or give time for repayment of, any debt due by a Director;
 - iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid up capital of the Company and its free reserves.

27. **RELATED PARTY TRANSACTIONS**

- (a) Except with the consent of the Audit Committee, Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, the Company shall not enter into any contract or arrangement with a 'Related Party' with respect to:
 - (i) sale, purchase or supply of any goods or materials;
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property;

- (vi) such Director's or its Relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the company:
- (b) no Shareholder of the Company shall vote on such Ordinary Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a Related Party.
 - (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
 - (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
 - (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
 - (f) The term 'related party' shall have the same meaning as ascribed to it under the Act
 - (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

28. APPOINTMENT OF DIRECTOR OF A COMPANY IN WHICH THE COMPANY IS INTERESTED:

A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

29. DISCLOSURE OF A DIRECTOR'S INTEREST

Every Director shall in accordance with the provisions of Section 184 of the Act and of the Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act;

Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid up Share Capital in the other company or the Company as the case may be.

A general notice given to the Board by the Director, to the effect that he is a director or shareholder of a specified body corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the first meeting of the Board in the Financial Year in which it would have otherwise expired.

30. **DISCUSSION AND VOTING BY INTERESTED DIRECTOR:**

No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to:

- (a) Any contract of indemnity against any loss which the Director's or any of them may suffer by reason of becoming or being sureties or surety for the company: or
- (b) Any contract or arrangement entered into or to be entered into by the Company with a public company, or with 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 shares not exceeding a number of value the amount requisite to qualify him for appointment as a director thereof, he having been nominated as such Director by the Company or in his being a Shareholder of the Company holding not more than two per cent of the Paid up share capital of the Company.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or Relative of such Director, any firm in which such Director or a Relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 29. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

31. **ROTATION AND RETIREMENT OF DIRECTOR**

(a) **Rotation of Directors**

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

(b) **Which Directors to retire:**

- (i) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day those to retire shall, in default to for subject to any agreement among themselves, be determined by lot.
- (ii) Save as permitted by Section 162 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one name individually.

32. **WHEN THE COMPANY AND CANDIDATE FOR OFFICE OF DIRECTOR MUST GIVE**

NOTICE:

The eligibility and appointment of a person other than a retiring Director to the office of the Director shall be governed by the provisions of Section 160 of the Act.

33. REGISTER OF DIRECTORS, KEY MANAGERIAL PERSONNEL, ETC.

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

34. PROCEEDINGS OF DIRECTORS

- (a) The Quorum necessary for the transaction of the business of directors shall be minimum two or one third of the total numbers of directors whichever is higher, subject to Section 174 of the Act and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.
- (b) If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.
- (c) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.
- (d) Subject to the provisions of Section 173 of Act, a meeting of the Board shall be held in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board and at least four such meetings shall be held in each calendar year. The directors may meet together for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as they think fit.
- (e) Notice of every meeting of Board of the Company shall be given in writing to every director at his / her address registered with the Company.
- (f) A meeting of the director for the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions by law or under Articles and regulations for the time being vested in or exercisable by directors.
- (g) The Managing Director or a Director or a secretary upon the requisition of Director(s), may at any time convene a meeting of the Board.
- (h) The questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of vote, the Chairman shall have a second or casting vote.
- (i) **Meetings of Directors:**
 - (i) The participation of Directors in a meeting of the Board may be either in person or through

video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under Rule 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

- (ii) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (iii) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

35. **CHAIRMAN:**

The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

36. **HOW QUESTIONS TO BE DECIDED:**

- (i) Questions arising at any meeting of the Board or Committees, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (ii) 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.

37. **COMMITTEES AND DELEGATION BY THE BOARD**

- (i) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (ii) Subject to the applicable provisions of the Act, the requirements of Law and these Articles,

the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- (iii) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (iv) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

38. WHEN ACTS OF A DIRECTOR VALID NOTWITHSTANDING INFORMAL APPOINTMENTS:

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

39. RESOLUTION WITHOUT BOARD MEETING:

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or Shareholders, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

40. MINUTES

- (a) The Board shall respectively cause minutes of all proceedings of General Meetings and of all proceedings at meetings of Board or of Committee to be duly entered in books to be maintained for that purpose in accordance with Section 118 of the Act, provided that the minutes book may be maintained in loose leafs
- (b) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for

- that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (c) The Company shall circulate the draft minutes of the meeting to each Director within 15 (fifteen) days after the Board Meeting.
 - (d) 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 said meeting or the Chairman of the next succeeding meeting.
 - (e) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (f) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) The name of the Directors present at the meeting in case of meeting of Board or Committee of Board;
 - (iii) all resolutions and proceedings of the meetings of the Board; and
 - (iv) the name of the Directors, if any, dissenting from or not consenting to the resolution, in the case of each resolution passed at the meeting of Board or Committee of Board.
 - (g) Nothing contained in sub Articles (a) to (f) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
 - (h) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (g) above.
 - (i) Any such minutes, purporting to be signed in accordance with the provisions of Sections 118 of the Act, shall be evidence of the proceedings.
 - (j) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

41. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Act;

- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees / compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

42. MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER

The Board may, from time to time, subject to the provisions of Sections 196 and 203 of the Act and of these Articles, appoint from time to time, a Managing Director or whole time director or executive director or manager of the Company for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment will be automatically terminated if he ceases to be a director.

The Board, subject to Section 179 of the Act, may entrust to and confer upon a managing director or a whole time director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

The person so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally.

43. **PROVISIONS TO WHICH MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER ARE SUBJECT**

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall *ipso facto* and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager.

44. **POWER OF ATTORNEY:**

The Board may, at any time and from time to time, by Power-of-Attorney under Seal appoint any persons to be the Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; and any such appointments, may, if the Board thinks fit, be made in favour of the Shareholders, or in favour of the Company or of the Shareholders, directors, nominees, or officers of any Company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such Power-of-Attorney may contain such provisions for the protection or convenience of persons dealing with such Attorney as the Board think fit.

45. **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act:-

- (a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;
- (b) A director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- (c) Any provision in the Act or these Articles requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.
- (d) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision thereon shall be final and conclusive.

46. **POWER TO AUTHENTICATE DOCUMENTS:**

Any Director or the Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and account relating to the business of the Company and to certify copies thereof extracts therefrom, as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof shall deemed to be a person appointed by the Board as aforesaid.

47. **CERTIFIED COPIES OF THE BOARD:**

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

48. **RESERVES**

The Board may from time to time before recommending any Dividend set apart any such portion of the profit of the Company as it thinks fit as reserves to meet contingencies or for the liquidations of the debentures, debts or other liabilities of the Company, for equalization of Dividends for repairing, improving or maintaining any of the property of the Company and such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may subject to the provisions of Section 186 of the Act, invest the several sums so set aside upto such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserve into such special funds as the Board thinks fit, with full power to employ the Reserve or any part thereof in the business of the Company and that without being bound to keep the same separate from other assets.

49. **INVESTMENT OF MONEY**

All money carried to the Reserves shall nevertheless remain and be profits of the Company available, subject to due provision being made for actual loss or depreciation, for the payment of Dividends and such moneys and all the other moneys of the Company not immediately required for the purpose of the Company may, subject to the provision of Section 186 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

50. **ISSUE OF BONUS SHARES**

The Company in its General Meeting may resolve to issue the bonus shares to its shareholders subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

51. **FRACTIONAL CERTIFICATE**

For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any Shareholders upon the footing of value so fixed in order to adjust the right so fall parties may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividends or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividends or capitalized fund and such appointment shall be effective.

52. **DIVIDENDS AND RESERVES**

- a. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
- b. Subject to the applicable provisions of the Act and Rules made there under, the Board may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.
- c. The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such applications may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
- d. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
- e. Subject to the rights of the persons, if any, holding shares with special rights as the dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
- f. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.
- g. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- h. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- i. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or, in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the first named holder or joint holders may in writing direct.
- j. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- k. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonus or other moneys payable in respect of such share.
- l. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
- m. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

- n. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law provided that a recognized stock exchange may provisionally admit to dealings the securities of a company which undertakes to amend articles of association at its next general meeting so as to fulfill the foregoing requirements and agrees to act in the meantime strictly in accordance with the provisions of this clause.

53. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration to any Shareholder entitled to payment of the Dividend, the Company shall within 7 days from the expiry of the aforesaid period transfer the total amount of dividend, which remained unpaid or unclaimed within the period of 30 (thirty) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Varroc Engineering Limited”.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.

54. BOOKS OF ACCOUNT TO BE KEPT

The Board shall cause proper books of account to be maintained under Section 128 of the Act.

Subject to the provisions of Section 207 of the Act the Board shall also, from time to time, determine whether and to what extent, and at what times and places, and at what conditions or regulations account books of the Company or any of them, are to be kept or shall be open to the inspection of Shareholders not being Directors.

Subject to the provisions of Section 207 of the Act no Shareholder (not being the director) or other person shall have any right of inspecting any account book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

The Books of accounts shall be kept at the Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

The Books of Account shall be open to inspection by any Director during business hours.

55. ACCOUNTS

- (a) Balance sheet and profit and loss account of the Company will be audited once in a year by a qualified auditor for certification of correctness as per provisions of the Act.
- (b) **Balance Sheet and Profit and Loss Account:**

At every Annual General Meeting the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provision of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of sections 134 of the Act so far as they are applicable to the Company but, save as aforesaid the Board shall not be found to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

(c) **Annual Report of Directors:**

There shall be attached to every Balance Sheet laid before the Company a report by the Board complying with Section 134 of the Act and other applicable laws.

(d) **Copies to be sent to Shareholders and others:**

A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by section 136 of the Act not less than twenty-one days before the meeting be sent to every such Shareholders, trustee and other person to whom the same is required to be sent by the said section.

(e) **Copies of Balance Sheet to be filed:**

The Company shall comply with Section 137 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Registrar of Companies.

(b) **Service of process in winding-up:**

Subject to the provisions of the Act, in the event of winding-up of the Company every Shareholder of the Company who is not for the time being in the place where the office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind up the Company voluntarily or the making of any order for the winding up of the Company to serve notice in writing on the Company appointing some householder residing in the neighbourhood of the office upon whom all summons, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served and in default to such nomination, the liquidator of the Company shall be at liberty on behalf of such member, to appoint some such person and service upon any such appointee by the Shareholder on the liquidator shall be deemed to be good personal service on such Shareholder for all purposes and where the liquidator makes any such appointment he shall, with all convenient speed, given notice thereof to such Shareholder by advertisement in some daily newspaper circulating in the neighbourhood of the office or by a registered letter sent by post and addressed to such Shareholder at his address as registered in the register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provision of this Article does not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

(c) **Shareholders to notify address in India**

Each registered Shareholder shall from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

(d) **Service on Shareholders having no Registered Address**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

(e) **Service on Persons Acquiring Shares on Death or Insolvency of Shareholders**

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

(f) **Notice by advertisement**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

56. **KEEPING OF REGISTERS AND INSPECTION**

(a) **Registers, etc. to be maintained by the Company:**

The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

A Register of Member indicating separately for each class of Equity Shares held by each Shareholder residing in or outside India and a Register of any other security holders.

The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders or beneficial owners residing outside India.

The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

(b) **Supply of copies of Registers:**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

(c) **Inspection of Registers:**

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the Board and Shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines for inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten (10) per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

(d) **When Registers of Shareholders may be closed:**

The Company, after giving not less than seven days, previous notice by the advertisement in some

newspapers circulating in the district in which the office is situated close the Register of Members for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

(e) **Reconstruction:**

On any sale of the undertaking of the Company the Board or the liquidators on a winding-up may, if authorized by a Special Resolution, accept fully paid or partly Paid up shares of any other Company, whether incorporated in India or not, either than existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the liquidators (in winding-up) may distribute such shares or securities or any other property of the Company amongst the Shareholders without realisation, or vest the same in trustees for them and Special Resolution may provide for the distribution or appropriation of the cash shares or other securities benefit or property otherwise than in accordance with the strict legal right, of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights (if any) under Section 319 of the Act as are incapable of being varied or excluded by these Articles.

57. **REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

58. **CHARGE OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

59. **DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

- (a) If the company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

60. **AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

- (a) The Shareholders shall vote for all the Equity Shares owned or held on record by such Shareholders at any Annual or Extraordinary General Meeting of the Company in accordance with these Articles.
- (b) The Shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles of the Company shall be amended only by way of a Special Resolution.

61. **POWER OF THE DIRECTORS**

Subject to the Section 179 of the Act hereof, the directors shall have the right to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

The directors shall have powers for the engagement and dismissal of managers, engineers, clerks, workers and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchanges, hundies, cheques, drafts and other government papers and instruments that shall be necessary, proper or expedient, except only such of them as by the Act or by these presents are expressly directed to be exercised by shareholders in the general meeting.

62. **SECRECY**

Without prejudice to the rights of the Investors and the Investor directors, every manager, 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 Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when require to do so by the Directors or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provision in these presents and the provisions of the Act. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

63. **OPERATION OF BANK ACCOUNTS**

The Board shall have the power to open bank accounts, to sign cheques on behalf of the Company and operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person to exercise such powers.

64. **INDEMNITY**

Subject to provisions of Section 197 of the Act, the Chairman, Directors, Auditors, Managing Directors and other officer for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and funds of the Company from or against all bonafide suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or about the execution of their duties in their respective offices except those done through their wilful neglects or defaults of any other officer or trustee.

65. **THE SEAL**

- (i) The Board shall provide for the safe custody of the seal of the Company.
- ** (ii) The Common Seal shall not be affixed to any instrument except by the authority of a Resolution of the Board or a Committee of the Board authorized by it in that behalf

66. **BUYBACK OF SHARES**

Subject to the provisions of Sections 68, 69 and 70 of the Act and subject to requirement of applicable buy-back regulations/rules made by central government / SEBI in this regard as may be modified from time to time, the Company may purchase its own Equity Shares or other Securities.

67. **CANCELLATION OF FORFEITED SHARES**

The Company may, by a resolution of the Board, decide not to reissue any forfeited shares in the Company. In such a case, the Board may cancel the forfeited shares, with or without canceling them from the authorised share capital, and transfer the amount received on such shares to appropriate account head. In case the Company decides to diminish the amount of Company's share capital by the nominal value of forfeited shares cancelled, it shall be done in accordance with the provisions of the Act as applicable.

68. **CAPITALISATION OF PROFITS**

- (i) The Company in general meeting may, upon the recommendation of the Board, resolve—
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in Article 68 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

*****The existing Clause (ii) of the Article 65 has been substituted/replaced pursuant to the Special Resolution passed by the Members at their 35th Annual General Meeting held on 13-09-2023.***

- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 68 (iii), either in or towards—
 - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (c) partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- (v) Whenever such a resolution as aforesaid shall have been passed, the Board shall
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (vi) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (vii) Any agreement made under such authority shall be effective and binding on such members.

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

Name of subscriber and signature	Addressee, description, and occupation of subscriber	No. of equity shares taken by each subscriber	Name, addressee, description, occupation and signature of Witness
NARESH CHANDRA S/o ADISHWAR LAL Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay- 400 026 Business Man	500 (FIVE HUNDRED)	<p style="text-align: center;"> NANDKISHOR C. PANPALIA S/O CHAMPALAL KEDAR BHAWAN, 134, O.H. LANE, KALBADEVI RD, BOMBAY -2 CHARTERED ACCOUNTANT SD/- </p>
TARANG JAIN S/o NARESH CHANDRA Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay- 400 026 Business Man	500 (FIVE HUNDRED)	
ANURANG JAIN S/o NARESH CHANDRA Sd/-	Bhagwati Bhawan, 31-B, Carmichael Road, Bombay- 400 026 Business Man	500 (FIVE HUNDRED)	
		<hr/> 1500 (One Thousand Five Hundred)	

Bombay dated 9th April, 1988

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.894 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.1129 OF 2007

In the matter of the Companies Act

1 of 1956

AND

In the matter of Section 391 and 394 of the
Companies Act, 1956

AND

In the matter of the Composite Scheme
of Arrangement between Varroc Lighting
Private Limited and Varroc Engineering
Private Limited and Varroc Polymers
~~Private~~ Private Limited.

Varroc Lighting Private Limited Petitioner

(Transferor Company)

AND

COMPANY PETITION NO. 895 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO. 1130 OF 2007

In the matter of the Companies Act I of
1956

AND

In the matter of Section 391 and 394
of the Companies Act, 1956

AND

In the matter of the Composite Scheme
of Arrangement between Varroc Lighting
Private Limited and Varroc Engineering
Private Limited and Varroc Polymers
~~Private~~ Private Limited..

Varroc Engineering Private LimitedPetitioner

(Transferee/Demerged Company)



AND
COMPANY PETITION NO. 896 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO. 1131 OF 2007

In the matter of the Companies Act I of
1956

AND

In the matter of Section 391 and
394 read with sections 100 to 105 of the
Companies Act, 1956

AND

In the matter of the Scheme of
Arrangement between Varroc Lighting
Private Limited and Varroc Engineering
Private Limited and Varroc Polymers
~~Private~~ Private Limited.

Varroc Polymers Private LimitedPetitioner

(Resulting Company)

Hemant Sethi i/b by Hemant Sethi & Co. Advocates for Petitioners

Mr S.Ramakantha Deputy Official Liquidator in Company Petition No 894
of 2007.

Ms. Heena Shah with S. K. Mohapatra for R.D. in all the Petitions.

CORAM: A. M. KHANWILKAR J.

DATE : 18TH JANUARY, 2008

PC:

1. Heard learned counsel for parties.
2. The sanction of the Court is sought under Section 391 to 394 read with sections 100 to 105 of the Companies Act, 1956 to Composite Scheme

of Arrangement between Varroc Lighting Private Limited, the Transferor Company and Varroc Engineering Private Limited, Transferor/Demerged Company and Varroc Polymers Private Limited, the Resulting Company for amalgamation of Varroc Lighting Private Limited into Varroc Engineering Private Limited and demerger of Polymer Business of Varroc Engineering Private Limited into Varroc Polymers Private Limited.

3. Counsel appearing on behalf of the Petitioners have stated that they have complied with all the requirements as per directions of this Hon'ble Court and they have filed necessary affidavits of compliance in the Court.
4. In the case of Varroc Polymers Private Limited in Company Petition No 896 of 2007. The Equity Shareholders in Extra Ordinary General meeting held on 30th October, 2007 has unanimously approved and passed Special Resolution for Reduction and Reorganisation of Share Capital pursuant to Composite Scheme of Arrangement in terms of Section 100 to 105 of the Companies Act, 1956. Same is annexed at Exhibit "G" of the Company Petition No 896 of 2007.
5. In view of averment made in paragraph 25 of the Company Petition No 896 of 2007 the reduction and reorganisation of Share Capital does not involve neither diminution of liability in respect of unpaid capital nor payment to any shareholder of any unpaid share capital account and the interest of the creditors of the Petitioner/Resulting Company are not affected by such reduction and the procedure under section 101(2) of the Companies Act, 1956 has been dispensed with.

6. The only objection to the proposed Composite Scheme of Arrangement has been raised by Mr Narayan Totaram Ingle proprietor of M/s Amba Electric Works an Unsecured Creditor of Varroc Engineering Private Limited., the Transferee/ Demerged Company. It is stated that the objecting creditor has already filed a civil suit before Civil Judge, Senior Division at Aurangabad. The learned advocate appearing on behalf of the Petitioner states that the Transferee/Demerged Company has filed affidavit in reply dated 10th January, 2008. It is stated that the matter is admittedly subject matter of litigation in suit No 107/2008 pending before the Civil Judge, Senior Division at Aurangabad against which the Transferee/Demerged Company has filed its written statement. In affidavit in reply filed on behalf of the Transferee/Demerged Company it is stated that the objector cannot use scheme as instrument/tools to recover debts which are disputed and not admitted by the Transferee/Demerged Company. The learned advocate for the Petitioner further points out that the objecting Unsecured Creditor has not substantiated in what manner the Composite Scheme of Arrangement will affect the objecting Unsecured Creditor or the pending proceedings or rights of any of the Creditors. The learned advocate for the Petitioner states that in any event, the Composite Scheme of Arrangement does not affect the rights of the Creditors as there is no compromise or arrangement with the Creditors, and the Transferee/Demerged Company will continue to subsist as there is no dissolution of the Transferee/Demerged Company. The learned advocate further states that there is no reason why the relief in the nature of the claim for the sanction of the scheme should be defeated.

In view thereof, the implementation of the scheme should not be held up on account of the aforesaid objection.

7. The Regional Director has filed his affidavit stating therein that the Composite Scheme of Arrangement is not prejudicial to the interest of shareholders and creditors and public.
8. The Official Liquidator has filed report in Company Petition No 894 of 2007 stating that the affairs of the Transferor Company has been conducted in proper manner.
9. Upon perusal of the entire material on record, in my opinion the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy.
10. There is no objection to Composite Scheme of Arrangement save and except as stated in paragraph (6) hereinabove and since all the requisite statutory compliances have been fulfilled Company Petitions filed by the Transferor Company, the Transferee/Demerged Company and the Resulting Company are made absolute in terms of prayer clause (a) to (c) in Company Petition No.894 of 2007 i.e the Transferor Company and prayer clause (a) to (c) in Company Petition No.895 of 2007 i.e the Transferee/Demerged Company and prayer clause (a) to (f) in Company Petition No.896 of 2007 i.e the Resulting Company.
11. The Transferee/Demerged Company and the Resulting Company to lodge copy of this order and the Scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty, payable, if any, on the same within 30 days of obtaining the authenticated and/or certified copy of this Order.
12. The Petitioners in all the Company Petition to pay cost of Rs.5000/- each to the Regional Director. Petitioner in Company Petition No 894 of

HIGH COURT, BOMBAY

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2007 to pay to the Official Liquidator, High Court, Bombay sum of Rs 5,000/-. Costs to be paid within 4 weeks from today. Petitioner to comply with statutory compliances, applicable, if any.

13. Petitioner in Company Petition No 896 of 2007 to publish notice of registration of order and minute of reduction by Registrar of Companies once each in the two local newspaper viz Lokmat Times in English and Lokmat Times in Marathi both circulating in Aurangabad and in the Maharashtra Government Gazette within 14 days of registration aforesaid.

14. Filing and issuance of the drawn up order is dispensed with.

15. All concerned to act on a copy of this order alongwith scheme (in case of Company Petition No 894, 895 & 896 of 2007) and also form of minutes (in case of Company Petition No 896 of 2007) duly authenticated by Company Registrar, High Court, Bombay.

(A. M. Khanwilkar J.)

TRUE-COPY

M. D. Narvekar
M. D. NARVEKAR

COMPANY REGISTRAR
HIGH COURT (O.S.),
BOMBAY

TRUE COPY

Secy.
High Court, Bombay.
Bombay.

A. M. Khanwilkar
21/04/08

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 895 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO. 1130 OF 2007

In the matter of the Companies Act I of 1956

AND

In the matter of Sections 391 to 394 of the
Companies Act, 1956

AND

In the matter of the Scheme of
Arrangement between

VARROC LIGHTING PRIVATE LIMITED

AND

VARROC ENGINEERING PRIVATE LIMITED

AND

VARROC POLYMERS PRIVATE LIMITED

VARROC ENGINEERING PRIVATE LIMITED

..... PETITIONER



applied on 20-2-2008
ingrossed on 20-2-2008
section 391
Folio 1
Examined by D. M. Gupta
Compared with N. S. Sethi
Ready on 22-02-08
Business on 11-03-08

AUTHENTICATED COPY OF ORDER DATED
18th JANUARY, 2008 AND SCHEME OF
ARRANGEMENT ANNEXED TO PETITION

DATED THIS DAY OF FEBRUARY, 2008

HEMANT SETHI & CO.

ADVOCATE FOR THE PETITIONER

302 SATNAM BUILDING

3-A SION (WEST)

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

VARROC LIGHTING PRIVATE LIMITED

AND

VARROC ENGINEERING PRIVATE LIMITED

AND

VARROC POLYMERS PRIVATE LIMITED

The Composite Scheme of Arrangement ("the Scheme") is presented under Sections 391 to 394 and section 100 to 105 and other applicable provisions of the Companies Act, 1956 for:

- (a) Amalgamation of Varroc Lighting Private Limited with Varroc Engineering Private Limited.
- (b) Demerger of Polymer business of Varroc Engineering Private Limited into Varroc Polymers Private Limited.
- (c) Reduction and Reorganisation of Share Capital of Varroc Polymers Private Limited (VPPL)

The Scheme is divided into following parts:

Part A - Dealing with definitions.

Part B - Dealing with Amalgamation of Varroc Lighting Private Limited with Varroc Engineering Private Limited.

Part C - Dealing with demerger of Polymer business of Varroc Engineering Private Limited into Varroc Polymers Private Limited.

Part D - Reduction and Reorganisation of Share Capital of Varroc Polymers Private Limited (VPPL).

Part E - Dealing with general terms and conditions.

PART - A

1. DEFINITIONS

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

1.1 "Act" or "the Act" means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.

1.2 "VLPL" or the Transferor Company means Varroc Lighting Private Limited, a Company incorporated under the Act and having its registered office at E-4, MIDC, Industrial Area, Waluj, Aurangabad- 431136.

1.3 "VEPL" or "the Transferee Company" or "the Demerged Company" means Varroc Engineering Private Limited, a company incorporated under the Act and having its registered office at E-4, MIDC, Industrial Area, Waluj, Aurangabad- 431136.

1.4 "VPPL" or "the Resulting Company" means Varroc Polymers Private Limited a Company incorporated under the Act and having its registered office at Gut No. 99, Village Pharola, Taluka Paithan, Dist. Aurangabad- 431105

1.5 "PPI" means "Pune Plant I" located at Takwe Pune, "PPII" means "Pune Plant II" located at Ranjangaon, Waluj "WPIII" means "Plant III" located at Aurangabad, "GNP" means "Greater Noida Plant" located at NCR Delhi and "BNP" means "Binola Plant" located at NCR Delhi manufacturing unit of Polymer business of VEPL and forms part of the demerged undertaking of VEPL.

1.6 "Appointed Date" means the 1st day of April 2007 or such other date as may be approved by the High Court of Bombay.

1.7 "Effective Date" means the date on which certified/authenticated copies of the High Court at Bombay order sanctioning this Scheme is filed with the Registrar of Companies, Maharashtra, Mumbai.

1.8 "VLPL Undertaking" shall mean and include:

1.8.1 All the assets and properties (whether movable or immovable, tangible or intangible) of VLPL as on the appointed date whether appearing in the books of accounts or not (hereinafter referred to 'the said Assets').

1.8.2 All debts, liabilities, duties and obligations of VLPL as on the Appointed Date whether appearing in the books of accounts or not including contingent liabilities (hereinafter referred to 'the said Liabilities')

1.8.3 Without prejudice to the generality of Sub-clause 1.8.1 and 1.8.2 above the undertaking of VLPL shall include all VLPL reserves, provisions, funds, assets

including investments, claims or obligation, powers, authorities, allotments, approvals, consents, registrations, certifications of any type including TS: 16949-2002, contracts, agreements including those relating to Technical Know-how agreement with ECIE, Italy for Design & Homologation of LED Tail Light and Technical Know-how Agreement with ECIE, Italy for Design of Electronic Dash Board, enactments, arrangements, rights, titles, interest, benefits, advantages, lease-hold rights and, systems of any kind whatsoever, trade marks, patents and other industrial and intellectual properties, including any applications filed by VLPL for securing of any intellectual property rights, any additions thereto or alterations thereof, whether in India or abroad, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation Laws as may belong to or be available to VLPL, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of, whatsoever nature and wherever situated, belonging to or in ownership, power or possession or control or entitlement of the VLPL.

1.8 "Demerged Undertaking" means polymer business of VEPL carried on at PP1, PP2, PP3, WPIII, GNP and BNP (as defined under clause 1.5) by VEPL as a going concern, and shall include (without limitation):

1.9.1 All assets and properties wherever situated whether movable or immovable, tangible or intangible real or personal, corporeal or incorporeal present, future or contingent relating to the Demerged Undertaking of VEPL as identified and approved by the board of Directors of VEPL on the Appointed Date (hereinafter referred to as "the said assets")

1.9.2 All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of Demerged Undertaking of VEPL as on the Appointed Date (hereinafter referred to as "the said liabilities").

1.9.3 Without prejudice to the generality of sub-clauses 1.9.1 and 1.9.2 above, the undertaking of VEPL being transferred to VPPL, shall include Demerged Undertaking's reserves, movable and immovable properties, lease-hold rights, hire purchase contracts, lending contracts, revisions, powers, authorities, allotments,

arrangements, titles, interest, benefits, tenancy rights, authorizations, quota rights, trademarks, patents, earnest money and /or security deposits ,various exemptions, incentives granted under different scheme of State/Central Government , telephones, telex, facsimile 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 and all books of accounts, document, records and all other assets relating to the Demerged Undertaking as identified and approved by the board on the Appointed Date except those related to remaining businesses of VEPL.

1.9.4 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking include.

- i. Liabilities which directly and specifically arise out of the activities or operations of the Demerged Undertaking;
- ii. Liabilities both present and contingent.
- iii. Specific loans and borrowings raised, if any, incurred and utilised solely for the activities or operations of the Polymer Business;
- iv. Liabilities other than those referred to in (i) or (ii) or (iii) above, i.e. the amounts of general or multi-purpose borrowings of VEPL allocated to the Polymer Business in proportion as identified by the management on the appointed date, however, the same without detriment to the security for such borrowings to the lenders as it existed before the scheme coming into effect.
- v. All permanent employees including Trainees, Employees on Probations, apprentices of the Demerged Undertaking, as identified by the Board of Directors of VEPL on the Appointed Date.

1.9.5 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Polymer Business or whether it arises out of the activities or operations of the Polymer Business or not will be decided by mutual agreement between the Board of Directors of VEPL and VPPL in consultation with its statutory auditors



1.10 "High Court" shall mean the High Court of Judicature at Bombay. In the event of the National Company Law Tribunal (hereinafter referred to as "the Tribunal") being constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under section 391-394 of the Companies Act, 1956 relating to these scheme being transferred to the Tribunal, the words "High Court" shall deem to mean and include the Tribunal, as the context may require.

1.11 "Record Date" means a date after the Effective Date, to be fixed by the Board of Directors of VEPL and VPPL, for the purpose of determining the members of the abovementioned companies to whom shares will be allotted pursuant to this Scheme of Arrangement.

1.12 "Remaining Business" means the remaining undertaking and all businesses and assets of VEPL other than the Demerged Undertaking which includes all engineering, electrical and metallic division.

1.13 "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any made

2. SHARE CAPITAL

2.1 The Share Capital of VLPL as at March 31, 2007 is as under:

Authorised	Amount (Rs.)
30,00,000 Equity shares of Rs. 10/- Each	3,00,00,000
Total	3,00,00,000
Issued, Subscribed and Paid-up	
20,19,500 Equity shares of Rs. 10/- each, fully paid	2,01,95,000
Total	2,01,95,000

Subsequent to March 31, 2007 there has been no change in Share Capital of VLPL. VLPL is wholly owned subsidiary of VEPL as VEPL and its Nominees hold entire Share Capital of VLPL.

2.2 The Share Capital of VEPL as at March 31, 2007 is as under:

Authorised	Amount (Rs.)
10,00,000 Equity shares of Rs. 10/- Each	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up	

Total	33,15,000
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Subsequent to March 31, 2007 there has been no change in Share Capital of VEPL.

2.3 The Share Capital of VPPL as at March 31, 2007 is as under

Authorised	Amount (Rs.)
30,00,000 Equity shares of Rs. 10/- Each	3,00,00,000
Total	
Issued, Subscribed and Paid-up	
28,00,030 Equity shares of Rs. 10/- each, fully paid	2,80,00,300
Total	

Subsequent to March 31, 2007 there has been no change in Share Capital of VPPL except reduction and reorganisation as contained in Part D of this scheme.

PART – B: AMALGAMATION OF VLPL WITH VEPL

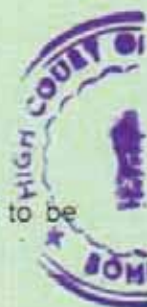
3. TRANSFERS AND VESTING OF VLPL UNDERTAKING

The VLPL Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the VEPL in the following manner:

3.1 With effect from the Appointed Date, the whole of the VLPL undertaking, of VLPL comprising of all assets and liabilities of whatsoever nature and wherever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in clauses 3.2 and 3.3 below), be transferred to and vested in and/or be deemed to be transferred to and vested in VEPL as a going concern so as to become as from the Appointed Date the assets and liabilities of VEPL and to vest in VEPL all the rights, title, interest or obligations of VLPL therein.

3.2 All the movable assets including cash in hand, if any, of VLPL, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to VEPL. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of VLPL and the Board of Directors of VEPL within thirty days from the Effective Date.

3.3 In respect of movables other than those specified in sub-clause 3.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in



Government, Semi-Government, local and other authorities and bodies, customers, suppliers and other persons, the following modus operandi for intimating to third parties shall to the extent possible be followed:

3.3.1 VEPL shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor as the case may be, that pursuant to the High Court having sanctioned the Scheme between VLPL and VEPL, the said debt, loan advance or deposit be paid or made good or held on account of VEPL as the person entitled thereto to the end and intent that the right of VLPL to recover or realize the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change.

3.3.2 VLPL shall also give notice in such form as they may deem fit and proper to each person, debtor or depositor that pursuant to the High Court having sanctioned the Scheme between VLPL and VEPL, the said debt, loan, advance or deposit be paid or made good or held on account of VEPL and that the right of VLPL to recover or realise the same stands extinguished.

3.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of VLPL shall also under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to VEPL so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of VEPL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

3.5 The transfer and vesting of VLPL undertaking of VLPL as aforesaid, shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of VLPL.

Provided however that any reference in any security documents or arrangements (to which VLPL is a party to the assets of VLPL offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the undertaking of VLPL as are vested in VEPL by

virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of VLPL or any of the assets of VEPL.

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

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

3.6 Loans or other obligations, if any, due between or amongst VLPL and VEPL shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by VLPL, and held by VEPL and vice versa are concerned, the same shall, unless sold or transferred by VLPL or VEPL, as the case may be, at any time prior to the effective date, stand cancelled as on the effective date and shall have no effect and VLPL shall have no further obligation outstanding in that behalf.

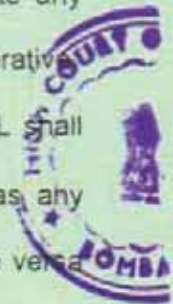
3.7 All assets of VLPL would be available to VEPL from the Effective Date.

3.8 The registrations in the name of VLPL, which are transferable in nature, shall be deemed to be transferred in the name of VEPL from the effective date and VEPL shall give requisite intimations for this purpose to all concerned.

3.9 In case of registrations in the name of VLPL, other than the registrations mentioned above, VEPL may make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS.

Subject to the other provisions of the Scheme, all respective contracts, deeds, bonds, agreements for tenancies, arrangements and other instruments of whatsoever nature to which VLPL or are a party, or the benefit to which VLPL be eligible, subsisting or



operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of VEPL and may be enforced as fully and effectively as if instead of VLPL, VEPL had been a party or beneficiary thereto from inception. VEPL shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite agreement, confirmations or novations to which VLPL or will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, VEPL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of VLPL or and to implement or carry out all formalities required on the part of VLPL or to give effect to the provisions of this Scheme.

5. LEGAL PROCEEDINGS

5.1 If any suit, appeal, legal or other proceeding of whatever nature by or against VLPL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal, legal or other proceedings may be continued, prosecuted and enforced by or against VEPL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against VLPL or as if this Scheme had not been made.

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

6. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form or with any modification(s) as approved or imposed or directed by the Hon'ble High Court of Judicature at Bombay shall be operative from the Appointed Date but shall become effective on the Effective Date.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

7.1 VLPL shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire business and undertaking for and on account of and in trust for VEPL.

7.2 All the profits or income accruing or arising to VLPL or expenditure or losses incurred by VLPL or shall for all purposes be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of VEPL; and

7.3 VLPL shall carry on their respective businesses and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, invest in Shares, etc, alienate, charge, mortgage/ encumber or otherwise deal with the significant assets or any part thereof except in the ordinary course of business without the prior written consent of VEPL.

7.4 VLPL shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of VEPL.

7.5 VLPL shall not without the prior written consent of VEPL, except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise. VEPL may in its sole discretion and without requiring any approval from VLPL or, issue and allot further securities in any manner whatsoever.

7.6 VEPL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which VEPL may require to carry on the business of VLPL.

8. STAFF, WORKMEN & EMPLOYEES

8.1 On the Scheme becoming operative, all staff, workmen and employees of VLPL shall become the employees of VEPL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with VEPL shall not be less favourable than those applicable to them with reference to VLPL or immediately preceding the transfer.



8.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of VLPL or are concerned, on and from the Effective Date, VEPL shall stand substituted for VLPL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the respective rights, duties, powers and obligations of VLPL in relation to such Funds shall become those of VEPL. It is clarified that the services of such respective permanent employees of VLPL will be treated as having been continuous and not interrupted for the purposes of such Funds.

9. ISSUE OF SHARES

Since VLPL is wholly owned subsidiary of VEPL and all the shares of VLPL are held by VEPL and its nominee, no new shares will be issued in the course of the said amalgamation of VLPL with VEPL.

10. ACCOUNTING TREATMENT

On the Scheme becoming effective:

10.1 VEPL shall record all assets and liabilities recorded in the books of account of VLPL and vested in VEPL pursuant to the Scheme at their book values as on the close of business of the day immediately preceding the Appointed Date.

10.2 To the extent there are inter-corporate loans or balances between VLPL and VEPL, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of VEPL for the reduction of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited as the case may be to the General Reserve of VEPL. For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter company loans, or balances with effect from the Appointed Date.

10.3 To the extent there are inter-corporate investments between VLPL and the Transferee Company, the same shall be cancelled and accordingly effect shall be given in the books of account and records of the Transferee Company for cancellation of investments, as the case may be.

- 10.4 The excess, if any, of the value of the assets over the value of the liabilities [after canceling inter corporate investments between the Transferor Company and the Transferee Company] of VLPL and transferred to and vested in VEPL pursuant to this Scheme, as recorded in the books of account of VEPL will be credited to the General Reserve account in the books of VEPL. Similarly, deficit if any, may be debited to the General Reserve account in the books of the VEPL.
- 10.5 Further, in case of any differences in accounting policy between VEPL and VLPL, the accounting policies followed by VEPL will prevail and the difference till the Appointed Date, as the case may be, will be quantified and adjusted in the General Reserve Account mentioned earlier to ensure that the financial statements of VEPL reflect the financial position on the basis of consistent accounting policies.
- 10.6 Notwithstanding the above, the Board of Directors of VEPL, in consultation with the auditors, is authorised to account any of these balances in any manner whatsoever, as may be deemed fit.

11. SAVING OF CONCLUDED TRANSACTIONS

The transfer of VLPL undertaking of VLPL pursuant to this Scheme, and the continuance of respective proceedings by or against VLPL shall not affect any transaction or proceedings already concluded by VLPL or on or after the Appointed Date till the Effective Date, to the end and intent that VEPL accepts and adopts all acts, deeds and things done and executed by VLPL or in respect thereto as done and executed on behalf of VEPL.

12. DISSOLUTION OF VLPL:

VLPL shall be dissolved without winding up on an order made by Bombay High Court, under Section 394 and all other applicable provisions of the Companies Act, 1956.

PART – C: DEMERGER OF POLYMER BUSINESS OF VEPL

13. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF VEPL

- 13.1 With effect from the Appointed Date, pursuant to the provisions of Section 391/ 394 and other relevant provisions of the Act and the Scheme, the whole of the Demerged Undertaking of VEPL shall be demerged from VEPL and be transferred to and vest in or be deemed to have been transferred to and vested in VPPL as a going concerns



without any further act, instrument or deed (save as provided in Clause 13.2 below) so as to become as and from the Appointed Date, all the assets (subject to encumbrances and charges, if any, existing thereon) and liabilities of VPPL.

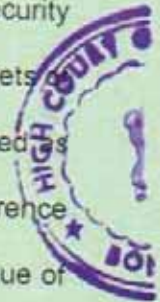
13.2 The transfer of movable assets of the Demerged Undertaking shall be effected as follows:

13.2.1 All movable assets including cheque, bills of exchange, promissory notes and other negotiable instruments, documents of title to goods or properties and cash in hand, if any, of VEPL pertaining or relating to Demerged Undertaking capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, to VPPL to the end and intent that the property and ownership therein passes to VPPL, on such delivery or endorsement and delivery. Such delivery, transfer and endorsement shall be made on a date mutually agreed upon between the Board of Directors of VEPL and the Board of Directors of VPPL.

13.2.2 In respect of movable assets other than those specified in 13.2.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, customers and other persons, the following modus operandi shall to the extent possible, be followed, that is to say VEPL and VPPL shall jointly or severally, as may be decided by both of them, give notice in such form as they may deem fit and proper, that pursuant to the High Court having sanctioned, inter alia, the arrangements between VEPL and VPPL and their respective Shareholders and Creditors under Sections 391 to 394 of the Act, the said debts, loans, advances or deposits pertaining to the Demerged Undertaking be paid and/or made good to or be held on account of VPPL as the person entitled thereto to the end and intent that the right of VEPL to recover or realise the same stands transferred and assigned to VPPL and that appropriate entry shall be made

in the books of accounts of VEPL and VPPL to record the aforesaid change.

- 13.3 The debts, liabilities, duties and obligations of VEPL relating to the Demerged Undertaking (hereinafter referred to as "the said liabilities") shall without any further act, instrument or deed be transferred to and vest in and/ or deemed to be vested in VPPL pursuant to the provisions of Section 391/ 394 of the Act, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of VPPL on the same terms and conditions as were applicable to VEPL.
- 13.4 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing and other security interests, charges, mortgages, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking. Provided however, any reference (in any security document or arrangement to which VEPL is a party) to the properties and assets of the Demerged Undertaking as the case may be offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to those of the Demerged Undertaking which are vested in VPPL, by virtue of the aforesaid clauses to the end and intent that such security interests, charges and mortgages shall not extend or be deemed to extend to any of the other assets of VPPL unless specifically agreed to by VPPL with such secured creditors. Provided also that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Undertaking of VEPL and VPPL shall not be obliged to create any further or additional security therefore after this Scheme becomes operative.
- 13.5 In so far as any properties and assets comprised in the Demerged Undertaking are offered as security for any liabilities relating to the Remaining Business then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against the properties and assets relating to the Remaining Business and the properties and assets of the Demerged Undertaking shall stand released and discharged from such security subject to the confirmation from the lenders.



13.6 In so far as any properties and assets relating to the Remaining Business are offered as security for any liabilities forming part of the Demerged Undertakings then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against only against the properties and assets relating to the Demerged Undertakings and the properties and assets relating to the Remaining Business shall stand released and discharged from such security.

14. ISSUE OF SHARES

14.1 Upon transfer of the Demerged Undertaking of VEPL into VPPL and pursuant to Clause 13 hereof and the arrangement becoming effective in terms of the Scheme, VPPL shall (without further application) issue and allot to the shareholders of VEPL 8 (eight) Equity Share of Rs.10/- each fully paid up of VPPL for every 1 (one) Equity Shares of Rs. 10/- each fully paid up of VEPL held by them on Record Date

14.2 The new Equity Shares to be issued and allotted by VPPL in terms of Clause 14.1 above shall rank pari passu in all respects with the existing Equity Shares of VPPL including that such Equity Shares shall be entitled to the dividend which may be declared/distributed by VPPL any time after such allotment, irrespective of the date on which such Equity Shares are allotted.

14.3 The new Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of VPPL.

14.4 If any fractional entitlements of share arise out of such allotment then the Board of Directors of shall ignore such fractional entitlement and allot Equity Shares and certificates accordingly after making necessary adjustments to the swap ratio to give effect to this provision.

14.5 VPPL shall issue the new Share Certificates for the requisite number of shares to the shareholders of VEPL.

15. ACCOUNTING TREATMENT

15.1 VEPL shall, upon coming into effect of the Scheme and on account of the demerger of the Demerged Undertaking of VEPL into VPPL, reduce book value of

assets and liabilities as on the close of business of the day immediately preceding the Appointed Date pertaining to the Demerged Undertaking.

15.2 The difference between the value of assets and liabilities transferred pertaining to the Demerged Undertaking pursuant to the Scheme shall be first charged to the balance in General Reserve of VEPL and in the event of short fall to be charged to balance in Profit & Loss Account. The balance of the General Reserve Account and Profit & Loss Account as the case may be shall stand reduced to that extent.

15.3 VPPL shall, upon the demerger becoming effective, record the assets and liabilities of the Demerged Undertaking of VEPL vested in it pursuant to this Scheme at the values, as appearing in the books of VEPL at the close of business of the day immediately preceding the Appointed Date.

15.4 The excess amount of assets over liabilities of the Demerged Undertaking after adjusting amount of Equity Share issued by VPPL shall be credited to General Reserve Account of VPPL and in case of any deficit same shall be debited to the goodwill account of VPPL.

15.5 In case of any difference in the accounting policies of VEPL and VPPL, the impact of the same will be quantified and adjusted in the Revenue Reserve(s) of VPPL to ensure that the financial statements of VPPL reflect the financial position on the basis of consistent accounting policy.

15.6 Notwithstanding the above, the Board of Directors of the VPPL in consultation with the auditors, is authorised to account any of these balance in any manner whatsoever, as may be deemed fit.

16. TRANSACTIONS OF DEMERGED UNDERTAKING BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE

During the period between the Appointed Date and the Effective Date:

16.1 VEPL shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets and liabilities of the Demerged Undertaking for and on account of and in trust for VPPL.

16.2 All the profits or income accruing or arising to VEPL, including dividends, or expenditure or losses arising or incurred by VEPL on account of the Demerged



Undertaking, shall for all purposes be treated and deemed to accrue as the profits or income or expenditure or losses (as the case may be) of VPPL.

16.3 VEPL shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of VPPL.

16.4 As and from the date of acceptance of this Scheme by the Board of Directors of VEPL and the Board of Directors of VPPL and till the Effective Date, VEPL shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of the Demerged Undertaking or any part thereof without the prior written concurrence of the Board of Directors of VPPL.

17. STAFF, WORKMEN & EMPLOYEES

17.1 On the Scheme becoming operative, all staff, workmen and employees relating to the Demerged Undertaking in service on the Effective Date shall be deemed to have become staff, workmen and employees of VPPL with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with VPPL shall not be less favourable than those applicable to them with reference to VEPL immediately preceding the transfer.

17.2 As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of the Demerged Undertaking are concerned, on and from the Effective Date, VPPL shall stand substituted for VEPL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purposes of such Funds.

18. LEGAL PROCEEDINGS

18.1 All legal proceedings of whatsoever nature by or against VEPL pending and/or arising at the Appointed Date and relating to the Demerged Undertaking of VEPL,

as and from the Effective Date, shall be continued and enforced by or against VPPL in the manner and to the same extent as would or might have been continued and enforced by or against VEPL.

18.2 After the Appointed Date, if any proceedings are taken against VEPL in respect of the matters referred to in the sub-clause 18.1 above, it shall defend the same at the cost of VPPL and VPPL shall reimburse and indemnify VEPL against all liabilities and obligations incurred by VEPL in respect thereof.

18.3 VPPL undertakes to have all legal or other proceedings initiated by or against VEPL referred to in sub-clause 18.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against VPPL to the exclusion of VEPL.

19. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Demerged Undertaking and to which VEPL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of VPPL, as the case may be, and may be enforced by or against VPPL as fully and effectually as if, instead of VEPL, VPPL had been a party thereto from inception. VPPL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme. VPPL shall be deemed to be authorised to execute any deeds, writings or confirmations on behalf of VEPL and to implement or carry out all formalities required on the part of VEPL to give effect to the provisions of this Part C of the Scheme.

20. SAVING OF CONCLUDED TRANSACTIONS & PROCEEDINGS

The transfer of and vesting of the Demerged Undertaking under Clause 13 above and the continuance of proceedings by or against VPPL under Clause 18 above shall not affect any transaction or proceedings already concluded by VEPL in respect of the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that VPPL accepts and adopts all acts, deeds and things done and executed by VPPL in respect thereto as done and executed on behalf of itself



21. REMAINING BUSINESS

21.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by VEPL, which shall continue to exist as a legal entity.

21.2 All employees of Remaining Business of VEPL who are in service on the date immediately preceding the Effective Date shall continue to remain employees of VEPL, without any break or interruption in service and on terms and conditions no less favourable than those on which they are engaged by VEPL as on the Effective Date.

21.3 All legal or other proceedings by or against VEPL under any statute, whether pending on the Appointed Date or which may be instituted in future and relating to the Remaining Business, shall be continued and enforced by or against VEPL.

21.4 All profits accruing to VEPL or all losses incurred by it relating to the Remaining Business with effect from the Appointed Date and thereafter, shall be treated as the profits or losses, as the case may be, of VEPL.



22. GENERAL TERMS

22.1 It is clarified that considering difficulties which may be faced to segregate all taxes paid by VEPL between demerged undertaking and Remaining business it shall for all the purposes be treated as the taxes, liabilities or refunds and claims of VEPL for Remaining business and VEPL shall take the credit for all taxes, liabilities or refunds and claims.

22.2 In accordance with the Modvat/Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the un-utilised credits relating to excise duties paid on inputs/capital goods lying to the account of the Demerged Undertaking shall be permitted to be transferred to the credit of the VPPL as if all such unutilized credits were lying to the account of VPPL, VPPL shall accordingly be entitled to set off all such unutilized credits against the excise duty payable by it.

PART D: REDUCTION OF SHARE CAPITAL OF VPPL

23. REDUCTION OF SHARE CAPITAL OF VPPL

23.1 Pursuant to sections 100 to 103 and other applicable provisions of the Act and other applicable provisions of the Articles of Association of VPPL and consent accorded by shareholders of VPPL, as an integral part of this scheme, but before considering the issue and allotment of the New Equity Shares as envisaged in clause 14 of this scheme. The issued, subscribed and paid-up capital of the VPPL shall be reduced to Rs 28,00,030 divided into 2,80,003 Equity Shares of Rs 10/- fully paid up from Rs 2,80,00,300/- divided into 28,00,030 Equity Shares of Rs 10/- each fully paid up and the difference arising on such reduction i.e. Rs 2,52,00,270/- shall be credited to Share Premium Account.

23.2 The Reduction of share capital shall be effected as an integral part of the scheme itself in accordance with the provisions of section 100 to 105 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any share holder of any paid-up share capital, the provisions of section 101 of the Act are not applicable. The order of the Hon'ble High Court sanctioning the Scheme shall be deemed to be an order under section 102 of the Act confirming the reduction.

23.3 Upon the Scheme coming into effect on and from the Record Date as may be fixed by the Board of Directors of VPPL the Share Certificates held by the shareholders of VPPL shall automatically stand cancelled without any necessity of them being surrendered to VPPL. VPPL shall issue new share certificates with revised number of equity shares (as adjusted for capital reduction in terms of clause 23.1 to the Equity Shareholders whose names appear in the Register of Member on the Record Date as may be fixed by the Board of Directors of VPPL.

PART - E

24. APPLICATION TO HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

VLPL, VEPL and VPPL shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Bombay or such other

appropriate authority in respect of the VLPL, VEPL and VPPL for sanction of this Scheme and for dissolution of VLPL without winding up under the provisions of law.

25. MODIFICATION OR AMENDMENTS TO THE SCHEME

VLPL, VEPL and VPPL by their respective Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme which the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme in the best interest of all stake holders and VPLP, VEPL and VPPL by their respective Directors so nominated in that behalf be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith.



26. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

27. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS.

The Scheme is conditional upon and subject to the following:

- 27.1 The requisite consents, approvals or permissions if any of the Government Authority or any other Statutory Agencies which by law may be necessary for the implementation of this Scheme.
- 27.2 The approval by the requisite majorities of the classes of persons of VLPL, VEPL and VPPL as may be directed by the High Court under Section 391 of the Act.
- 27.3 The approval by the Shareholders of VPPL to reduction and reorganization of share capital by a Special Resolution passed under Section 100(1) of the Act at a separate meeting of the Shareholders of VPPL.

27.4 All sanction and orders as are legally necessary or are required under Section 391 to 394 and Section 100 to 105 of the Act being obtained by VLPL, VEPL and VPPL from the High Court and.

27.5 The Certified Copies or Authenticated Copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, Mumbai.

28. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 27 not being obtained and/or the Scheme not being sanctioned by the any of the High Courts or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and VEPL shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually, agreed.

29. COSTS, CHARGES & EXPENSES

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



TRUE-COPY
M. D. Narvekar
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

*Truly
Yours*

FORM OF MINUTES

The Issued, Subscribed and Paid up Capital of VARROC POLYMERS PRIVATE LIMITED is henceforth Rs.28,00,030/- divided into 2,80,003 Equity Shares of Rs.10/- each fully paid up reduced from Rs. 2,80,00,300/- divided into 28,00,030 Equity Shares of Rs.10/- each fully paid up.



TRUE-COPY

M. D. Narvekar
M. D. NARVEKAR 22/6/08

COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

[Handwritten signature]



IN THE HIGH COURT OF JUDICATURE AT
BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 896 OF 2007

CONNECTED WITH

COMPANY APPLICATION NO. 1131 OF 2007
In the matter of the Companies Act I of 1956

AND

In the matter of Sections 391 to 394 read
with section 100 to 105 of the Companies
Act, 1956

AND

In the matter of the Scheme of
Arrangement between

VARROC LIGHTING PRIVATE LIMITED

AND

VARROC ENGINEERING PRIVATE LIMITED

AND

VARROC POLYMERS PRIVATE LIMITED

VARROC POLYMERS PRIVATE LIMITED

..... PETITIONER

appreciated on 20-2-2008
Engrossed on 20-2-2008
section Writer

Folios

Examined by D. Mangalika
Compared with

Ready on 22-02-08
Delivered on 11-03-08

AUTHENTICATED COPY OF ORDER DATED
18th JANUARY, 2008 AND SCHEME OF
ARRANGEMENT ANNEXED TO PETITION

DATED THIS DAY OF FEBRUARY, 2008

HEMANT SETHI & CO.

ADVOCATE FOR THE PETITIONER

302 SATNAM BUILDING

3-A SION (WEST)

HIGH COURT, BOMBAY

0208662

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.197 OF 2010

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.189 OF 2010

Varroc Engineering Private Limited.....Petitioner/Demerged
Company

COMPANY SCHEME PETITION NO.198 OF 2010

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.190 OF 2010

Varroc Polymers Private Limited.....Petitioner/Resulting
Company

In the matter of the
Companies Act I of 1956

AND

In the matter of Sections 391
to 394 read with Sections
78,100 to 103 of the
Companies Act, 1956.

AND

In the matter of the Scheme
of Arrangement between
Varroc Engineering Private
Limited and Varroc Polymers
Private Limited.

Mr.Hemant. Sethi i/b Hemant Sethi & Co,Advocates for
Petitioner.

Mr.Salil.M.Shah i/b Mr. S. K. Mohapatra for Regional Director
in both the Petitions.

CORAM : S. J. VAZIFDAR,J

DATE : 18th JUNE,2010

PC:

1. Heard learned counsel for parties.



HIGH COURT, BOMBAY

0208664

2

2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78,100 to103 of the Companies Act, 1956 to the Scheme of Arrangement between Varroc Engineering Private Limited, the Demerged/Transferor Company and Varroc Polymers Private Limited, the Resulting/Transferee Company.

3. The Scheme of Arrangement is presented for demerger of Technical Development Centre (TDC) comprising of Product & Tool Development and Tool Manufacturing of Varroc Engineering Private Limited into Varroc Polymers Private Limited and reduction and utilisation of Securities Premium Account of Rs 300 Lacs of Varroc Engineering Private Limited pursuant to provisions of Sections 78 and 100 to 103 of the Companies Act,1956.

4. Counsel appearing on behalf of the Petitioner have stated that they have complied with all the requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the rules made thereunder. The undertaking is accepted.



5. The Regional Director has filed affidavit stating therein that, the scheme does not appear to be prejudicial to the interest of shareholders and public.

6. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

7. There is no objection to the Scheme of Arrangement and since all the requisite statutory compliances have been fulfilled the Scheme of Arrangement deserved to be sanctioned. Hence, Company Scheme Petition No.197 of 2010 filed by the Demerged Company is made absolute in terms of prayer clauses (a) to (g) and Company Scheme Petition No. 198 of 2010 filed by the Resulting Company is made absolute in terms of prayer clauses (a) to (c).

8. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Company Registrar, High Court (O.S), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty, payable, if any, on the same within 60 days of from the date of this Order.

9. The Petitioner in both the Company Scheme Petition to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai .Costs to be paid within four weeks from today.



HIGH COURT, BOMBAY

0208669

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10. Petitioner in Company Scheme Petition No. 197 of 2010 to publish notice of registration of order and minutes of reduction of Securities Premium Account by Registrar of Companies once each in the two local newspapers viz., "Lokmat Times" in English and "Lokmat" in Marathi both circulating in Aurangabad and in the Maharashtra Government Gazette within 30 days of registration aforesaid.

11. Filing and issuance of the drawn up order is dispensed with.

12. All concerned authorities to act on a copy of this order along with scheme (in case of Company Scheme Petition No.197 & 198 of 2010) and form of minutes (annexed to Company Scheme Petition No.197 of 2010 being Exhibit "E") duly authenticated by Company Registrar, High Court, (O.S) Bombay.

(S. J. VAZIFDAR, J)


TRUE-COPY

M. D. Narvekar
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY

M. D. Narvekar
Section Officer
High Court, Appellate Side
Bombay

SCHEME OF ARRANGEMENT
BETWEEN
VARROC ENGINEERING PRIVATE LIMITED
AND
VARROC POLYMERS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHARE HOLDERS



Scheme of Arrangement ("the Scheme") is presented under Section 391 to 394 read with Sections 78,100 to 103 and other applicable provisions of the Companies Act, 1956 (the "Act") for Demerger of Technical Development Centre ("TDC") of Varroc Engineering Private Limited (VEPL) into Varroc Polymers Private Limited (VPPL). Further, the Scheme contemplates reduction and utilisation of Securities Premium Account of VEPL and right sizing of balance sheet of VEPL by providing for appreciation or diminution in the value of remaining assets and liabilities of VEPL.

The Scheme is divided into following parts:

Part-A Dealing with definitions;

Part-B Dealing with demerger of TDC of Varroc Engineering Private Limited (VEPL) into Varroc Polymer Private Limited (VPPL) and right sizing of balance sheet of VEPL.

Part-C Dealing with general terms and conditions.

PART - A
DEFINITIONS

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

- 1.1. "Act" or "the Act" means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 1.2. "VEPL" or "the Demerged Company" or "the Transferor Company" means Varroc Engineering Private Limited, a company incorporated

under the Act and having its registered office at E-4, MIDC, Industrial Area, Waluj, Aurangabad- 431 136

- 1.3. "VPPL" or "the Resulting Company" or "the Transferee Company" means Varroc Polymers Private Limited a Company incorporated under the Act and having its registered office at Gut No. 99, Village Pharola, Taluka Paithan, Aurangabad- 431 105.
- 1.4. "Appointed Date" means the 1st day of April, 2009 or such other date as may be approved by the High Court of Bombay.
- 1.5. "Effective Date" means the date on which certified/authenticated copies of the High Court at Bombay order sanctioning this Scheme is filed with the Registrar of Companies, Maharashtra, Mumbai.
- 1.6. "Demerged Undertaking" or "TDC" means Technical Development Centre comprising of Product & Tool Development and Tool Manufacturing activities being carried on by VEPL as a going concern at Plant-V at L-6/2, MIDC Waluj, Aurangabad - 431 136 and shall include (without limitation):
- 1.6.1. All assets and properties of TDC whether movable or immovable, licence to use land and building situated at Plant-V at L-6/2, MIDC Waluj, Aurangabad-431 136, from where operations of the division is carried on as on date, tangible or intangible, real or personal, corporal or incorporeal present, future or contingent relating to the Demerged Undertaking of VEPL as identified and approved by the Board of Directors of VEPL on the Appointed Date (hereinafter referred to as "the said assets")
- 1.6.2. All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of Demerged Undertaking of VEPL as on the Appointed Date (hereinafter referred to as "the said liabilities").
- 1.6.3. Without prejudice to the generality of sub-clauses 1.6.1 and 1.6.2 above, the undertaking of VEPL being transferred to VPPL, shall include



Demerged Undertaking's reserves, movable and immovable properties, license to use land and building situated at Plant-V at L-6/2, MIDC Waluj, Aurangabad-431 136, from where operations of the division is carried on as on date, other lease-hold rights, hire purchase contracts, lending contracts, revisions, powers, authorities, allotments, approvals and consents, registrations, contracts, engagements, agreements, arrangements, titles, interest, benefits, tenancy rights, authorizations, quota rights, trademarks, patents, earnest money and /or security deposits, telephones, telex, facsimile 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 and all books of accounts, document, records and all other assets relating to the Demerged Undertaking as identified and approved by the Board on the Appointed Date except those related to remaining businesses of VEPL.

1.6.4. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking include.

- i. Liabilities which directly and specifically arise out of the activities or operations of the Demerged Undertaking;
- ii. Liabilities both present and contingent.
- iii. Specific loans and borrowings raised, if any, incurred and utilised solely for the activities or operations of the Demerged Undertaking
- iv. Liabilities other than those referred to in (i) or (ii) or (iii) above, i.e. the amounts of general or multi-purpose borrowings of VEPL allocated to the Demerged Undertaking in proportion as identified by the management on the appointed date, however, the same without detriment to the security for such borrowings to the lenders as it existed before the scheme coming into effect.
- v. All permanent employees including Trainees, Employees on Probations, apprentices of the Demerged Undertaking, as identified by the Board of Directors of VEPL on the Appointed Date.

1.6.5. Any question that may arise as to whether a specific asset or liability *pertain* or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not will be decided by mutual agreement between the Board of Directors of VEPL and VPPL.

1.7. "High Court" shall mean the High Court of Judicature at Bombay. In the event of the National Company Law Tribunal (hereinafter referred to as "the Tribunal") being constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under section 391-394 of the Companies Act, 1956 relating to these scheme being transferred to the Tribunal, the words "High Court" shall deem to mean and include the Tribunal, as the context may require.

1.8. "Record Date" means a date after the Effective Date, to be fixed by the Board of Directors of VEPL and VPPL, for the purpose of determining the members of the abovementioned companies to whom shares will be allotted pursuant to this Scheme of Arrangement.

1.9. "Remaining Business" means the remaining undertaking and all businesses and assets of VEPL other than the Demerged Undertaking.

1.10. "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any made

2. SHARE CAPITAL

2.1. The Share Capital of VEPL as at March 31, 2009 is as under:

Authorised	Amount Rs.)
10,00,000 Equity shares of Rs. 10/- each	1,00,00,000
30,00,000 7% Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10/- each.	30,00,00,000
Total	31,00,00,000



Issued, Subscribed and Paid-up	
3,31,500 Equity shares of Rs. 10/- each, fully paid	33,15,000
30,00,000 7% Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10 each.	30,00,00,000
Total	30,33,15,000

Subsequent to March 31, 2009 1,00,00,000 7 % Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10 each has been converted into 16,000 Equity Shares of Rs 10/- each at premium of Rs 6240/- per Equity share. Accordingly, Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on date is as under:

Authorised	Amount (Rs.)
10,00,000 Equity shares of Rs. 10/- each	1,00,00,000
3,00,00,000 7% Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10/- each	30,00,00,000
Total	31,00,00,000
Issued, Subscribed and Paid-up	
3,47,500 Equity shares of Rs. 10/- each, fully paid	34,75,000
2,00,00,000 7% Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10 each	20,00,00,000
Total	20,34,75,000

As on date VPPL holds 16,000 Equity Shares and 2,00,00,000 7% Redeemable Cumulative Optionally Convertible Preference Shares of Rs.10 each of VEPL and Consequent upon above conversion, balance in Securities Premium Account as on date is Rs 9,98,40,000/-

2.2. The Share Capital of VPPL as at March 31, 2009 is as under:

Authorised	Amount (Rs.)
30,00,000 Equity shares of Rs. 10/- Each	3,00,00,000
Total	3,00,00,000
Issued, Subscribed and Paid-up	
29,32,003 Equity shares of Rs. 10/- each, fully paid	2,93,20,030
Total	2,93,20,030



Subsequent to March 31, 2009 there has been no change in Share Capital of VPPL.

PART - B

DEMERGER OF TOOL BUSINESS OF VEPL

3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF VEPL

3.1. With effect from the Appointed Date, pursuant to the provisions of Section 391- 394 and other relevant provisions of the Act and the Scheme, the whole of the Demerged Undertaking of VEPL shall be demerged from VEPL and be transferred to and vest in or be deemed to have been transferred to and vested in VPPL as a going concerns without any further act, instrument or deed (save as provided in Clause 3.2 below) so as to become as and from the Appointed Date, all the assets (subject to encumbrances and charges, if any, existing thereon) and liabilities of VPPL.


3.2. The transfer of movable assets of the Demerged Undertaking shall be effected as follows:

3.2.1. All movable assets including cheque, bills of exchange, promissory notes and other negotiable instruments, documents of title to goods or properties and cash in hand, if any, of VEPL pertaining or relating to Demerged Undertaking capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, to VPPL to the end and intent that the property and ownership therein passes to VPPL, on such delivery or endorsement and delivery. Such delivery, transfer and endorsement shall be made on a date mutually agreed upon between the Board of Directors of VEPL and the Board of Directors of VPPL.

3.2.2. In respect of movable assets other than those specified in 3.2.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other



authorities and bodies, customers and other persons, the following modus operandi shall to the extent possible, be followed, that is to say VEPL and VPPL shall jointly or severally, as may be decided by both of them, give notice in such form as they may deem fit and proper, that pursuant to the High Court having sanctioned, inter alia, the arrangements between VEPL and VPPL and their respective Shareholders and Creditors under Sections 391 to 394 of the Act the said debts, loans, advances or deposits pertaining to the Demerged Undertaking be paid and/or made good to or be held on account of VPPL as the person entitled thereto to the end and intent that the right of VEPL to recover or realise the same stands transferred and assigned to VPPL and that appropriate entry shall be made in the books of accounts of VEPL and VPPL to record the aforesaid change.



3.3. The debts, liabilities, duties and obligations of VEPL relating to the Demerged Undertaking (hereinafter referred to as "the said liabilities") shall without any further act, instrument or deed be transferred to and vest in and/ or deemed to be vested in VPPL pursuant to the provisions of Section 391/ 394 of the Act, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of VPPL on the same terms and conditions as were applicable to VEPL.

3.4. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing and other security interests, charges, mortgages, if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking. Provided however, any reference (in any security document or arrangement to which VEPL is a party) to the properties and assets of the Demerged Undertaking as the case may be offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to those of the Demerged Undertaking which are vested in VPPL, by virtue of the aforesaid clauses to the end and intent that such security interests, charges and mortgages shall not extend or be deemed to extend to any of the other assets of VPPL unless specifically agreed to by VPPL with such secured creditors. Provided also that this Scheme

shall not operate to enlarge the security for any loan, deposit or facility created by the Demerged Undertaking of VEPL and VPPL shall not be obliged to create any further or additional security therefore after this Scheme becomes operative.

3.5. In so far as any properties and assets comprised in the Demerged Undertaking are offered as security for any liabilities relating to the Remaining Business then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against the properties and assets relating to the Remaining Business and the properties and assets of the Demerged Undertaking shall stand released and discharged from such security subject to the confirmation from the lenders.

3.6. In so far as any properties and assets relating to the Remaining Business are offered as security for any liabilities forming part of the Demerged Undertaking then to that extent such security shall, without any further act, instrument or deed, be modified to extend to and operate only against the properties and assets relating to the Demerged Undertaking and the properties and assets relating to the Remaining Business shall stand released and discharged from such security.



4. ISSUE OF SHARES

4.1. Upon transfer of the Demerged Undertaking of VEPL into VPPL and pursuant to Clause 3 hereof and arrangement becoming effective in terms of the Scheme, VPPL shall without any further application issue and allot to all the shareholders of VEPL (except VPPL) 1(One) Equity Share of Rs.10/- each fully paid up for every 1 (One) Equity Shares of Rs. 10/- each fully paid up held by them of VEPL on Record Date.

4.2. The new Equity Shares to be issued and allotted by VPPL in terms of Clause 4.1 above shall rank pari passu in all respects with the existing Equity Shares of VPPL including that such Equity Shares shall be entitled to dividend which may be declared/distributed by VPPL any time after

such allotment, irrespective of the date on which such Equity Shares are allotted.

4.3. The new Equity Shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of VPPL.

4.4. VPPL shall issue the new Share Certificates for the requisite number of shares to the shareholders of VEPL.

5. ACCOUNTING TREATMENT

5.1. VEPL shall, upon coming into effect of the Scheme and on account of the demerger of the Demerged Undertaking of VEPL into VPPL, reduce book value of assets and liabilities as on the close of business of the day immediately preceding the Appointed Date pertaining to the Demerged Undertaking.

5.2. The difference between the value of assets and liabilities transferred pertaining to the Demerged Undertaking pursuant to the Scheme shall be first apportioned against the balance in General Reserve Account of VEPL and balance, if any, after appropriation, will be further appropriated against the balance in Profit & Loss Account of VEPL. The balance of General Reserve Account and Profit & Loss Account as the case may be shall stand reduced to that extent.

5.3. VPPL shall upon the demerger becoming effective record the assets and liabilities of the Demerged Undertaking of VEPL vested in it pursuant to this Scheme at the values as appearing in the books of VEPL at the close of business of the day immediately preceding the Appointed Date.

5.4. VPPL shall credit its Share Capital Account with the aggregate face value of the Equity Shares issued to the shareholders of VEPL pursuant to clause 4.1 of the Scheme.

5.5. The excess amount of assets over liabilities of the Demerged Undertaking after adjusting face value of Equity Share issued by VPPL shall be



credited to General Reserve Account of VPPL and in case of any deficit same shall be debited to the Goodwill account of VPPL.

- 5.6. In case of any difference in the accounting policies of VEPL and VPPL, the impact of the same will be quantified and adjusted in the Revenue Reserve(s) of VPPL to ensure that the financial statements of VPPL reflect the financial position on the basis of consistent accounting policy.
- 5.7. As an integral part of the scheme, it is considered desirable to record such of the remaining assets and liabilities of VEPL, as determined by the Board of Directors of VEPL, at their fair value as on 1st January, 2010. The objective is to right size Balance Sheet of VEPL considering changed business scenario and global melt down. This will also among other reasons facilitate evaluation of performance of VEPL post demerger based on real capital employed.
- 5.8. Revaluation of land and building of VEPL, as identified by Board of Directors of VEPL, should be based on the valuation as on 1st January, 2010 as per the Valuation Report of Registered Valuer.
- 5.9. Appreciation in the value of land and buildings, as identified by the Board of Directors of VEPL and difference arising on reinstatement of Deferred Sales Tax Loan at their discounted Present Value on recognition of Government Subsidy receivable as asset in books of VEPL and on other adjustments as determined by the Board of Directors of VEPL shall be credited to the "Business Reconstruction Reserve Account", in the books of VEPL. Similarly, amount to the extent of Rs 300 lacs appearing in Securities Premium Account of VEPL as on date shall also be credited to "Business Reconstruction Reserve Account".
- 5.10. "Business Reconstruction Reserve Account" so created would be available for, but not restricted to adjustments towards "Restructuring Expenses" (as defined in Clause 5.12 below), diminution in the value of assets including investments in subsidiary companies including overseas subsidiaries and/or joint ventures and increase in the value of liabilities



and/or provision of liabilities of VEPL and any other adjustments as determined by the Board of Directors of VEPL.

5.11. As and when the Board of Directors of VEPL determines that a part or whole of the balance remaining in "Business Reconstruction Reserve Account" is no longer required for adjusting expenses of the nature referred to within clause 5.10 then such part or whole of the balance so determined by the Board of Directors of VEPL shall be transferred to Securities Premium Account of VEPL.

5.12. "Restructuring Expenses" means and without limiting the generality of the foregoing, includes inter-alia the following items accounted for in the financial statements of VEPL:

5.12.1. All costs and expenses incurred on the Scheme of Arrangement including, but not restricted to, Stamp duty payable on account of the Scheme, consultants/law firms fees and/or any other fees payable towards professional services in connection with restructuring/Scheme and other costs, as determined by the Board of Directors of VEPL;

5.12.2. The increased depreciation, costs, taxes, expenses, and losses, including on account of impairment of or write-down or sale of assets which may be suffered by VEPL, pursuant to this Scheme or otherwise in course of its business or in carrying out such restructuring of its own operations or operation of its subsidiaries, as Board of Directors of VEPL may consider necessary or appropriate.

5.12.3. Impairment, amortization and / or write off of goodwill and other intangible assets, if any, arising on preparation of consolidated accounts of VEPL

5.12.4. Interest and other financial charges paid/payable on borrowings for acquisitions by VEPL and /or any of its subsidiaries and interest and other financial charges paid/ payable upon refinancing of such borrowings;



5.12.5. Unamortized mark-to-market loss on valuation of the outstanding foreign currency option contract

5.12.6. Foreign exchange losses, whether capitalised or not in accordance with the Accounting Standard-11;

5.12.7. Such other expenses, as may be identified and considered appropriate by the Board of Directors of VEPL and which are considered extra-ordinary in nature.

5.13 Transfer of amount from "Securities Premium Account" to the "Business Reconstruction Reserve Account" as mentioned in clause 5.9 above shall be considered as reduction and utilisation of "Securities Premium Account" under Section 78 of the Act. The reduction and utilisation of Securities Premium Account shall be effected as an integral part of the Scheme and as the same does not involve either diminution of liability in respect of unpaid share capital or any payment to any shareholders of its paid up share capital, the provisions of Section 101(2) of the Act shall not be applicable and the order of the High Court sanctioning Scheme shall be deemed to be also order under Section 102 of the Act confirming such reduction and utilisation of Securities Premium Account. VEPL shall not be required to add "AND REDUCED" as suffix to its name.



5.14 All entries mentioned above should be recorded in the accounts of financial year 1st April 2009 to 31st March 2010 only. However, the Board of Directors of VEPL is authorised to account any of these balances in any manner whatsoever as may be deemed fit even after 31st March 2010.

6. TRANSACTIONS OF DEMERGED UNDERTAKING BETWEEN THE APPOINTED DATE AND EFFECTIVE DATE

6.1. During the period between the Appointed Date and the Effective Date:

6.1.1. VEPL shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets and liabilities of the Demerged Undertaking for and on account of and in trust for VPPL;

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6.1.2. All the profits or income accruing or arising to VEPL, including dividends, or expenditure or losses arising or incurred by VEPL on account of the Demerged Undertaking, shall for all purposes be treated and deemed to accrue as the profits or income or expenditure or losses (as the case may be) of VPPL; and

6.1.3. VEPL shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of VPPL.

6.2. As and from the date of acceptance of this Scheme by the Board of Directors of VEPL and the Board of Directors of VPPL and till the Effective Date, VEPL shall not alienate, charge, mortgage, encumber or otherwise deal with the assets of the Demerged Undertaking or any part thereof without the prior written concurrence of the Board of Directors of VPPL.

7. STAFF, WORKMEN & EMPLOYEES

7.1. On the Scheme becoming operative, all staff, workmen and employees relating to the Demerged Undertaking in service on the Effective Date shall be deemed to have become staff, workmen and employees of VPPL with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with VPPL shall not be less favourable than those applicable to them with reference to VEPL immediately preceding the transfer.

7.2. As far as the Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of such permanent employees of the Demerged Undertaking are concerned, on and from the Effective Date, VPPL shall stand substituted for VEPL for all the purposes whatsoever related to administration or operation of such Funds in accordance with provisions of such Funds according to the terms provided in the respective trust deeds or other documents. It is clarified that the services of such permanent employees of the Demerged

Undertaking will be treated as having been continuous and not interrupted for the purposes of such Funds.

8. LEGAL PROCEEDINGS

8.1. All legal proceedings of whatsoever nature by or against VEPL pending and/or arising at the Appointed Date and relating to the Demerged Undertaking of VEPL, as and from the Effective Date, shall be continued and enforced by or against VPPL in the manner and to the same extent as would or might have been continued and enforced by or against VEPL.

8.2. After the Appointed Date, if any proceedings are taken against VEPL in respect of the matters referred to in the sub-clause 8.1 above, it shall defend the same at the cost of VPPL and VPPL shall reimburse and indemnify VEPL against all liabilities and obligations incurred by VEPL in respect thereof.

8.3. VPPL undertakes to have all legal or other proceedings initiated by or against VEPL referred to in sub-clause 8.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against VPPL to the exclusion of VEPL.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to the Demerged Undertaking and to which VEPL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of VPPL, as the case may be, and may be enforced by or against VPPL as fully and effectually as if, instead of VEPL, VPPL had been a party thereto from inception. VPPL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme. VPPL shall be deemed to be authorised to execute any deeds, writings or confirmations on behalf of



VEPL and to implement or carry out all formalities required on the part of
VEPL to give effect to the provisions of this Part B of the Scheme.

10. SAVING OF CONCLUDED TRANSACTIONS & PROCEEDINGS.

The transfer of and vesting of the Demerged Undertaking under Clause 3 above and the continuance of proceedings by or against VPPL under Clause 8 above shall not affect any transaction or proceedings already concluded by VEPL in respect of the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that VPPL accepts and adopts all acts, deeds and things done and executed by VEPL in respect thereto as done and executed on behalf of itself

11. REMAINING BUSINESS

- 11.1. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by VEPL, which shall continue to exist as a legal entity.
- 11.2. All employees of Remaining Business of VEPL who are in service on the date immediately preceding the Effective Date shall continue to remain employees of VEPL, without any break or interruption in service and on terms and conditions no less favourable than those on which they are engaged by VEPL as on the Effective Date.
- 11.3. All legal or other proceedings by or against VEPL under any statute, whether pending on the Appointed Date or which may be instituted in future and relating to the Remaining Business, shall be continued and enforced by or against VEPL.
- 11.4. All profits accruing to VEPL or all losses incurred by it relating to the Remaining Business with effect from the Appointed Date and thereafter, shall be treated as the profits or losses, as the case may be, of VEPL.

12. GENERAL TERMS:

- 12.1. It is clarified that considering difficulties which may be faced to segregate all taxes paid by VEPL between demerged undertaking and Remaining business it shall for all the purposes be treated as the taxes, liabilities or refunds and claims of VEPL for Remaining business and VEPL shall take the credit for all taxes, liabilities or refunds and claims.
- 12.2. In accordance with the Modvat/Cenvat Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the un-utilised credits relating to excise duties paid on inputs/capital goods lying to the account of the Demerged Undertaking shall be permitted to be transferred to the credit of the VPPL as if all such unutilized credits were lying to the account of VPPL. Accordingly VPPL will be entitled to set off all such unutilized credits against the excise duty payable by it.

PART - C

GENERAL TERMS AND CONDITIONS

13. APPLICATION TO HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

VEPL and VPPL shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Bombay or such other appropriate authority in respect of the VEPL and VPPL for sanction of this Scheme.

14. MODIFICATION OR AMENDMENTS TO THE SCHEME

VEPL and VPPL by their respective Directors so nominated in that behalf, may assent to any modification or amendment to this Scheme which the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme in the best interest of all stake holders and VEPL and VPPL by their respective Directors so nominated in that behalf be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this



Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith.

15. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

16. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The Scheme is conditional upon and subject to the following:

- 16.1. The requisite consents, approvals or permissions if any -of the Government Authority or any other Statutory Agencies which by law may be necessary for the implementation of this Scheme.
- 16.2. The approval by the requisite majorities of the classes of persons of VEPL and VPPL as may be directed by the High Court under Section 391 of the Act;
- 16.3. The approval by shareholders of VEPL to reduction and utilisation of Securities Premium Account by a Special Resolution passed under Section 100 of the Act at a separate meeting of Shareholders of VEPL.
- 16.4. All sanction and orders as are legally necessary or are required under Section 391 to 394 and Section 100 to 103 of the Act being obtained by VEPL and VPPL from the High Court; and
- 16.5. The Certified Copies or authenticated Copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.
- 16.6. All other sanctions and approvals as may be required under any law with regard to this scheme are obtained.

17. INCREASE IN AUTHORISED CAPITAL OF VPPL

VPPL shall take necessary steps to increase its Authorised Share Capital to enable it to issue and allot the shares as provided in Clause 4 of the

Scheme. However, approval of the scheme shall be deemed to be approval for increase in Authorised Share Capital as may be required.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 16 not being obtained and / or the Scheme not being sanctioned by the any of the High Courts or such other competent authority and / or the order or orders not being passed as aforesaid, or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and VEPL shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

19. COSTS, CHARGES & EXPENSES

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



TRUE-COPY
M. D. Narvekar
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

CERTIFIED TRUE COPY
M. D. Narvekar
ADVOCATE FOR THE PETITIONER

FORM OF MINUTES

The Securities Premium Account of Varroc Engineering Private Limited is henceforth Rs.6,98,40,000 reduced from Rs.9,98,40,000.

TRUE-COPY

M. D. Narvekar
25/06/10

M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

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IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO.197 OF
2010

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO.
189 OF 2010.

In the matter of the Companies Act I of 1956

AND

In the matter of Section 391 to 394 read
with sections 78,100 to 103 of the
Companies Act, 1956

AND

In the matter of the Scheme of Arrangement

between

VARROC ENGINEERING PRIVATE LIMITED

AND

VARROC POLYMERS PRIVATE LIMITED

VARROC ENGINEERING PRIVATE LIMITED

.....PETITIONER

AUTHENTICATED COPY OF ORDER DATED
18th JUNE, 2010 AND SCHEME OF
ARRANGEMENT AND FORM OF MINUTES
ANNEXED TO PETITION

HEMANT SETHI & CO
ADVOCATE FOR THE PETITIONER
302 SATNAM BUILDING
3-A SION (WEST)
MUMBAI - 400 022.

18.6.2010
Deposited on 18.6.2010
Deponent Writer
Witness
Examined by D.M. [Signature]
Compared with
Ready on 25-06-2010
Subscribed on 25-06-2010

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 275 of 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 953 OF 2015.

In the matter of the Companies Act, 1956;

And

In the matter of Section 391 & 394 of
Companies Act, 1956;

And

In the matter of Scheme of Amalgamation
of Varroc Exhaust Systems Private Limited
(VESPL) with Varroc Engineering
Private Limited (VEPL) and their
respective shareholders and creditors



VARROC EXHAUST SYSTEMS PRIVATE LIMITED)
a company Incorporated under the Companies Act, 1956)
having its registered office at C/o Varroc Engineering Pvt Ltd,)
E-4, MIDC, Waluj, Aurangabad, Maharashtra State, India.)
.....Petitioner Company

Called for hearing

Mr. Hemant Sethi, for the Petitioner Company.

Mr. Atul S Singh i/b Mr. Pankaj Kapoor for Regional Director.

Mr. Vinod Sharma, Official Liquidator, present.

CORAM: A. K. Menon, J.

DATE: 29th September, 2016

PC:

1. Heard the learned counsel for the Petitioner Company.

Page 1 of 7

2. The sanction of the Court is sought to the Scheme of Amalgamation between Varroc Exhaust Systems Private Limited with Varroc Engineering Private Limited and their respective shareholders and creditors.
3. The learned Counsel for Petitioner state that the Transferor Company is presently carrying on business of manufacturing Catalytic converter.
4. The proposed Scheme of Amalgamation inter-alia is aimed at achieving commercial benefits as the amalgamation will enable consolidation of Operations of both the Companies into one entity and provide impetus for the growth of the Transferee Company.
5. The Transferor Company and the Transferee Company have approved the Scheme by passing the Board Resolutions which are annexed to the Company Scheme Petitions.
6. The Counsel for the Petitioner further states that the Petitioner Company has complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the orders passed in respective Company Summons for Direction.
7. The Counsel for the Petitioner further states that the Petitioner Company has complied with all requirements as per the directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, the Petitioner Company through their Counsel undertakes to comply with all statutory requirements, if any, as

required under the Companies Act, 1956 or Companies Act 2013, as may be applicable and the rules made there under. The said undertaking is accepted.

8. The Regional Director has filed an Affidavit on 16th September, 2016 stating therein that save and except as stated in paragraph 6 (i) to (iv) of the said Affidavit, it appears according to Regional Director that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6 of the said Affidavit, the Regional Director has stated that :

- (i) *Regarding Clause 12.1.4 of the Scheme, 12.1.4, the excess or deficit, if any, of the net assets value (assets minus liabilities) of the Transferor Company transferred to the Transferee Company, after making the adjustment as mentioned above and reserves taken over, shall be recorded as and credited to the Capital Reserve or debited to Profit and Loss Account as the case may be, in the books of the Transferee Company. It is submitted that the surplus if any arising out of the scheme shall be credited to Capital Reserve and deficit if any arising out of the same shall be debited to Goodwill Account and will not be adjusted against any other reserves / accounts of the Transferee Company.*
- (ii) *In addition to compliance of AS 14, the Transferee Company shall pass such Accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standard such as AS5.*
- (iii) *The tax implications if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Transferee Company after giving effect*

to the schme. The decision of the Income Tax Authority is binding on the petitioner company

(iv) ROC Mumbai vide report / letter No. ROC/STA(DG)473353/391-394/473 dated 09.08.2016, at point 17 of the said letter has indicated that "M/s. Varroc Engineering Private Limited, the Transferee Company has not complied with the provisions of section 383A of the Companies Act, 1956 corresponding to section 203 of the Companies Act, 2013". In this regard it is submitted that the company may kindly be directed to comply with the above mentioned provisions of the Act.

9. As far as observations made in paragraph 6(i) of Affidavit of the Regional Director is concerned, the Transferee Company undertakes that any surplus arising shall be debited to Goodwill Account and will not be adjusted against any other reserves / accounts of the Transferee Company.
10. In so far as the objections raised in paragraph 6(ii) of Affidavit of the Regional Director is concerned, in addition to compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme of Amalgamation to comply with any other applicable accounting standards.
11. As far as observations made in paragraph 6(iii) of Affidavit of the Regional Director is concerned, the Transferee Company submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the

HIGH COURT, BOMBAY

703838

Scheme of Amalgamation will be met and answered in accordance with law.

12. In so far as objections raised in paragraph 6(iii) of the Affidavit of Regional Director are concerned, the Counsel for the Petitioner has tendered an affidavit dated 23rd September 2016 and in paragraph 7 of the said Affidavit it is stated that the Transferee Company has complied with the provisions of section 383A of the Companies Act 1956 corresponding to section 203 of the Companies Act 2013 and there has been no default on its part.
13. The Official Liquidator has filed his report dated 31st August, 2016 in Company Scheme Petition No. 275 of 2016 stating therein that the affairs of the Transferor Companies Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved without winding up.
14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned has come forward to oppose the Scheme.
15. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 275 of 2016 filed by the Transferor Company is made absolute in terms of prayer clauses (a) of the respective Petitions.

16. The Petitioner Company to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of Order.
17. Petitioner Company is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21 / E-Form INC 28 in addition to physical copy as per the provisions of the Companies Act 1956 / 2013, whichever is applicable.
18. The Petitioner Company in the Company Scheme Petition 275 of 2016 to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator. Costs to be paid within four weeks from the date of the order.
19. Filing and issuance of the drawn up order is dispensed with.
20. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(A. K. Menon, J)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

Uploaded by: Shankar Gawde, Stenographer

TRUE-COPY
Ranjana
(R. C. KALE) 15-10-16
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
Resai
31/10/16
Section Officer
High Court, Appellate Side
Bombay



Bombay
AUTHENTICATED COPY



**SCHEME OF AMALGAMATION
OF
VARROC EXHAUST SYSTEMS PRIVATE LIMITED
WITH
VARROC ENGINEERING PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(Under Sections 391 to 394 of the Companies Act, 1956)**

PREAMBLE

- I. The Scheme of Amalgamation ("Scheme") is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956/ The Companies Act, 2013. The Scheme provides for the amalgamation of Varroc Exhaust Systems Private Limited (CIN U29100MH2005PTC151756) ('the Transferor Company' or 'VESPL') with Varroc Engineering Private Limited (U28920MH1988PTC047335) ('the Transferee Company' or 'VEPL').

Rationale for the Scheme

- II. The Transferee Company is engaged in the business of designing, developing, manufacturing, marketing and exports of diverse kinds of automotive parts/components. The Transferee Company engaged in various products viz; Flywheel magneto, steel forged products, assemblies, plastic molded components, Lighting Equipments . etc.

The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferor Company caters extensively to the domestic market. The registered office of the company is situated in Aurangabad, Maharashtra State, India and the manufacturing facility is in Pune, Maharashtra State, India. The Transferor Company deals majorly in only one product, viz., Manufacture of Catalytic converter.



Management of both the Companies have decided to merge the Transferor Company into Transferee Company:

- (i) to bring synergy in operations and optimum utilisation of common resources;
- (ii) cost saving and reducing administrative hassles by reducing additional compliances for separate entities;
- (iii) The amalgamation is expected to result in saving of costs like operating costs, compliance costs, administrative costs, Professional fees to retainers/consultants, etc...;
- (iv) To simplify group structure; and
- (v) Management focus and enhanced flexibility.

The Scheme is divided into the following three parts:-

Part I : Deals with definitions of the terms used in this Scheme and the share capital of the Transferor Company and the Transferee Company.

Part II : Deals with the amalgamation of the Transferor Company with the Transferee Company.

Part III: Deals with general terms and conditions applicable to this scheme of Amalgamation.

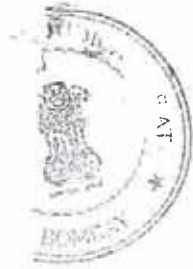
PART - I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **'Act' or 'The Act'** means the Companies Act, 1956 and/or the Companies Act, 2013 as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company, Sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 or Companies Act, 2013 as may be in force. .
- 1.2 **'Appointed Date'** means the 1st day of April, 2015 or such other date as may be fixed or approved by the High Court or National Company Law Tribunal, as and when applicable.
- 1.3 **'Board'** means the Board of Directors of the Transferor Company and the Transferee Company or any Committee of Directors constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors.
- 1.4 **'Effective Date'** means the date on which authenticated certified copy(s) of the Order sanctioning this Scheme of Amalgamation, passed by the Hon'ble High Court of Judicature at Bombay or any other appropriate authority as prescribed under Sections 391 to 394 of the Companies Act, 1956 sanctioning this Scheme are filed with the Registrar of Companies, Mumbai.



- 1.5 **'The Transferor Company'** or **'VESPL'** means Varroc Exhaust Systems Private Limited, a company incorporated on 3rd day of March, 2005 under the provisions of the Companies Act, 1956, having its registered office at C/o Varroc Engineering Private Limited, E-4, MIDC, Waluj, Aurangabad, Maharashtra State, India.
- 1.6 **'The Transferee Company'** or **'VEPL'** means Varroc Engineering Private Limited, a company incorporated on 11th day of May, 1988 under the provisions of the Companies Act, 1956 having its registered office at L-4, MIDC, Waluj, Aurangabad, Maharashtra State, India.
- 1.7 **'High Court'** or **'Court'** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.
- 1.8 **'Scheme'** or **'the Scheme'** or **'this Scheme'** means this Scheme of Amalgamation, in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the High Court or any other appropriate authority.
- 1.9 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.10 References to clauses and recitals, unless otherwise provided are to clauses and recitals of and to this scheme.
- 1.11 Any references in the scheme to **'upon the Scheme becoming effective'** or **'effectiveness of the scheme'** shall mean the effective date.

- 1.12 The headings herein shall not affect the construction of this scheme.
- 1.13 Any phrase introduced by terms 'including', 'include', 'in particular' or any similar expression shall be construed as illustrative and shall not limit the sense of the words proceeding those terms.
- 1.14 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme of Amalgamation as set out herein in its present form or with any modification(s) and amendment(s) made under Clause 14 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The Share Capital of the Transferor Company as per the latest audited Financial Statements as on 31st March 2015 is as under:

Particulars	Amount (Rs.)
Authorized Capital	
3,000,000 equity shares of Rs. 10 each	30,000,000
TOTAL	30,000,000
Issued, Subscribed and Paid-up	
1,960,000 equity shares of Rs 10 each	19,600,000

TOTAL	19,600,000
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Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of the Transferor Company.

As on date the Transferor Company is a wholly owned subsidiary of the Transferee Company. The entire share capital of the Transferor Company is held by the Transferee Company.

3.2 The Share Capital of the Transferee Company as per the latest audited Financial Statements as on 31st March 2015 is as under:

Particulars	Amount (Rs.)
Authorized Capital	
11,000,000 equity shares of Rs 10 each	110,000,000
31,000,000 preference shares of Rs 10 each	310,000,000
TOTAL	420,000,000
Issued, Subscribed and Paid-up	
10,465,851 equity shares of Rs 10 each	104,658,510
29,999,980 0.001% Series "A" Compulsory convertible preference shares of Rs 10 each	299,999,800
TOTAL	404,658,310

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of the Transferee Company.

PART - II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH

THE TRANSFeree COMPANY

4. TRANSFER AND VESTING

4.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of sections 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, by virtue of and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above clause:

4.2.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company, including but not limited to, office space, IT equipments, computers, vehicles, software, plant & machinery, other Movable assets, inventories, receivables, cash and bank balances, investments of all kinds, cash balances with banks, loans, advances, contingent right or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, employment agreements, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, registrations, certifications of any type including TS

16949, ISO 14001 and OHSAS 18001, permits and consents, quotas, rights, entitlements, contracts, agreements with UMICORE for Technology License, Equipment Lease, Marketing services, applied technology and expertise service for manufacturing and sale of Catalytic Convertor, licenses, whether vested or potential and whether under agreements or otherwise, tenancies, and all advantages of whatsoever nature and whosoever situated belonging to or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, designs, developments and other intellectual property rights of any nature whatsoever, authorizations, benefits, including but not limited to the benefit(s) under Income-tax Act, 1961 (including tax relief under the Income-tax Act, 1961 such as credit for advance tax, TDS, etc.), service tax/ VAT (including benefit of any unutilized CENVAT / service tax credits, etc.) benefits and registrations relating to MIDC, permits, approvals, concessions, reliefs, rights to use and avail of assets shall, without any further act, instrument, document or deed stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, free from all encumbrances, but subject to subsisting charges and pledges, if any.

4.2.2 All tangible movable assets of the Transferor Company, which are capable of being physically transferred or endorsement and delivery or novation, including all movable plant and machinery and other movable assets and cash in hand, shall be delivered to the Transferee Company to the end and intent that the property

therein passes to the Transferee Company with effect from the Appointed Date.

4.2.3 Such delivery and transfer shall be made on or after the Effective Date as may be mutually agreed upon between the respective Board of Directors of the Transferee Company and the Transferor Company.

4.2.4 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however. any reference in any security documents or arrangements to which the Transferor Company is a party wherein the assets of the Transferor Company has been or is offered or agreed to be offered as security for any financial assistance or obligations then the same shall be construed as reference only to the assets pertaining to the Transferor Company and shall be vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

4.2.5 All debt, liabilities (including contingent liabilities), dues, obligations of the Transferor Company as on the Appointed Date shall also, without any further act, instrument, document or deed be and transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the debt, liabilities, dues and obligations of the Transferee Company and further that 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 liabilities have arisen, in order to give effect to the provisions of this clause.

4.3 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of this Scheme, if so required, under any law or otherwise, execute necessary deeds, documents and writings, in favour of the creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such deeds, documents and writings on behalf of the Transferor Company and to implement or carry out all such formalities and/or compliances referred to above on the part of Transferor Company to be carried out or performed.

4.4 With effect from the Appointed Date and upon coming into effect of this Scheme, all the rights, licenses, permission, approvals, consent etc. to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act, deed or thing and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, consents, registrations, certifications or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

4.5 The amalgamation of the Transferor company with the Transferee Company, pursuant to and in accordance with this Scheme shall be in



accordance with section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said section. Such modification will however not affect the other parts of the Scheme.

4.6 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are 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 Transferee Company. If presented by the Transferee Company or received through electronic transfers. Similarly, the banker of the Transferee Company shall honour all cheques / electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of Transferor Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferor Company.

4.7 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961, Service Tax laws and other

tax laws, and to claim refunds and/or credit for taxes paid (including tax deducted at source) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

- 4.8 Any tax liabilities under the provisions of Income Tax Act, 1961, service tax laws or other applicable laws/rules/regulations dealing with taxes/duties/levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 4.9 Any refund, under the Income Tax Act, 1961, service tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 4.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 4.11 The Transferee Company is expressly permitted to file/revise their income tax, wealth tax, service tax, VAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. The Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax



credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that the taxes/duties paid by Transferor Company with effect from the Appointed Date shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

4.12 Upon the Scheme being sanctioned and taking effect the Transferee Company shall be entitled to operate all Bank Accounts related to the Transferor Company and all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.



5. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements, letter of intent, undertakings, writings and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it), whether pertaining to immovable and/or movable properties or otherwise of whatsoever nature to which the Transferor Company is a

party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto or there under.

5.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferor Company and Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company. Transferee Company shall make applications and to do all such acts, deeds or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

5.3 Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all



such formalities or compliances, referred to above, on behalf of the Transferor Company.

6. LEGAL PROCEEDINGS

- 6.1 All legal proceedings (including but not limited to arbitration proceedings, proceedings in relation to cheques and other negotiable instruments, payment orders received or presented for encashment, etc.) of whatsoever nature by or against the Transferor Company pending and/or arising on or after the Appointed Date and relating to the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, if this Scheme had not been made.
- 6.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Company, to the exclusion of the Transferor Company.
- 6.3 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the

Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

6.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

6.5 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

7. STAFF AND EMPLOYEES

7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company who are in service on the date immediately preceding the Effective Date shall be deemed to have become staff, workmen and employees of Transferee Company with effect from the Effective Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date. Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.

7.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other



funds or benefits (collectively referred to as the "Funds") created by the Transferor Company, the Funds and such of the investments made by the Funds which pertains/ relates to the staff and employees of the Transferor Company shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the staff and employees of the Transferor Company or be transferred to and merged with other similar funds, if any, of Transferee Company.



8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

- 8.1 The Transferor Company undertake to preserve and carry on their business, with reasonable diligence and business prudence and shall not expand any new businesses, undertake financial commitments or sell, transfer, alienate, investment in securities etc., charge, mortgage, or encumber or otherwise deal with the significant assets or dispose of any undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court(s); or
 - (b) if the same is expressly permitted by this Scheme; or
 - (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.

- 8.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Transferor Company for and on account of, and in trust for Transferee Company.
- 8.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company.
- 8.4 The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the appointed date, without the prior written consent of transferee.
- 8.5 The Transferor Company without the prior written consent of transferee, except as contemplated under the scheme, issue or allot any further securities, either by way of rights or bonus or otherwise. The transferee company may its sole discretion and without requiring any approval from the transferor company, issue and allot further securities in any manner whatsoever.
- 8.6 The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date till the effective date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 8.7 Further, any tax deducted at source by Transferor Company/Transferee Company on transactions with the Transferee Company/Transferor



Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

8.8 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

8.9 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the business of the Transferor Company.

8.10 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Companies in addition to the business of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

9.1 The transfer and vesting of the assets, liabilities and obligations pertaining /relating to the Transferor Company, pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 6 hereof shall not affect any transactions or proceedings already completed by the Transferor Company. on and after the Appointed Date to the Effective Date and intent that Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

10. COMBINATION OF AUTHORISED SHARE CAPITAL

10.1 On coming into effect of this Scheme, the Authorized Share Capital of the Transferor Company of Rs. 30,000,000 (Rupees Three Crore only) consisting of 3,000,000 (Thirty Lacs) equity shares of Rs. 10 each shall be added to the Authorized Share Capital of the Transferee Company and the Authorized Share Capital of the Transferee company shall stand enhanced to Rs. 45,00,00,000 (Rupees Forty Five Crores only) consisting of:

- i. 1,40,00,000 (One Crore Forty Lacs) Equity shares of Rs. 10/- (Ten Only) each aggregating to Rs 14,00,00,000/- (Rupees Fourteen Crores Only) ; and
- ii. 3,10,00,000 (Three Crore Ten Lacs) Preference Shares of Rs. 10/- (Ten Only) each aggregating to Rs. 31,00,00,000 (Rupees Thirty One Crore Only)

without any further act deed or thing on the part of the transferee company including payment of stamp duty and Registrar of Companies fee.

10.2 It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution(s) under Sections 16, 31, 94 and 394 of the Companies Act, 1956 and Sections 13, 14 and 61 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed by the Transferee Company.

10.3 It is further clarified that, upon the increase of the authorized share capital of the Transferee Company, pursuant to this Scheme, the fees and duties paid by Transferor Company for its authorized share capital



shall be considered as fees and duties paid by the Transferee Company in respect of such authorized share capital, and no further fees and duties including stamp duty shall be payable by the Transferee Company in respect of such increase in the authorized share capital to that extent.

- 10.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:



Clause V of the Memorandum of Association of the Transferee Company:

- (1) (a) The Authorised Share Capital of the Company is Rs. 42,00,00,000/- (Rupees Forty Two Crore only) divided into:
- 1,10,00,000 (One Crore Ten Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs.11,00,00,000/- (Rupees Eleven Crore only).
 - 3,10,00,000 (Three Crore Ten Lacs) Preference Shares of Rs. 10/- (Ten Only) each aggregating to Rs. 31,00,00,000 (Rupees Thirty One Crore only).
- (b) The minimum paid up share capital of the Company shall be Rs. 1,00,000 (Rupees One Lac only).

(2) The Company shall have power to increase or reduce its capital from time to time to such amounts as the Company may determine.

(3) The shares in the capital of the Company for the time being be subdivided or consolidated or divided into different classes with different or preferential rights, privileges or conditions as may be decided by the Company from time to time. The Company may also issue shares for consideration other than cash. The rights, privileges or conditions attached to preference shares shall be defined by the Directors at the time of issue of such shares.

11. CONSIDERATION

11.1. Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s. no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor Company, whether held in physical form or in electronic form shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing.

11.2. Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

12. ACCOUNTING TREATMENT

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

12.1.1 The Transferee Company shall follow the pooling of interest method referred to in Accounting Standard 14 – ‘Accounting for Amalgamation’ issued by the Institute of Chartered Accountants of India.

12.1.2 The Transferee Company shall record the assets, liabilities and reserves (including balance in profit & loss account) of the Transferor Company vested in it in the same form and at the same values as they appear in the financial statements of the Transferor Company.

12.1.3 Amount of share capital of the Transferor Company and investment in equity shares of the Transferor Company held by the Transferee Company shall be adjusted against each other and shall stand cancelled.

12.1.4 The excess or deficit, if any, of the net assets value (assets minus liabilities) of the Transferor Company transferred to the Transferee Company, after making the adjustment as mentioned above and reserves taken over, shall be recorded as and credited to the Capital Reserve or debited to Profit and Loss Account as the case may be, in the books of the Transferee Company.

12.2 In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be quantified and adjusted to the reserves in the Balance Sheet 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.

- 12.3 If and to the extent there are inter corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall on and from the Appointed Date, come to an end and corresponding suitable effect be given in the books of accounts and records of the Transferee Company and the Transferor Company, if required, for reduction of any debts or liabilities, as the case may be. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such inter corporate loans or balances between the Transferee Company on one hand and the Transferor Company on the other.

PART – III

GENERAL TERMS AND CONDITIONS

13. APPLICATION TO THE HIGH COURT

- 13.1 Transferor Company and Transferee Company shall, with all reasonable dispatch, make necessary applications to the High Court pursuant to Sections 391 - 394 of the Act, for convening and/or seeking exemption to convene meetings of shareholders and creditors, for sanctioning and carrying out of this Scheme and for consequent dissolution of the Transferor Company without winding up and shall apply for and obtain such other approvals, as required by law. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the High Court shall be construed as references to the National Company



Law Tribunal and/or appropriate Benches thereof as the context may require.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

14.1 Transferor Company and Transferee Company by their respective Board of Directors, ('the Board', which term shall include committee thereof) may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). Transferor Company and Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, for carrying the scheme into effect whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. No modification or amendment to this scheme will be carried out or effected by the Board without approval of the High Court.



15. WINDING UP OF TRANSFEROR COMPANY

15.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

16. CONDITIONALITY OF THE SCHEME

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

- 16.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and Transferee Company as prescribed under the Act and as may be directed by the High Court or any other appropriate authority as may be applicable.
- 16.2 The sanction of this Scheme by the High Court or any other appropriate authority under Sections 391 to 394 and other applicable provisions, if any of the Act in favour of Transferor Company and Transferee Company.
- 16.3 Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Mumbai, Maharashtra by Transferor Company and Transferee Company.
- 16.4 The requisite, consent, approval or permission of the Central Government, State Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

17. EFFECT OF NON-RECEIPT OF APPROVALS

- 17.1 In the event of any of the said sanctions and approvals referred to in preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court of Judicature at Bombay or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen ~~or~~ accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party

shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.


18. COSTS, CHARGES AND EXPENSES

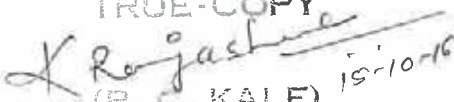
18.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Transferee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

19. MISCELLANEOUS

19.1. If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the parties to the Scheme that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part.



CERTIFIED TRUE COPY
For HEMANT SETHI & CO.

ADVOCATES

TRUE-COPY

(R. C. KALE) 15/10/16
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO 275 of 2016
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 953 OF 2015

In the matter of the Companies Act, 1956;

And

In the matter of Section 391 & 394 of
Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of
Varroc Exhaust Systems Private Limited
(‘VESPL’) with Varroc Engineering Private
Limited (VEPL) and their respective
shareholders and creditors

VARROC EXHAUST SYSTEMS PRIVATE LIMITED

.....Petitioner



AUTHENTICATED COPY OF MINUTES OF ORDER
DATED 29th DAY OF SEPTEMBER 2016 AND THE
SCHEME ANNEXED TO THE PETITION

Applied for authenticated copies on... 30/09/16
Authenticated copies submitted on... 10/10/16
Engrossed on 15/10/16
Examined by *Amrta*
Completed with *Amrta*
Ready on 17 5 OCT 2016
Delivered on 17 7 OCT 2016

HS

HEMANT SETHI & CO
ADVOCATES FOR PETITIONER

IN THE NATIONAL COMPANY LAW BOARD TRIBUNAL
MUMBAI BENCH

CP-NO. 143 OF 2017

In the matter of Section 66 of the Companies Act 2013
and the Rules framed thereunder

AND

In the matter of Reduction of Equity Share Capital of
Varroc Engineering Private Limited

Varroc Engineering Private Limited, a }
company incorporated under the provisions of }
the Companies Act, 1956 having its registered }
office at L-4, MIDC Industrial Area, Waluj, }
Aurangabad- 431 136 Maharashtra }
} Petitioner Company

Judgment/Order delivered on 9th November, 2017

Coram:

Hon'ble B.S.V. Prakash Kumar, Member (J)
Hon'ble V. Nallasenapathy, Member (T)

For the Petitioner(s): Mr. Hemant Sethi i/b Hemant Sethi & Co for the Petitioner
For Regional Director : Mr. S Ramakantha , Joint Director in the office of RD.
For Registrar of Companies : Mr. Ramesh Gholap, Deputy Registrar of Companies

Per: **V. Nallasenapathy, Member (T)**

Order confirming Reduction of Share Capital and Approving Minutes

1. Heard the learned counsel for the Petitioner Company. No objector has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Application.
2. The Counsel for the Petitioner Company submits that no representation have been received from the Central Government through the office of Regional Director or the Registrar of Companies or the Creditors within the said period.



and therefore it is presumed that they have no objection to the reduction of share capital.

3. The Counsel for the Petitioner Company further submits that Article 7 of the Articles of Association empowers the Petitioner Company to reduce its share capital.
4. The Counsel for the Petitioner Company submits that the Petition was filed for the confirmation of the special resolution passed at the meeting of shareholders held on 1st November, 2016 for the proposed reduction of share capital which will result in cancellation of 852,349 equity shares of the Petitioner Company. The Board of Directors of the Petitioner Company at their meeting held on 27th October, 2016 have deemed it appropriate to reduce the Issued, Subscribed and Paid-up Equity Share Capital of the Company by cancellation / reduction of 852,349 (Eight Lacs Fifty Two Thousand Three Hundred and Forty Nine) Equity Shares of Rs. 10/- each held by Varroc Polymers Private Limited without any payment for the aforesaid reduction of capital.
5. The Counsel for the Petitioner further submits that subsequent Conversion of Series 'A' Preference Shares, transfer of equity shares and allotment of Series 'B' and 'C' Preference Shares, the Company has passed Board Resolution and Special Resolution on 20th July 2017 and 29th August 2017 respectively, copy whereof is annexed as Exhibit-D to the additional affidavit dated 23rd September 2017.
6. Counsel appearing on behalf of the Petitioner Company states further that the Petitioner Company has complied with all the statutory requirements as per the directions of the Tribunal and they have filed necessary Affidavit of Service in the Tribunal. Moreover, the Petitioner Company also undertakes to comply with statutory requirements. None of the parties have come forward to oppose the proposed reduction. Since the requisite statutory procedure has been fulfilled the application is made absolute accordingly. The Special Resolution as approved by



the shareholders in their Extraordinary General Meeting held on 1st November, 2016 and 29th August 2017 are hereby confirmed.

7. The minutes set forth hereto be and is hereby approved.
8. Petitioner Company to publish the notices about registration of order and minutes of reduction in two newspapers namely i.e. 'Lokmat Times' in English language and translation thereof in 'Lokmat' in Marathi language both having circulation in Aurangabad within 30 days of registration.
9. All concerned regulatory authorities to act on certified copy of the order duly certified by the Deputy Director, National Company Law Tribunal.

Form of Minutes

"The issued, subscribed and paid up equity share capital of the Petitioner Company be reduced, by way of reduction, extinguishment and cancellation of 852,349 (Eight Lakh Fifty Two Thousand Three Hundred and Forty Nine) equity shares of Rs. 10 (Rupees Ten) each held by Varroc Polymers Private Limited ("VPPL") without any payment.

The capital of Petitioner Company, is henceforth Rs. 114,604,170 (Eleven Crore Forty Six Lakh Four Thousand One Hundred Seventy Only) divided into 11,460,417 (One Crore Fourteen Lakh Sixty Thousand Four Hundred Seventeen) equity shares of Rs. 10 each fully paid up and Rs. 20,207,360 (Two Crore Two Lakh Seven Thousand Three Hundred Sixty Only) divided into 2,020,736 (Twenty Lakh Twenty Thousand Seven Hundred Thirty Six) Preference Shares of Rs. 10 each fully paid up, reduced from Rs. 123,127,660 (Twelve Crore Thirty One Lakh Twenty Seven Thousand Six Hundred Sixty Only) divided into 12,312,766 (One Crore Twenty Three Lakh Twelve Thousand Seven Hundred Sixty Six) equity shares of Rs. 10 each fully paid up and Rs. 20,207,360 (Two Crore Two Lakh Seven Thousand Three Hundred Sixty Only) divided into 2,020,736 (Twenty Lakh Twenty Thousand Seven Hundred Thirty Six) Preference Shares of Rs. 10 each fully paid up."




Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)

Certified True Copy
Date of Application 20/11/2017
Number of Pages 3
Fee Paid Rs. 15
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Copy issued on 12/12/2017


Deputy Director
National Company Law Tribunal, Mumbai Bench



C.P. (CAA) 948/MB-II/2020
C.A. (CAA) 3753/MB-II/2019

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT II

C.P. (CAA) 948/MB-II/2020

IN

C.A.(CAA) 3753/MB-II/2019

In the matter of the Companies Act, 2013;

AND

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

AND

In the matter of Scheme of Amalgamation of Varroc Lighting
Systems (India) Private Limited ('VLSIPL' or 'the Transferor
Company') with Varroc Engineering Limited ('VEL' or 'the
Transferee Company') and their respective shareholders

Varroc Lighting System (India) Private Limited , First Petitioner Company
Varroc Engineering Limited, Second Petitioner Company

Order delivered on 02.11.2020

Coram:

Hon'ble Sh. H.P. Chaturvedi, Member (Judicial)

Hon'ble Sh. Ravikumar Duraisamy, Member (Technical)

For the Petitioner(s):

Appearances (through videoconferencing)



For the Petitioner(s) : Mr. Hemant Sethi i/b
Hemant Sethi & Co., Advocates
For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director

ORDER:

Per: RAVIKUMAR DURAISAMY, MEMBER TECHNICAL

1. The court is convened by videoconferencing today.
2. Heard the Learned Counsel for the Petitioner Companies and the representative of the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition to the said Scheme.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to the Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited ('the Transferor Company') with Varroc Engineering Limited ('the Transferee Company') and their respective shareholders.
4. The Petitioners state that the Transferor Company is engaged in the business of design, manufacture and sale of automotive lighting applications mainly head lamps, tail lamps, fog lamps and other automotive lighting products for four-wheeler passenger/ commercial vehicles. The Transferee Company is



engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and international markets. The Transferee Company and its subsidiaries operate from manufacturing plants and technical development centers across 4 continents and 14 countries spread across the globe. Further, the Transferee Company holds 100% shares in the Transferor Company.

5. The Petitioner Companies states that both the Petitioner Companies believe that the amalgamation would benefit them and its stake holders on account of following reasons:

- i. *Merger of VLSIPL into VEL will provide synergies by strengthening the operational capabilities;*
- ii. *Streamline operations and reduce operational cost by sharing common functions like legal, human resource, finance, etc.;*
- iii. *Better economic and efficient management, control and running of the businesses;*
- iv. *Improved organizational capability and leadership by pooling human capital resource with diverse skills, talent and experience. The consolidation would enable the business units of VLSIPL and VEL to leverage on talent pool to compete successfully in an increasingly competitive industry.*

6. The Petitioner Companies have approved the said Scheme by passing the Board Resolutions at their respective board meeting held on 12th November 2019 which are annexed to the Company Scheme Petition.



7. The Learned Counsel for the Petitioner Companies state that the Joint Company Petition has been filed in consonance with the order dated 20th February 2020 passed by the National Company Law Tribunal, Mumbai Bench in the Company Application bearing C.A.(C.A.A.)/3753/MB/2019.
8. The Learned Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary affidavits of compliance. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
9. The Regional Director has filed a Report dated 11th day of August 2020, based on the report issued by ROC, Pune, stating therein, save and except as stated in paragraph IV, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has stated that: -

“IV. The observations of the Regional Director on the proposed Scheme to be considered by the Hon’ble NCLT are as under:



- a. (a) *In compliance of AS-14 (Ind AS 103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (Ind AS-8) etc.*
- b. *As per Definition of the Scheme,*

"Appointed Date" means 1st day of April, 2020.

"Effective Date" means the date on which certified copy(s) of the Order of the Hon'ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively.

In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-1, dated 21.08.2019 issued by the Ministry of Corporate Affairs.



- c. *Petitioner Company have to undertake to comply with section 232(3)(i) of the Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.*
- d. *In view of the observation raised by the ROC Pune, mentioned at para 10 above Hon'ble NCLT may pass appropriate order as deem fit;*
- e. *The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.*
- f. *As the Petitioner Companies are listed, hence, the petitioner be directed to file an affidavit to the extent it has complied with the directions of issued vide letter No. DCS/AMAL/AJ/R37/1060/2017-18 dated 08.03.2018 and NSE/LIST/14769 dated 12.03.2018, by BSE and NSE respectively;*
- g. *Regarding clause 21.9 of the Scheme the shares sought to be issued to the non-resident equity shareholders the Share Exchange price and price per share arrived should be minimum*



of fair price determined as per FEMA guidelines. Hence, valuer should certify that the price per share is as per FEMA guidelines

- h. Certificate of Auditor under Section 133 of the companies Act, 2013 has not been provided. Petitioner Company may be asked to submit the same.*

Save and except stated in Para IV (a) to (h) above, the Regional Director prays this Hon'ble Tribunal may kindly be pleased to:

- a. Take this representation on record;*
- b. Consider the observations made at Sr. No. IV (a) to (h) mentioned above; and*
- c. Pass such other order or orders as deemed fit and proper in the facts and circumstances of the case.*

10. In response to the report of the Regional Director, the Petitioner Companies have filed Affidavit in Rejoinder dated 12th August, 2020 and have clarified as under:

- a. Apropos observation made in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioner Companies undertake that they will comply with all the applicable Accounting Standards. Further, in addition to compliance with the applicable Accounting Standards, the Transferee Company shall pass such Accounting entries as may be necessary in connection with the Scheme to comply with other applicable Accounting Standards.*



- b. *Apropos observation made in paragraph IV (b) of the Report of Regional Director is concerned, the definition as stated in the Scheme read as under:*

"1.2. "Appointed Date" means 1st day of April, 2020;"

"1.3. "Effective Date" means the date on which certified copy(s) of the Order of the Hon'ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively;

Further, the Transferee Company confirms that as per Clause 1.2 of the Scheme, "Appointed Date" for the purpose of this scheme means 1st day of April 2020. Further, Clause 2 of the Scheme specifies that the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date. In this regard, it is submitted that, in terms of provisions of section 232(6) of the Companies Act, 2013, the Scheme shall be deemed to be effective from 1st day of April 2020 i.e. the Appointed Date. Accordingly, the effective date is not in contravention with the provisions of section 232(6) of the Companies Act, 2013.

Further Petitioner Companies confirm and undertake to comply with the requirements and clarifications vide Circular No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs to the extent applicable.



- c. *Apropos observation made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Companies confirm and undertake to comply with the provisions of section 232(3)(i) of Companies Act, 2013 subsequent to the amalgamation.*
- d. *Apropos observation made in paragraph IV (d) of the report of Regional Director is concerned, the Transferor Company undertake that the charges are on account of enhancement in the overall limit of the existing working capital (fund and non-fund based) facility of the Transferor Company from Rs. 7 Crore to Rs. 20 Crore. Further, as provided in clause 4.2.1 of the Scheme, with effect from the Appointed Date, all assets of the Transferor Company shall vest in the Transferee Company along with existing charges and pledges, if any. In this regard, the necessary filings made with the ROC along with relevant attachments were provided to the Regional Director.*
- e. *Apropos observation made in paragraph IV (e) of the report of Regional Director is concerned, the Petitioner Companies states that this Tribunal, vide its order dated February 20, 2020, had dispensed with the requirement of convening the meeting of the equity shareholders and creditors of the Transferor Company as well as the Transferee Company. Further, the Transferor Company submits that, pursuant to the directions given by this Tribunal in the said order, it had issued notices to all its creditors and have not received any representation till date from any of the Creditors.*
- f. *Apropos observation made in paragraph IV (f) of the report of Regional Director is concerned, the Second Petitioner Company, which is a listed company states that pursuant to SEBI Circular*



CFD/DIL3/CIR/2017/21 dated March 10 2017 and CFD/DIL3/CIR/2018/2 dated January 3, 2018, the Second Petitioner Company, by their letter dated November 13, 2019, had filed a copy of the Scheme with the BSE Ltd and the National Stock Exchange of India Limited. Copies of the letter filed with BSE and the National Stock Exchange of India Limited were provided to the Regional Director. The Second Petitioner Company further states that the letter No. DCS/AMAL/AJ/R37/1060/2017-18 dated 08.03.2018 and NSE/LIST/14769 dated 12.03.2018, by BSE and NSE respectively, seems to have been erroneously mentioned in the RD report, as the Second Petitioner Company has not received any such letters from either BSE or NSE.

g. Apropos observation made in paragraph IV (g) of the report of Regional Director is concerned, the Petitioner Companies states that clause 11.1 and 11.2 of Part III of the Scheme reads as under:

“11.1 Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor Company, whether held in physical form or in electronic form shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing.



11.2 Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.”

Further, the Transferee Company confirms that as per Clause 11.1 of the Scheme, no consideration shall be payable pursuant to the amalgamation and no shares shall be issued by the Transferee Company upon the Scheme coming into effect. Accordingly, the requirement of complying with the FEMA guidelines in relation to Share Exchange price and fair price per share does not arise. The Petitioner Companies further state that reference to clause 21.9 of the Scheme seems to have been erroneously mentioned in the RD report, as there is no such clause in the Scheme.

h. Apropos observation made in paragraph IV (h) of the report of Regional Director is concerned, the Petitioner Companies state that the certificate under section 133 of the Companies Act, 2013 was attached as Annexure ‘O’ to the reply letter dated July 27, 2020 submitted by the First Petitioner Company in response to the letter issued by the Regional Director. Copy of the auditor certificate was also annexed to the company application and company petition.

11. The Regional Director has filed its Supplementary Report dated 14th August, 2020 taking into consideration report issued by ROC Mumbai. ROC Mumbai in their report have brought out that there are no investigation/inspection/inquiry proceedings and complaint against the present scheme. ROC Mumbai has made an observation that the entire share



capital of the Transferor Company is held by the Transferee Company and its nominee.

12. The observations made by the Regional Director mentioned in para 9 above have been explained by the Petitioner Companies in Para 10 above. Further, the Petitioner Companies have also filed affidavit in rejoinder to the report of Regional Director with the Tribunal on 12th August 2020. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal.
13. In view of certain observations made in the Report of RD especially para IV e,f and g the matter was listed for clarification on 06.10.2020 and the Ld Counsel clarified the points. However, the bench felt it appropriate to obtain clarification from RD and Dy Director representing RD sought some time to reply. Accordingly, the matter was posted on 16.10.2020 and RD/Dy director confirmed verbally, that the above observations crept in inadvertently, by mistake and the same may be ignored in this case. Further, Dy Director also confirmed that no objection for sanction of the scheme as prayed for.
14. The Official Liquidator has filed his report dated 7th August 2020 inter alia, stating therein that the affairs of the transferor Company have not been



conducted in a manner prejudicial to the interest of its members or to the public interest.

15. The Jurisdictional Income Tax Department of the Petitioner Companies have filed their replies in relation to the Scheme, stating therein the details of pending assessments and appeals and praying that the fact of the pending assessments / appeals be taken into consideration by this Tribunal while passing the amalgamation order.
16. The Petitioners submit that all tax issues arising out of the Scheme will be met and answered in accordance with law.
17. From the material on record, the Scheme appears to be fair and reasonable and is not contrary to public policy.
18. All the assets and liabilities including taxes and charges, if any and duties of the Transferor Company, employees shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
19. Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall



be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor Company, whether held in physical form or in electronic form shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing. Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

20. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) 948/MB-II/2020 is made absolute in terms of prayer clause of the Company Petition. First Petitioner Company / Transferor Company is ordered to be dissolved without winding up.
21. The Petitioners are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically, in e-form INC-28 within 30 days from the date of receipt of the Order duly certified by the Registry of this Tribunal.
22. As a complete information dissemination/disclosure to all Shareholders, Creditors, Government Authorities, other stakeholders the petitioner companies are directed to publish immediately the approval granted by this Tribunal for the scheme in the same newspapers in which previous



publication was made. Further copy of this order shall also be hosted on the website of the respective petitioner companies.

23. The Petitioners shall lodge a copy of this order duly certified by the Registry of this Tribunal along with Scheme, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 days from the date of the receipt of the order by the Transferee Company.
24. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

Sd/-
RaviKumar Duraisamy
Member(Technical)

Sd/-
H.P Chaturvedi
Member (Judicial)



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Joint Registrar
National Company Law Tribunal Mumbai Bench

SCHEME OF AMALGAMATION
OF
VARROC LIGHTING SYSTEMS (INDIA) PRIVATE LIMITED
[CIN: U31401PN2012PTC142539]
(Transferor Company)
WITH
VARROC ENGINEERING LIMITED
[CIN: L28920MH1988PLCo47335]
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 230-232 of the Companies Act, 2013)

PREAMBLE

The Scheme of Amalgamation ("Scheme") is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013. The Scheme provides for the amalgamation of Varroc Lighting Systems (India) Private Limited ("VLSIPL", or 'the Transferor Company') with Varroc Engineering Limited ("VEL", or 'the Transferee Company') and their respective shareholders.

Rationale for the Scheme.

1. The Transferor Company is engaged in the business of design, manufacture and sale of automotive lighting applications mainly head lamps, tail lamps, fog lamps and other automotive lighting products for four-wheeler passenger/commercial vehicles. The Company has one manufacturing plant in Pune, India and sells primarily in India.
2. The Transferee Company is a publicly listed company with its shares listed on the National Stock Exchange and Bombay Stock Exchange. It is engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and international markets. The Transferee Company and its subsidiaries operate from manufacturing plants and technical development



centers across 4 continents and 14 countries spread across the globe. The Transferee Company holds 100% shares in the Transferor Company.

3. The Board of Directors of the Transferor Company and Transferee Company anticipate the following benefits pursuant to amalgamation of both the Companies:

- Merger of VLSIPL into VEL will provide synergies by strengthening the operational capabilities;
- Streamline operations and reduce operational cost by sharing common functions like legal, human resource, finance, etc.;
- Better economic and efficient management, control and running of the businesses;
- Improved organizational capability and leadership by pooling human capital resource with diverse skills, talent and experience. The consolidation would enable the business units of VLSIPL and VEL to leverage on talent pool to compete successfully in an increasingly competitive industry.

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

Part I: Definitions of the terms used in this Scheme and details of the share capital of VLSIPL and VEL.

Part II: Amalgamation of VLSIPL with VEL.

Part III: Consideration for Amalgamation and Accounting Treatment.

Part IV: General Terms and Conditions



PART – I

DEFINITIONS AND SHARE CAPITAL

1) DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “The Act”** means the Companies Act, 2013, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 **“Appointed Date”** means 1st day of April, 2020.
- 1.3 **“Effective Date”** means the date on which certified copy(s) of the Order of the Hon’ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively.
- 1.4 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench.
- 1.5 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation, in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the NCLT or any other appropriate authority.
- 1.6 **“Transferee Company”** means Varroc Engineering Limited, a publicly listed company incorporated on 11th May, 1988 under the Act, having its registered office at L-4, MIDC, Waluj Aurangabad, Maharashtra - 431136, India.
- 1.7 **“Transferor Company”** means Varroc Lighting Systems (India) Private Limited, a private company incorporated on 13th March, 2012 under the Act, having its registered office at Survey No. 279, Village Mann, Hinjewadi, Pune, Maharashtra - 411057, India.
- 1.8 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.9 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this scheme.

1.10 The headings herein shall not affect the construction of this scheme.



- 1.11 Any phrase introduced by terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words proceeding those terms.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the **Appointed Date** but shall be operative from the Effective Date.

3) SHARE CAPITAL

- 3.1 The Share Capital of VLSIPL as per the latest audited balance sheet as on March 31, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
4,50,000 equity shares of INR 10 each	45,00,000
TOTAL	45,00,000
Issued, Subscribed and Paid-up	
4,39,997 equity shares of INR 10 each	43,99,970
TOTAL	43,99,970

The Share Capital of VLSIPL as per the latest unaudited balance sheet as on September 30, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
4,50,000 equity shares of INR 10 each	45,00,000
TOTAL	45,00,000
Issued, Subscribed and Paid-up	
4,39,997 equity shares of INR 10 each	43,99,970
TOTAL	43,99,970

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of VLSIPL.



- 3.2 The Share Capital of VEL as per the latest audited balance sheet as on March 31, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
25,00,00,000 equity shares of INR 1 each	25,00,00,000
25,00,00,000 preference shares of INR 1 each	25,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up	
13,48,11,530 equity shares of INR 1 each	13,48,11,530
NIL preference shares of INR 1 each	NIL
TOTAL	13,48,11,530

The Share Capital of VEL as per the latest unaudited balance sheet* as on September 30, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
25,00,00,000 equity shares of INR 1 each	25,00,00,000
25,00,00,000 preference shares of INR 1 each	25,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up	
13,48,11,530 equity shares of INR 1 each	13,48,11,530
NIL preference shares of INR 1 each	NIL
TOTAL	13,48,11,530

* Limited review report filed with the stock exchange on November 12, 2019

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of VEL.



PART – II

**AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE
TRANSFeree COMPANY**

4) TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

4.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire business and the whole of the undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of sections 230-232 and other applicable provisions, if any, of the Act, be and hereby stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the estate, assets, liabilities, rights, title, interests and authorities of the Transferee Company, by virtue of and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above clause 4.1:

4.2.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company, including but not limited to land and building (whether owned or leased), office space, Information and Communications Technology (ICT) equipments (whether owned or leased), plant and machinery (whether owned or leased), computers, computer software, furniture and fixture, office equipments, leasehold improvements, electrical fittings, vehicles, work in progress of all kinds (whether tangible or intangible), receivables (including government refunds and dues), inventories of all kind, cash and bank balances, investments of all kinds, loans, advances, contingent right or benefits, receivables, benefit of any deposits, financial assets, leases, leasing contracts and assets, hire purchase contracts and assets, lending contracts, employment agreements, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses, development rights, whether vested or potential and whether under agreements or otherwise, tenancies and all advantages of whatsoever nature and whosoever situated belonging to or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, authorizations, benefits, including but not limited to the benefit(s) under Income tax Act, 1961 (including tax relief under the Income tax Act, 1961 such as credit for advance tax, TDS, TCS, Dividend Distribution tax, Minimum Alternate Tax (MAT), unabsorbed depreciation and Business losses, tax holidays/exemptions, etc.), Custom duties, Goods and Service Tax



(including benefit of any unutilized CENVAT / Service tax / Goods and Service tax credits, export incentives/benefits including but not limited to Duty drawback, MEIS and SEIS, refunds/rebates, export obligations etc.) benefits and permits, approvals, concessions, reliefs, rights to use and avail of assets shall, without any further act, instrument or deed stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, free from all encumbrances, but subject to subsisting charges and pledges, if any.

- 4.2.2 All tangible movable assets of the Transferor Company, which are capable of being physically transferred including all movable equipment, computers, software, office equipments and furniture, shall be delivered to the Transferee Company to the end and intent that the property therein passes to the Transferee Company. The Bank balances as appearing in the books of the Transferor Company shall also be transferred to the Transferee Company. Such transfer should be mutually agreed.
- 4.2.3 All immovable properties of the Transferor Company would become the properties of Transferee Company under and pursuant to order of the NCLT approving this Scheme, without requiring the execution of any other deed or document or instrument of conveyance, and the order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to Transferee Company.
- 4.2.4 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party wherein the assets of the Transferor Company has been or is offered or agreed to be offered as security for any financial assistance or obligations then the same shall be construed as reference only to the assets pertaining to the Transferor Company and shall be vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. Further, the Scheme shall not operate to enlarge the security for any liabilities of the Transferee Company, in as much as the security shall not extend to the assets transferred by the



Transferor Company to the Transferee Company in terms of Clause 4.1 above.

4.2.5 The liabilities of the Transferor Company shall also, without any further act, instrument or deed be and hereby stand transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that 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 liabilities have arisen, in order to give effect to the provisions of this clause.

4.3 The Transferee Company may at any time, after the coming into effect of the Scheme in accordance with the provisions of this Scheme, if so required, under any law or otherwise, execute necessary writings, in favour of the creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of Transferor Company to be carried out or performed.

4.4 With effect from the Appointed Date and upon coming into effect of this Scheme, all the rights, licenses, permission, approvals, consent, etc., to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

4.5 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme shall be in accordance with section 2(1B) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said section. Such modification will however not affect the other parts of the Scheme.

4.6 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment by Transferee Company, which are 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 Transferee Company, if presented by the Transferee Company or received through electronic transfers. Similarly, the banker of the Transferee Company shall honour all cheques / electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of Transferor Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferor Company.

4.7 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income tax Act, 1961, Customs laws, Goods and Service tax laws and other tax laws, and to claim refunds and/or credit for taxes paid (including tax deducted at source) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

4.8 Any tax liabilities under the Income tax Act, 1961, Customs laws, Director General of Foreign Trade (DGFT), Goods and Service tax laws and other tax laws or other applicable laws/regulations dealing with taxes/duties/levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

4.9 Any refund, under the Income tax Act, 1961, Customs laws, Goods and Service tax laws and other tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

4.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, Goods and Service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect. In particular, any MAT credit available to the Transferor Company shall get transferred to and be available to the Transferee Company for being carried forward and being set off against tax on future taxable income.

4.11 The Transferee Company is expressly permitted to file/revise their income tax, Goods and Service tax, Custom, VAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the



period for filing/ revising such returns may have lapsed. The Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that the taxes/duties paid by Transferor Company with effect from the Appointed Date shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

5) CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or there under.
- 5.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company. Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.
- 5.3 Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.



6) LEGAL PROCEEDINGS

6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising on or after the Appointed Date and relating to the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, if this Scheme had not been made.

6.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Company, to the exclusion of the Transferor Company.

7) STAFF AND EMPLOYEES

7.1 On the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date shall be deemed to have become employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.

7.2 In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits (collectively referred to as the "Funds") created by the Transferor Company, the Funds and such of the investments made by the Funds which pertains/ relates to the employees of the Transferor Company shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds, if any, of Transferee Company.

8) CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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



8.1 The Transferor Company undertake to preserve and carry on their business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT(s); or
- (b) if the same is expressly permitted by this Scheme; or
- (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.

8.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Transferor Company for and on account of, and in trust for Transferee Company.

8.3 All profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon), by the Transferor Company, respectively, shall for all purposes, be treated as the profits/ cash, taxes or losses of Transferee Company.

9) SAVING OF CONCLUDED TRANSACTIONS

9.1 The transfer and vesting of the assets, liabilities and obligations pertaining /relating to the Transferor Company, pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 6 hereof shall not affect any transactions or proceedings already completed by the Transferor Company, on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

10) COMBINATION OF AUTHORISED SHARE CAPITAL

10.1 On coming into effect of this Scheme, the Authorized Share Capital of the Transferor Company of INR 45,00,000/- (Rupees Forty Five Lakhs only) consisting of 4,50,000 (Four Lakhs Fifty Thousand) equity shares of INR 10/- each shall be added to the Authorized Share Capital of the Transferee Company and the Authorized Share Capital of the Transferee Company shall stand enhanced to INR 50,45,00,000/- (Fifty Crore Forty Five Lakhs only) consisting of 4,50,000(Four Lakhs Fifty Thousand) equity shares of INR 10 each, 25,00,00,000 (Twenty Five Crores only) Equity shares of INR 1 each and 25,00,00,000 (Twenty Five Crores only) Preference shares of INR 1 each without any act or deed on part of the Transferee Company including payment of stamp duty and Registrar of Companies' Fee.

10.2 It is hereby clarified that for the purposes of this clause, the consent of the Transferee Company to this scheme shall be deemed to be sufficient for the



purposes of effecting this amendment and that no further resolutions under Sections 13, 14 and 61 of the Companies Act, 2013 or any other applicable provisions of this Act, would be required to be separately passed by the Transferee Company.

- 10.3 It is further clarified that upon the increase of the authorized share capital of the Transferee Company, pursuant to this Scheme, the fees and duties paid by Transferor Company for its authorized share capital shall be considered as fees and duties paid by the Transferee Company in respect of such authorized share capital, and no further fees and duties including stamp duty shall be payable by the Transferee Company in respect of such increase in the Authorized share capital to that extent.
- 10.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum Of Association of the Transferee Company as may be required under the Act, and Clause V(1)(a) of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows

Clause V(1)(a) of the Memorandum of Association of the Transferee Company:

The Authorised Share Capital of the Company is Rs. 50,45,00,000 (Rupees Fifty Crores Forty Five Lakhs Only) comprising of:

- (a) Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 25,00,00,000 equity shares of Re. 1 each;
- (b) Rs. 45,00,000 (Rupees Forty Five Lakhs only) divided into 4,50,000 equity shares of Rs. 10 each; and
- (c) Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 25,00,00,000 preference shares of Re. 1 each

with power to increase or reduce the capital of the Company and to divided the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.



PART – III

CONSIDERATION FOR AMALGAMATION AND ACCOUNTING TREATMENT

11) CONSIDERATION

- 11.1 Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor Company, whether held in physical form or in electronic form shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing.
- 11.2 Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

12) ACCOUNTING TREATMENT

- 12.1 Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per Appendix C to the "Indian Accounting Standard (Ind AS) 103 for Business Combinations" prescribed under the section 133 of the Companies Act 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.

PART – IV

GENERAL TERMS AND CONDITIONS

13) APPLICATION TO THE NCLT

- 13.1 Transferor Company and Transferee Company shall, with all reasonable dispatch, make necessary applications to the NCLT pursuant to Sections 230-232 of the Act, for convening and/or seeking exemption to convene meetings of shareholders and creditors, for sanctioning and carrying out of this Scheme and for consequent dissolution of the Transferor Company without winding up and shall apply for and obtain such other approvals, as required by law.

14) MODIFICATIONS/AMENDMENTS TO THE SCHEME

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

15) DISSOLUTION OF TRANSFEROR COMPANY



15.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

16) CONDITIONALITY OF THE SCHEME

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

17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Transferor Company as prescribed under the Act and as may be directed by the NCLT or any other appropriate authority as may be applicable.

17.2 The sanction of this Scheme by the NCLT or any other appropriate authority under Sections 230-232 and other applicable provisions, if any of the Act in favor of Transferor Company and Transferee Company.

17.3 Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Pune and Registrar of Companies, Mumbai by Transferor Company and Transferee Company respectively.

17.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

18 EFFECT OF NON-RECEIPT OF APPROVALS

18.1 In the event of any of the said sanctions and approvals referred to in any of the preceding clauses not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

19 COSTS, CHARGES AND EXPENSES

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

