

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION

OF

LUX INDUSTRIES LIMITED

The regulations contained in table "F" of the first Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as they are embodied in the following Articles, which shall be regulations for the management of the Company.

1. Interpretations :

1.1 In the interpretation of these Articles, unless repugnant to the subject or context:

Act	Means "The Companies Act, 2013" or any other statutory modification or re-enactment thereof for the time being in force.
Annual General Meeting	Means a general meeting of the members held in accordance with the provisions of Section 96 of the Act or any adjourned meeting thereof.
Auditors	Means and include those persons appointed as such for the time being by the Company or, where so permitted by Applicable Law, by its Board.
Applicable Law	Means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
Beneficial Owner	Means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.
Board Meeting	Means a meeting of the Directors or a committee thereof duly called and constituted.

Board or Board of Directors or the Board	Means the Board of Directors for the time being of the Company.
Capital	Means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.
Chairperson	Shall mean the Person who acts as a chairperson of the Board of the Company.
Committee	Means any committee of the Board of Directors of the Company formed as per the requirements of Act or for any other purpose as the Board may deem fit.
Company or This Company	Means LUX INDUSTRIES LIMITED
Chief Executive Officer	Means an officer of a Company, who has been designated as such by the Company.
Chief Financial Officer	Means a person appointed as the Chief Financial Officer of a Company.
Company Secretary or Secretary	Means a company secretary as defined in clause (c) of sub-Section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a company secretary under the Act.
Debenture	Includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.
Depositories Act	Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof.
Depository	Shall mean a Depository as defined in clause (e) sub-section (1) of section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub Section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
Director	Means the director of the Company for the time being, appointed as such.
Dividend	Includes interim Dividend.
Extraordinary General Meeting	Means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.
Electronic Mode	Means carrying out electronically based, whether main server is installed in India or not, including, but not limited to: <ul style="list-style-type: none"> i. business to business and business to consumer transactions, data interchange and other digital supply transactions; ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India; iii. financial settlements, web based marketing, advisory and transactional services, database services and products, supply chain management; iv. online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services;

	<p>v. whether conducted by e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise;</p> <p>vi. video conferencing, audio-visual methods, net conferencing and/or any other electronic communication.</p>
Financial Year	Means the same as in Section 2(41) of the Act.
Free Reserves	<p>Means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as Dividend:</p> <p>Provided that—</p> <p>(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or</p> <p>(ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.</p>
In writing or written	Means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form.
Independent Director	Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.
Key Managerial Personnel	Means such persons as defined in Section 2(51) of Act.
Managing Director	Means a Director who, by virtue of the articles of the Company or an agreement with the company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a Director occupying the position of managing Director, by whatever name called.
Meeting or General Meeting	Means a meeting of Members.
Members	Member in relation to a company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; (c) every person holding shares in the company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.
Month	Means a calendar month.
Ordinary Resolution	Means a resolution referred to in Section 114 of the Act.
Paid up	Means the Capital which is paid up presently.
Persons	Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.
Postal Ballot	Means voting by post through postal papers distributed amongst eligible voters and shall include voting by Electronic Mode or any other mode as permitted under Applicable Law.

Register of Beneficial Owners	Means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode.
Register of Members	Means the register of Members, including any foreign register which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.
Registrar	Means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated.
Seal	Means the common seal of the Company.
Section	Means the relevant section of the Act; and shall, in case of any modification or reenactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.
Security	Means shares, Debentures and/or such other securities as may be treated as securities under Applicable Law.
Shares	Means the shares into which the Capital of the Company is divided whether held in tangible or fungible form.
Small Shareholder	Means a shareholder holding shares of the nominal value of not more than twenty thousand rupees or such other sum as may be prescribed under Applicable Law.
Special Resolution	Means a resolution referred to in Section 114 of the Act.
These Presents	Means the Memorandum of Association and the Articles of Association of the Company.

- 1.2 Term(s) and phrase(s) not specifically defined in these Articles shall bear the same meaning as assigned to the same in the Act.

ARTICLES TO BE CONTEMPORARY IN NATURE

2. The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

SHARE CAPITAL, INCREASE AND REDUCTION OF CAPITAL

Amount of Capital

3. The Authorised Share Capital of the Company shall be the Capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions.

Increase of Capital by the Company and how carried in to effect

4. Subject to Applicable Law, the Board may, from time to time, increase the Capital by the creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon

such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to Dividends, or otherwise, or with a right to participate in some profits or assets of the Company, or with such differential or qualified right of voting at General Meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

New Capital part of the existing Capital

5. Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Issue of redeemable preference shares

6. Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Further,
 - 6.1. Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;
 - 6.2. The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;
 - 6.3. The Board may decide on any premium on the issue or redemption of preference shares.

Provision applicable on the issue of redeemable preference shares

7. On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:
 - 7.1. No such shares shall be redeemed except out of the profits of the Company, which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - 7.2. No such shares shall be redeemed unless they are fully paid.
 - 7.3. Such shares shall be redeemed shares only on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act.
 - 7.4. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the shares are redeemed.
 - 7.5. Register of Members maintained under Section 88 shall contain the particulars in respect of such preference Share holder(s).
 - 7.6. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, excepts as provided in Section 66 of the Act, apply as if the Capital Redemption Reserve Account were paid up Share Capital of the Company.

Provisions applicable to any other Securities

8. The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.

Reduction of Capital

9. The Company may (subject to the Provisions of Section 52, 55, 66, of the Act or any other applicable provisions of law for the time being in force) from time to time by way of Special Resolution reduce its Share Capital, any Capital Redemption Reserve Account or Share premium account in any manner for the time being authorized by law.

Sub-division consolidation and cancellation of Shares

10. Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time (a) sub-divide and consolidate its Shares into shares of a larger amount than the existing Shares, or any class of them, and (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any Share is sub-divided, or classified, may determine that, as between the holders of the Shares resulting from such sub-division or classification, one or more of such Shares shall have some preference or special advantage as regards Dividend, Capital or otherwise over or as compared with the other.

Subject as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its Share Capital by the amount of the Shares so cancelled.

Modification of rights

11. Whenever the Share Capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of Sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such class Meeting, but so that the quorum thereof shall be any such numbers, present in person, as permissible under the Applicable law. This Article is not to derogate from any power the Company would have if the clause were omitted.

Further issue of Capital

12. Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, then:
 - 12.1. Such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
 - 12.2. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 - 12.3. The offer aforesaid 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 12.2 hereof shall contain a statement of this right.

- 12.4. After the expiry of the time specified in the aforesaid notice 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 of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
13. Notwithstanding anything contained in the Article no. 12 the further shares aforesaid may be offered in any manner whatsoever, to:
- 13.1. employees under a scheme of employees' stock option scheme;
 - 13.2. to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to Article no. 12, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.
14. Nothing in Article no. 13.2 hereof shall be deemed :
- 14.1. To extend the time within which the offer should be accepted; or
 - 14.2. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
15. Nothing contained in the Articles 12 to 14 shall apply to the increase of the subscribed Capital of the Company:
- 15.1. caused by the exercise of an option attached to the Debenture issued by the Company to convert such Debentures or loans into shares in the Company;
 - 15.2. Provided that the terms of issue of such Debentures or the terms of such loans containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

Shares at the disposal of the Board

16. Subject to the provisions above, and of Section 62 of the Act, the shares and Securities of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the Capital of the Company or other Securities 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 which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

Power to issue Shares outside India

17. Pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Act, and subject to such approvals, permissions and sanctions as may be necessary from the Government of India, Reserve Bank of India and/or any other authorities or institutions as may be relevant (hereinafter collectively referred to as "Appropriate Authorities") and subject to such terms and conditions or such modifications thereto as may be prescribed by them in granting such approvals, permissions and sanctions, the Company will be entitled to issue and allot in the international capital markets, Equity Shares and/or any instruments or securities (including Global Depository Receipts) representing Equity Shares, any such instruments or securities being either with or without detachable Warrants attached thereto entitling the Warrant holder to Equity Shares/instruments or securities (including Global Depository

Receipts) representing Equity Shares, (hereinafter collectively referred to as "the Securities") to be subscribed to in foreign currency / currencies by foreign investors (whether individuals and/or bodies corporate and/or Institutions and whether shareholders of the Company or not) for an amount, inclusive of such premium as may be determined by the Board. Such issue and allotment to be made on such occasion or occasions, at such value or values, or at a premium and in such form and in manner and on such terms and conditions or such modifications thereto as the Board may determine in consultation with Lead Manager and/or Underwriters and/or Legal or other Advisors, or as may be prescribed by the Appropriate Authorities while granting their approvals, permissions and sanctions as aforesaid which the Board be and is hereby authorized to accept at its sole discretion. The provisions of this Article shall extend to allow the Board to issue such foreign Securities, in such manner as may be permitted by Applicable Law.

Acceptance of Shares

18. Any application signed by or on behalf of an applicant, for Shares in the Company, followed by an allotment of any Share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a member.

Private Placement

19. The Board may, from time to time, offer any Securities on private placement basis, to such persons as the Board may determine, provided that such private placement shall comply with Applicable Law.

Deposit and call to be a debt payable immediately

20. The money (if any) which the Board shall, on the allotment of any Share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

21. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his Share(s) which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Shares not to be held in trust

22. Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

The first named joint holder deemed to be sole holder

23. If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of Dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a Share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares for all incidents thereof according to the Company's regulations.

Register of Members and index

24. The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
25. A Member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
26. Such person, as referred to in Article 25 above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.

Foreign Registers

27. The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture- holders, other Security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.

SHARES CERTIFICATES

Share certificate to be numbered progressively and no Share to be subdivided

28. The shares certificates shall be numbered progressively according to their several denominations specify the shares to which it relates and bear the Seal of the Company, and except in the manner hereinbefore mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share certificate shall continue to bear the number by which the same was originally distinguished.

Provided however that the provision relating to progressive or distinctive numbering of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

Limitation of time for issue of certificates

29. Every Member, other than a Beneficial Owner, 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 Board so approve (upon paying such fee as the Board 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 of such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of Shares shall be under the Seal of the Company which shall be affixed as prescribed in the Applicable Law and shall specify the number and distinctive numbers of Shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve, provided that in respect of a Share(s) 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 one or several joint holders shall be a sufficient delivery to all such holders. For any further issue of certificate to such joint allottees, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One.

Issue of new certificate in place of one defaced, lost or destroyed

30. If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate 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 and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board 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 article shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Board shall prescribe.

Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced, without payment of fees if the Board so decide, or on payment of such fees (not exceeding Rs.50 for each certificate) as the Board shall prescribe.

Provided that notwithstanding what is stated above the Board shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf; provided further, that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.

31. All books and documents relating to the issue of Share certificates including the blank forms of Share certificates shall be kept in safe custody and to be properly maintained and preserved in accordance with the manner laid down in Applicable Law.
32. The provision of this Article shall mutatis mutandis apply to issue of certificates of Debentures of the Company.

BUY BACK OF SECURITIES BY THE COMPANY

33. Notwithstanding anything to the contrary contained in Articles 1 to 321, but subject to the provisions of Sections 68, 69 and 70 of the Act and Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, the Company may purchase its own shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.

UNDERWRITING AND BROKERAGE

Commission may be paid

34. Subject to the provisions of Section 40(6) of the Act and Applicable Law made thereunder, and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 the Company may at any time pay a commission out of proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or Debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, Debentures or of the Company but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of Debentures, two and a half

per cent of the price at which the Debentures are issued or at such rates as may be fixed by the Board within the overall limit prescribed under the Act or Securities and Exchange Board of India Act, 1992. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares, securities or Debentures or partly in one way and partly in the other.

Brokerage

35. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as as sanctioned by the Managing Director.

CALL ON SHARES

Board of Directors may make calls

36. The Board of Directors may, from time to time and subject to the terms on which Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the Shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments.
37. The option or right to make calls on Shares shall not be given to any person except with the sanction of the issuer in general meetings.

Notice of calls

38. Each member shall, subject to receiving fifteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
39. A call may be revoked or postponed at the discretion of the Board.

Calls to date from resolution

40. A call shall be deemed to have been made at the time when the resolution authorising such call was passed as provided herein and may be required to be paid by installments.

Board may extend time

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

Calls to carry interest

42. If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at a rate, as the Board may determine and as permissible under the Applicable law. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.
43. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

44. Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date; whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all

the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Proof on trial of suit for money due on Shares

45. At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered, that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that 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 duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

46. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of call may carry interest

47. The Board may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
48. The provisions of these Articles shall mutatis mutandis apply to the calls on Debenture or other Securities of the Company.

LIEN

Company to have lien on shares

49. The Company shall have a first and paramount lien upon all the shares/ Debentures/Securities (other than fully paid-up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/Debentures/Securities and no equitable interest in any shares shall be created except upon the footing, and upon the condition that this Article will have full effect and any such lien shall extend to all Dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/Debentures/Securities.

50. The Board may at any time declare any shares/ Debentures/Securities wholly or in part to be exempt from the provision of this Article. Provided that, fully paid shares shall be free from all lien and that in 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.

As to enforcing lien by sale

51. For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. The purchaser of such transferred shares 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.
52. No sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

53. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARE

If call or installment not paid notice may be given

54. If any member fails to pay any call or installment 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 notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice

55. The notice shall:
- 55.1. name a further day (not being earlier than the expiry of thirty days from the date of service of the notice) on or before which the payment required by the notice is to be made.
- 55.2. shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.

If notice not complied with Shares may be forfeited

56. If the requisitions 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 in respect of the forfeited Shares and not actually paid before the forfeiture.

Notice of forfeiture to a Member

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

Forfeited Share to become property of the Company

58. 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 think fit.

Power to cancel forfeiture

59. The Board may, at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

Liability on forfeiture

60. A person whose Share has been forfeited shall cease to be a Member in respect of the forfeited Share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such Share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party 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.

Effect of forfeiture

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

Evidence of forfeiture

62. A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain shares in the Company have 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 Shares.

Cancellation of Share certificate in respect of forfeited shares

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

- 63.1. 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 off.

- 63.2. The transferee shall thereupon be registered as the holder of the Share; and

- 63.3. 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.

These Articles to apply in case of any non-payment

64. The provisions of these regulations as to forfeiture 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 the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

EMPLOYEES STOCK OPTIONS

65. Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both.

66. [Intentionally left blank]

PREFERENTIAL ALLOTMENT

67. Subject to the provisions of Section 62 the Act, read with the conditions as laid down in the Applicable Law, and if authorized by a Special Resolution passed in a general meeting, the Company may issue shares, in any manner whatsoever, by way of a preferential offer or private placement. Such issue of shares on preferential basis or private placement should also comply with the conditions as laid down in Section 42 of the Act and/or Applicable law.

CAPITALISATION OF PROFITS

68. The Company in general meeting may, upon the recommendation of the Board, resolve—
- 68.1. 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
 - 68.2. that such sum be accordingly set free for distribution in the manner specified in 68.1 amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.
69. The sum aforesaid shall not be paid in cash but shall be applied, subject to applicable provisions contained herein, either in or towards—
- 69.1. 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;
 - 69.2. A securities premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - 69.3. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
 - 69.4. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - 69.4.1. 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
 - 69.4.2. generally do all acts and things required to give effect thereto.
70. The Board shall have power—
- 70.1. 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;

70.2. 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;

70.3. Any agreement made under such authority shall be effective and binding on such members.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfers

71. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any Share. The Register of Transfers shall not be available for inspection or making of extracts by the Members of the Company or any other Persons. Entries in the register should be authenticated by the secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

Instruments of transfer

72. The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

To be executed by transferor and transferee

73. Every such instrument of transfer shall be executed both by transferor and the transferee 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. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).

74. Application for the registration of the transfer of a Share may be made either by the transferee or the transferor, no registration shall, in the case of the partly paid Share, be affected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and Section 56 of the Act and/or Applicable Law, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as it the application for registration of the transfer was made by the transferee.

Transfer books when closed

75. The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Laws, to close the transfer books, the Register of Members, Register of Debenture holders or the Register of other Security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

Board may refuse to register transfer

76. Subject to the provisions of Section 56 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, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or Debentures of the Company. The Company 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 notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

77. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law decline to register—
 - 77.1. the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
 - 77.2. any transfer of shares on which the Company has a lien.
78. The Board may decline to recognise any Instrument of transfer unless—
 - 78.1. the instrument of transfer is in the form as prescribed under sub-section (1) of Section 56 of the Act or Applicable Law;
 - 78.2. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - 78.3. the instrument of transfer is in respect of only one class of shares.

Board to recognize Beneficial Owners of securities

79. Notwithstanding anything to the contrary contained in Articles 1 to 321, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.
80. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.
81. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

Nomination

82. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.
83. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.
84. Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in Article 1 to 321, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the

Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

85. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

Transmission in the name of nominee

86. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors and subject as hereinafter provided, elect, either:

- 86.1. to be registered himself as holder of the shares or Debentures, as the case may be; or to make such transfer of the shares or Debentures, as the case may be, as the deceased shareholder or Debenture holder, as the case may be, could have made.

Provided nevertheless that it shall be lawful for the Board in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnity or otherwise as the Board may deem fit.

Provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to 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.

87. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
88. If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or Debenture holder and the certificate(s) of shares or Debentures, as the case may be, held by the deceased in the Company.
89. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
90. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
91. Subject to the provisions of Section 56 of the Act and these Articles, the Board may register the relevant shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder, as the case may be.
92. A nominee on becoming entitled to shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same Dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

93. The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all Dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or Debentures, until the requirements of the notice have been complied with.

No transfer to minor, insolvent etc.

94. No transfer shall be made to a minor or person of unsound mind. However in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provisions of law.

Person entitled may receive Dividend without being registered as a Member

95. A person entitled to a Share by transmission shall, subject to the right of the Directors to retain such Dividends or money as hereinafter provided, be entitled to receive and may give discharge for any Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Transfer to be presented with evidence of title

96. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

Conditions of registration of transfer

97. For the purpose of 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 (same as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer.

No fee on transfer or transmission

98. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

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

99. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred 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 of Directors shall so think fit.

DEMATERIALISATION OF SECURITIES

100. The provisions of this Article shall apply notwithstanding anything to the contrary contained in Article 1 to 321.

Dematerialization of Securities

101. The Board shall be entitled to dematerialise Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialised.

Options for investors

- (i) Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.
- (ii) If a person opts to hold his securities with the 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.

Securities in depositories to be in fungible form

104. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.

Rights of Depositories and Beneficial Owners

105. Notwithstanding anything to the contrary contained in Articles 1 to 321, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.
106. Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
107. Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

Service of Documents

108. Notwithstanding anything to the contrary contained in Articles 1 to 321, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode.

Transfer of securities

109. Nothing contained in Section 56 of the Act or anything to the contrary contained in Articles 1 to 321 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Allotment of securities dealt with in a Depository

110. Notwithstanding anything to the contrary contained in Articles 1 to 321, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

Distinctive number of securities held in a Depository

111. Notwithstanding anything to the contrary contained in Articles 1 to 321 regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

Register and index of Beneficial Owners

112. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

113. Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of an amount as may be fixed by the Board to recover reasonable cost and expenses, not exceeding such amount as permissible under Applicable Law.

BORROWING POWERS

Power to borrow

114. The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, 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; by a resolution of the Board, or where a power to delegate the same is available, by a decision/resolution of such delegate, provided that the Board shall not without the requisite sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up Capital of the Company and its free reserves.

Conditions on which money may be borrowed

115. The Board may raise or secure the repayment 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, or other Securities, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).

Terms of issue of Debentures

116. Any Debentures, Debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that Debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, Debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, Debenture- stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

Instrument of transfer

117. Save as provided in Section 56 of the Act, no transfer of Debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the Debentures: Provided that the Company may issue non transferable Debentures and accept an assignment of such instruments.

Delivery of certificates

118. Delivery by the Company of certificates upon allotment or registration of transfer of any Debentures, Debenture stock or bond issued by the Company shall be governed and regulated by Section 56 of the Act.

Register of charge, etc.

119. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.

Register and index of Debenture holders

120. The Company shall, if at any time it issues Debentures, keep Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-stock, resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

121. The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.
122. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards Dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the Dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

GENERAL MEETINGS

123. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year.
124. Every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.
125. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
126. In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
- 126.1. the consideration of financial statements and the reports of the Board of Directors and the Auditors;
 - 126.2. the declaration of any Dividend;
 - 126.3. the appointment of Directors in place of those retiring;
 - 126.4. the appointment of, and the fixing of the remuneration of, the Auditors.
127. In case of any other meeting, all business shall be deemed special.
128. The Board may, whenever it thinks fit, call an extraordinary general meeting.
129. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any members/ class of members/ Debentureholders, seek their assent by Postal ballot. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.

130. The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.

131. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up Capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

132. Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

E-votings in case of General Meetings

133. Where the Company conducts General Meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.

134. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting.

Provided that voting may also be allowed to be case by way of post or any other mode which any Applicable Law may allow.

135. Where there is voting at General Meeting in addition to E-voting, the person chairing the General Meeting may require a poll to be conducted. The Chairperson shall declare the results obtained through Electronic Mode at the meeting, and the result of the poll, at the meeting.

Notice of General Meetings

136. At least 21 clear days' notice of every General Meeting, specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every Auditor(s) and Director of the Company. Any accidental omission to give any such notice as aforesaid to any of the members (other than to the Investor), or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.

137. A General Meeting may be called at a shorter notice if consented to by either by way of writing or any Electronic Mode by not less than 95% of the Members entitled to vote at such meeting.

Quorum at General Meeting

138. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

139. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.

140. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

141. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not

present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

Chairperson at General Meetings

142. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
143. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one among themselves to be Chairperson of the meeting.
144. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of themselves to be Chairperson of the meeting.
145. No business shall be discussed at any General Meeting except the election of a Chairperson, while the chair is vacant.

Adjournment of Meeting

146. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
147. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
148. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
149. 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.

Voting rights

150. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
151. Subject to any rights or restrictions for the time being attached to any class or classes of shares —
 - 151.1. on a show of hands, every member present in person shall have one vote; and
 - 151.2. on a poll, the voting rights of members shall be in proportion to his Share in the paid-up equity Share Capital of the Company;
 - 151.3. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
152. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
153. 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.
154. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

155. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
156. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
157. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
158. In the case of an equality of votes, the Chairperson shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Proxy

159. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with Section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
160. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
161. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common Seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.
162. A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
163. The proxy so appointed shall not have any right to speak at the meeting.
164. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Passing of resolution by Postal ballot

165. Where permitted or required by Applicable Law, Board may, instead of calling a meeting of any Members/ class of Members/ Debentureholders, seek their assent by Postal ballot. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.
166. Where permitted/required by Applicable Law, Board may provide Members/Members of a class/Debentureholders right to vote through e-voting, complying with Applicable Law.
167. The intent of these Articles is that in respect of seeking the sense of the Members or Members of a class or any Security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of Members, Members of a class of Members or any holders of securities using

such use of contemporaneous methods of communication as is permitted by Applicable Law. A written resolution, including consent obtained through Electronic Mode, shall be deemed to be sanction provided by the Member, Member of a class or other Security holders by way of personal presence in a meeting.

168. Notwithstanding anything contained in the foregoing, the Company shall transact such business, follow such procedure and ascertain the assent or dissent of Members for a voting conducted by Postal ballot, as may be prescribed by Section 110 of the Act and Applicable Law.
169. In case of resolutions to be passed by Postal ballot, no meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.
170. Where a resolution will be passed by Postal ballot the Company shall, in addition to the requirements of giving requisite clear days' notice, send to all the Members the following:
 - 170.1. Draft resolution and relevant explanatory statement clearly explaining the reasons therefor;
 - 170.2. Postal ballot for giving assent or dissent, in writing by Members; and
 - 170.3. Enable Member, in such manner as prescribed under Applicable Law, for communicating assents or dissents on the Postal ballot to the Company with a request to the Members to send their communications within 30 days from the date of dispatch of the notice.

Maintenance of records and Inspection of minutes of General Meeting by Members

171. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.
172. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
173. Any such minutes shall be evidence of the proceedings recorded therein.
174. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time, to the inspection of any Member without charge.
175. Any Member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (rupees ten only) for each page, or such higher amount as the Board may determine, as permissible by Applicable Law.

BOARD OF DIRECTORS

176. The number of Directors of the Company which shall be not less than 3 (three) and not more than 15 (Fifteen). However, the Company may appoint more than 15 Directors after passing a Special Resolution. Further, any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly and such appointment shall be in such terms and conditions as laid down by Board, as permitted by Applicable Law. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transact business for the purpose of attaining the required

composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

177. The first Directors of the Company are:

177.1. Sri Ashok Kumar Todi 177.3 Smt. Shakuntala Devi Todi

177.2. Sri Pradip Kumar Todi 177.4 Smt. Pradbha Devi Todi

Board's power to appoint Additional Directors

178. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.

179. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Nominee Directors

180. The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit.

181. In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.

182. A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

Appointment of Alternate Directors

183. Subject to the provisions of Section 161(2) of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. 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 the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.

For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

Board's power to fill casual vacancies

184. Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

185. 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 until the same day in the next week, at the same time and place in accordance with the provisions of Section 152(7) of the Act.
186. If at the adjourned meeting also, the vacancy caused by 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 so deemed to have been reappointed at the adjourned meeting, unless :
- 186.1. at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;
 - 186.2. the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;
 - 186.3. he is not qualified or is disqualified for appointment;
 - 186.4. a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
 - 186.5. the provision of Section 162 of the Act is applicable to the case.

Independent Directors

187. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the date bank established under Section 150 of Act or otherwise.
188. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a General Meeting. The explanatory statement to the notice for such General Meeting shall provide all requisite details as required under the Act.
189. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death, vacation of office under Section 167 of the Act and Applicable Law or Article 186, removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.
190. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of Independence.
191. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
192. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
193. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
194. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
195. Term of Office of Independent Director:
- Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for

one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3 (three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Retirement and rotation of Directors

196. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called "the Rotational Directors").
197. At every Annual General Meeting of the Company, one-third of the Rotational Directors, or if their number is not three or a multiple of three, then, the number nearest to one-third, shall retire from office.
198. The Company may appoint a Managing or a Whole-time Director, or any other Executive Director, as Rotational Director. The terms of appointment of such Director may provide that, where the General Meeting at which such Rotational Director comes for reappointment does not reappoint him, his office shall continue without being a Director on the Board of the Company.
199. A retiring Director shall be eligible for re-election.

Resignation of Directors

200. Subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following General Meeting by the Company.
201. A Managing Director or a Whole-time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.
202. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later:
Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

Removal of Directors

203. Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of Ordinary Resolution before the expiry of his term of office, subject to the provisions of Section 169 of Act.

Remuneration of Directors

204. Subject to the provisions of Section 197 of the Act, a Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Provided that where the Company takes a Directors' Liability Insurance, specifically pertaining to a particular Director, then the premium paid in respect of such insurance, for the period during which a Director has been proved guilty, will be treated as part of remuneration paid to such Directors.

205. The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

206. The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit as prescribed under Section 197(5) of the Act and Applicable Law. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode.

207. In addition to the remuneration payable pursuant to Section 197 of the Act, the Directors may be paid all conveyance, hotel and other expenses properly incurred by them—

207.1. in attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company; or

207.2. in connection with the business of the Company;

207.3. The Board may pay all expenses incurred in getting up and registering the Company.

Directors may act notwithstanding any vacancies on Board

208. 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 176 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to the minimum number fixed by the Article 176 hereof or for summoning a General Meeting for the purpose increasing the number of Directors to such minimum number, but for no other purpose.

Vacation of office of Director

209. The office of a Director shall ipso facto be vacated:

209.1. on the happening of any of the events as specified in Section 167 of the Act;

209.2. if a person is a Director of more than the number of Companies as specified in the Act at a time;

209.3. in the case of alternate Director, on return of the original Director in terms of Section 161 of the Act;

209.4. having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, he ceases to hold such office or other employment in that company;

209.5. if he is removed in pursuance of Section 169 of the Act;

209.6. any other disqualification that the Act for the time being in force may prescribe.

Notice of candidature for office of Directors except in certain cases

210. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees 1 Lac or such higher amount as the Board may determine, as permissible by Applicable Law.

211. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature

for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

212. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.

213. [Intentionally left blank]

Director may contract with the Company

214. Subject to Applicable Law, a Director or any Related Party as defined in Section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law.
215. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party entered into on arm's length basis. Where a contract complies with such conditions or indication of arm's length contracts as laid down in a policy on related party transactions framed by the Board and approved by a general meeting, the contract shall be deemed to be a contract entered into on arm's length basis.

Disclosure of interest

216. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract 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(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds less than two per cent of the shareholding in such other body corporate.

Interested Director not to participate or vote in Board's proceeding

217. Subject to the provisions of Section 184 of the Act, no Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

Register of contracts in which Directors are interested

218. The Company shall keep a Register in accordance with Section 189 (1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.
219. Such a Register shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.

Register of Directors and Key Managerial Personnel and their shareholding

220. The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held

by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

Miscellaneous

221. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

PROCEEDINGS OF THE BOARD

Meetings of Board

222. The Directors may meet together as a Board from time to time for the conduct and dispatch of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.
223. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
224. The notice of the meeting shall inform the Directors regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.
- A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. Where the Company does not have, for the time being, any Independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.
225. The Board shall so meet at least once in every four months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
226. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through Electronic Mode shall be entered and initialled by the Company Secretary, stating the manner in which the Director so participated.

Meetings of Board by Video/audio-visual conferencing

227. Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, Electronic Mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such Electronic Mode, as the case may be.

Regulation for meeting through Electronic Mode

228. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through Electronic Mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through Electronic Mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the

security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.

229. Subject as aforesaid, the conduct of the Board meeting where a Director participates through Electronic Mode shall be in the manner as laid down in Applicable Law.
230. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through Electronic Mode, as the case may be.
231. Upon the discussions being held by Electronic Mode, as the case may be, the Chairperson or the Company Secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
232. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.

When can a meeting be convened

233. The Managing Director or a Director may, as the Manager or Company Secretary upon the requisition of Director(s) shall, at any time, summon a meeting of the Board.

Notice of meeting

234. Notice of every meeting of the Board shall be given in writing including by way of electronic means, not later than seven days or as specifically required in the Articles, to every Director at his registered address with the Company.
235. The notice of a meeting of the Board must contain information regarding the option available to them to participate through Electronic Mode, and shall provide all the necessary information to enable the Directors to participate through such Electronic Mode.

Chairperson for Board Meetings

236. The Board may elect a Chairperson, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairperson.
237. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

Quorum

238. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairperson of the Board shall decide.
239. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.

Exercise of powers to be valid in meetings where quorum is present

240. A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board, or in accordance with Section 179 (1) of the Act, the powers of the Company.

Matter to be decided on majority of votes

241. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.

Power to appoint Committee and to delegate powers

242. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to committees consisting of such Director or Directors as it thinks fit; and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or committee of officers as the Board may determine.

243. Any 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.

244. The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board.

Resolution without Board Meeting/ Resolution by Circulation

245. Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company 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 Board Meeting.

Provided further that where the resolution has been put to vote at a Board Meeting, the consent of dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.

Acts of Board / Committee valid notwithstanding formal appointment

246. All acts done in any meeting of the Board or of a Committee thereof 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 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 Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

Minutes of proceedings of meeting of Board

247. The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to Section 118 of the Act or Applicable Laws.
248. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting.
249. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise, if the minutes are kept in physical form.
250. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
251. Where the meeting of the Board takes place through Electronic Mode, the minutes shall disclose the particulars of the Directors who attended the meeting through such means. The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in Electronic Mode as may be decided by the Board and/or in accordance with Applicable Laws.
252. Every Director who attended the meeting, whether personally or through Electronic Mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
253. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
254. The minutes shall also contain:
 - 254.1. The names of the Directors present at the meeting; and
 - 254.2. In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
255. Nothing contained in Articles 243 to 249 herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairperson of the meeting :
 - 255.1. is, or could reasonably be regarded as defamatory of any person;
 - 255.2. is irrelevant or immaterial to the proceedings; or
 - 255.3. is detrimental to the interest of the Company.
256. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article.
257. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
258. Any Director of the Company may requisition for physical inspection of the Board Meeting minutes by giving a prior notice of seven days.
 Provided that the Director can requisition to inspect Board Meeting minutes only for the period that he is on the Board of the Company.
 Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

Powers of Board

259. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations 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.
260. The Board may, subject to Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may allow such time for payment of the said money as is acceptable within customary periods for payment of similar money in contemporaneous commercial practice. Grant of such period for payment shall not be deemed to be a "loan" or grant of time for the purpose of sec 180 (1) (d) of the Act and Applicable Law.
261. The Board may subject to Section 186 of the Act and provisions of Applicable Law made thereunder shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

Restriction on powers of Board

262. Board of Directors should exercise the following powers subject to the approval of Company by a Special Resolution:
- 262.1. to 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 of such undertakings;
 - 262.2. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
 - 262.3. to borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up Share Capital and free-reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business;
 - 262.4. to remit, or give time for the repayment of, any debt due from a Director.

Contribution to charitable and other funds

263. The Board of Directors of a Company may contribute to bona fide charitable and other fund. A prior permission of the Company in general meeting (ordinary resolution) shall be required for if the aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years.

Absolute powers of Board in certain cases

264. Without prejudice to the general powers conferred by Section 179(3) of the Act or Applicable Laws made thereunder and the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law, it is hereby declared that the Directors shall have the following powers; that is to say, power :
- 264.1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
 - 264.2. To pay any or interest lawfully payable there out under the provisions of Section 40 of the Act;

- 264.3. To act jointly and severally in all on any of the powers conferred on them;
- 264.4. To appoint and nominate any Person(s) to act as proxy for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association;
- 264.5. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with;
- 264.6. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants;
- 264.7. Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- 264.8. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in Shares, bonds, Debentures, mortgages, or other securities of the Company, and such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled Capital or not so charged;
- 264.9. To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the Company being or in such manner as they may think fit;
- 264.10. To accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- 264.11. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular buy the issue of Debenture or Debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future);
- 264.12. To open and deal with current account, overdraft accounts with any bank/banks for carrying on any business of the Company;
- 264.13. To appoint any Person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- 264.14. To institute, conduct, defend, compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company;
- 264.15. To refer any claims or demands or differences by or against the Company or to enter into any contract or agreement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same;
- 264.16. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 264.17. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

- 264.18. Subject to the provisions of Sections 179 and 186 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- 264.19. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- 264.20. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, Dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 264.21. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, Share or Shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 264.22. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- 264.23. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- 264.24. Before recommending any Dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special Dividends or for equalized Dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund

to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;

- 264.25. Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- 264.26. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient of comply with;
- 264.27. Subject to applicable provisions of the Act and Applicable Law made thereunder, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively;
- 264.28. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such local boards and to fix their remuneration;
- 264.29. Subject to Section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such local board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;
- 264.30. At any time and from time to time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the Share holders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

- 264.31. Subject to Sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- 264.32. Subject to the provisions of the Act, the Board may pay such remuneration to Chairperson / Vice Chairperson of the Board upon such conditions as they may think fit;
- 264.33. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks;
- 264.34. To take insurance on behalf of its managing Director, whole-time Director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

Establishment of vigil mechanism

- 265. Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. Audit Committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the Director nominated to play the role of Audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the audit Committee may take suitable action against the concerned Director or employee including reprimand.

MANAGING DIRECTOR

Board may appoint Managing Director(s)

- 266. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director(s) of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.
- 267. Subject to the article above, the powers conferred on the Managing Director shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

Restriction on Management

- 268. The Board of Directors may, subject to Section 179 of the Act, entrust to and confer upon a Managing or 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 the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

Remuneration to Managing Directors/ Whole time Directors

- 269. A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**270. Subject to the provisions of the Act and Applicable Law —**

- 270.1. A Chief Executive Officer, manager, Company Secretary or Chief Financial officer may be appointed at a Board Meeting, 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 at a Board Meeting;
- 270.2. A Director may be appointed as Chief Executive Officer, manager, Company Secretary subject to provisions of Section 203 of the Act. The Board may also designate the head of the financial function to the the CFO of the Company;
- 270.3. A provision of the Act or these regulations 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;
- 270.4. The functions of a Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law;
- 270.5. Subject to the article above, the powers conferred on the CEO shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers;
- 270.6. The CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.

POWER TO AUTHENTICATE DOCUMENTS

- 271. Any Director or the Company 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 accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
- 272. Document purporting to be a copy of 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 Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

THE SEAL

- 273. The Board shall provide a common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.
- 274. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of such Directors and the Company Secretary or such other person as the Board may specify/appoint for the purpose; and the Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

Every Deed or other instrument to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 29.

MANAGEMENT OUTSIDE INDIA AND OTHER MATTERS

275. Subject to the provisions of the Act the following shall have effect:

- 275.1. The Board may from time to time provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph;
- 275.2. Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the Company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations;
- 275.3. The Board may, at any time and from time to time by power of attorney under Seal, appoint any person to be the attorney 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, thinks fit, and such appointments may, if the Board thinks fit, be made in favour of the members or any of members of any local Directorate established as aforesaid, or in favour of the Company or of the members, Directors, nominees or officers of the 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 attorneys as the Board thinks fit;
- 275.4. Any such delegate or Attorney as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- 275.5. The Company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested in the Board, and the Company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or Debenture holders residents in any such state or country and the Board may, from time to time make such regulations not being inconsistent with the provisions of the Act, and the Board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall in any case comply with the provisions of the Act.

DIVIDENDS AND RESERVE

Division of profits

276. The profits of the Company, subject to any special rights as to Dividends or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital paid-up on the shares held by them respectively.

The Company in general meeting may declare a Dividend

277. The Company in general meeting may declare Dividends to be paid to members according to

their respective rights, but no Dividend shall exceed the amount recommended by the Board; the Company in general meeting may, however declare a smaller Dividend. No Dividend shall bear interest against the Company.

Dividend only to be paid out of profits

278. The Dividend can be declared and paid only out of the following profits :

- 278.1. Profits of the financial year, after providing depreciation as stated in Section 123(2) read with Schedule II and Applicable Laws;
- 278.2. Accumulated profits of the earlier years, after providing for depreciation under Section 123(2) read with Schedule II and Applicable Laws;
- 278.3. Out of money provided by Central or State Government for payment of Dividend in pursuance of a guarantee given by the Government;
- 278.4. If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123(2) of the Act or Applicable Law, or against both.

Transfer to reserve

- 279. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising Dividends; and pending such application, 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.
- 280. Such reserve, being free reserve, may also be used to declare Dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Interim Dividend

- 281. Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim Dividends as appear to it to be justified by the profits of the Company.

Calls in advance not to carry rights to participate in profits

- 282. Where Capital is paid in advance of calls such Capital may carry interest but shall not in respect thereof confer a right to Dividend or participate in profits.

Payment of pro rata Dividend

- 283. 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.

Deduction of money owed to the Company

- 284. 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.

Rights to Dividend where shares transferred

- 285. A transfer of Share shall not pass the right to any Dividend declared thereon before the registration of the transfer.

Dividend to be kept in abeyance

286. The Board may retain the Dividends payable in relation to such Shares in respect of which any person is entitled to become a Member by virtue of transmission or transfer of Shares and in accordance sub-Section (5) of Section 123 of the Act or Applicable Law. The Board may also retain Dividends on which Company has lien and may apply the same towards satisfaction of debts, liabilities or engagements in respect of which lien exists.

Notice of Dividend

287. 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.

Manner of paying Dividend

288. Any Dividend, interest or other monies payable in cash in respect of shares may be paid by any Electronic Mode to the shareholder entitled to the payment of the Dividend, or by way of cheque or warrant sent through the post directed to the registered address of the holder or, in the 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 holder or joint holders may in writing direct.
289. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any Dividend lost to the member of person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the Dividend by any other means.

Receipts for Dividends

290. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

- 290A: It shall be open for the Members of the Company who hold the equity shares in the Company to waive/forgo his/her/their right to receive the dividend (interim or final or both) by him/her/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The members shall have an option to waive/forego his/her/their right to receive dividend (interim or final or both) for any financial year.

The waiver/forgoing by the Members, his/her/their right to receive the dividend (interim or final or both) by him/her/them under this Article shall be irrevocable and be effective immediately upon receiving request of such waiver in writing from the member, provided the member continues to hold the equity shares as on the record date/book closure date fixed for determining the names of Members entitled for dividend."

Non-forfeiture of unclaimed Dividend

291. No unclaimed Dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with the provision of Sections 124 and 125 of the Act in respect of all unclaimed or unpaid Dividends.

ACCOUNTS**Directors to keep true accounts**

292. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.
293. Where the Board decides to keep all or any of the Books of Account at any place in India other than the registered office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.
294. The Company shall preserve in good order the books of account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.
295. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the preceding Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper

Pursuant to section 15 of the Companies Act, 2013, it is to be noted that –

- The insertion of 'Clause 290A' related to waiver of Dividend wherein the members who hold equity shares have the option to waive/forgo his/her/their right to receive Dividend (interim or final or both) for any financial year was approved by the shareholders at the 29th Annual General Meeting ("AGM") of the Company held on 26th September, 2024.

summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its registered office or at any other place in India, at which the Company's Books of Account are kept as aforesaid.

296. The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

Preparation of revised financial statements or Boards' Report

297. Subject to the provisions of Section 131 of the Act and the Applicable Law made thereunder, the Board may require the preparation of revised financial statement of the Company or a revised Boards' Report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of Section 129 or Section 134 of the Act.

Places of keeping accounts

298. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

299. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

AUDIT

Auditors to be appointed

300. Statutory Auditors and Cost Auditors, if any, shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.

First Auditor / Statutory Auditors

301. First Auditor of the Company shall be appointed by the Board within thirty days of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting.
302. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the Statutory Auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at every annual general meeting. Provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.

Remuneration of Auditors

303. The remuneration of the Auditors shall be fixed by the Company in Annual general meeting or in such manner as the Company in general meeting may determine.
304. [Intentionally left blank]

DOCUMENTS AND NOTICES

Service of documents and notice

305. A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in Section 20 of the Act and Applicable Law made there under.
306. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by

registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

Newspaper advertisement of notice to be deemed duly serviced

307. A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

Notice to whom served in case of joint shareholders

308. A document or notice may be served or given by the Company on or given to the joint-holders of a Share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the Share.

Notice to be served to representative

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

Service of notice of General Meetings

310. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the Auditor(s) for the time being of the Company.

Members bound by notice

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

Documents or notice to be signed

312. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.

Notice to be served by post or other electronic means

313. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office or by such other electronic means as prescribed in Section 20 of the Act and the Applicable Law made thereunder.

Admissibility of micro films, computer prints and documents to be treated as documents and evidence

314. Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall

be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in Section 397 are complied with.

315. All provisions of the Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under Section 398 of the Act.

WINDING UP

316. Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder -

- 316.1 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, but subject to the rights attached to any preference Share Capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit;
- 316.2 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 members or different classes of members;
- 316.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS

317. Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes.

INDEMNITY

318. For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

- 318.1. "Claims" means all claims for fine, penalty, amount paid in a proceeding for compounding or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;
- 318.2. "Indemnified Person" shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any Claims or Losses, or against whom any Claims or Losses are claimed or threatened;
- 318.3. "Losses" means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any Claim.

319. Indemnification

- 319.1. Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all Claims and Losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries,

together with all reasonable costs and expenses (including legal and professional fees);

- 319.2. The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body;
- 319.3. The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against :
- 319.3.1 Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
- 319.3.2 Any liability arising due to any benefit wrongly availed by the Indemnified Person;
- 319.3.3 Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person;
- 319.3.4 The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

SECRECY

320. 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 of Directors, 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 accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.
321. Subject to the provisions of these Articles and the Act, no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or to examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be expedient in the interest of the Company to communicate.

We the several persons, whose names, addresses and descriptions are subscribed 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 :-

Names, Addresses, Description & Occupations of Subscribers	No. of Equity Shares taken by each subscriber	Names, Address, Description and Occupation of Witness
1. ASHOK KUMAR TODI S/o. Late Girdharilal Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 Business	100 (One Hundred)	Witness to 1st and 2nd Signatories : KAMAL KANT VARMA S/o, Suresh Kumar Varma 46, B. B. Ganguly Street First Floor, Room No. - 9 Calcutta - 700 012
2. PRADEEP KUMAR TODI S/o. Late Girdharilal Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 Business	100 (One Hundred)	
3. SHAKUNTALA DEVI TODI W/o. Late Girdharilal Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 House Wife	100 (One Hundred)	Witness to the 3rd to 4th Signatories : It is declared that the contents of the Memorandum of Association has been explained in Hindi to Mrs. Shakuntala Devi Todi and Mrs. Prabha Devi Todi. After hearing from me they have signed Memorandum of Association before me. SUNIL MODI, ACA S/o. Shri C. L. Modi 161/1, M. G. Road 1st Floor, Room No. - 19 Calcutta - 700 007
4. PRABHA DEVI TODI W/o. Late Girdharilal Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 House Wife	100 (One Hundred)	
C/F	400 (FOUR HUNDRED)	

We the several persons, whose names, addresses and descriptions are subscribed 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 :-

Names, Addresses, Description & Occupations of Subscribers	No. of Equity Shares taken by each subscriber	Names, Address, Description and Occupation of Witness
B/F	400	
5. KISHAN KUMAR TODI S/o. Late Girdharilal Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 Business	100 (One Hundred)	Witness to all 5th, 6th and 7th Signatories : KAMAL KANT VARMA S/o, Suresh Kumar Varma 46, B. B. Ganguly Street First Floor, Room No. - 9 Calcutta - 700 012
6. BIMLA TODI W/o. Ashok Kumar Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 House Wife	100 (One Hundred)	
7. SHOVA DEVI W/o. Pradeep Kumar Todi CG-235, Salt Lake, Sector - II Calcutta - 700 091 House Wife	100 (One Hundred)	
TOTAL	700 (SEVEN HUNDRED)	

Calcutta, 13th day of July, 1995



पश्चिम बंगाल WEST BENGAL

27AA 500597

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH

C.P(CAA) No. 1526 /KB/2020

C.A(CAA) No.826 /KB/2020

In the matter of the Companies Act, 2013; Section – 230-232

AND

In the matter of: J.M.Hosiery & Co. Limited & ~~0.55~~

Certified Copy of the order dated 25.03.2021 passed by this Bench



Form No. CAA.7

[Pursuant to section 232 and rule 20]

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

C.P.(CAA) No. 1526/KB/2020

connected with

C.A No. (CAA) No. 826/KB/2020

In the matter of:

The Companies Act, 2013

And

In the matter of:

Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of:

J. M. HOSIERY & CO. LIMITED, 39, Kali Krishna Tagore Street, Kolkata – 700 007

... Transferor Company 1

And

1



In the matter of:

**EBELL FASHIONS PRIVATE LIMITED, PS Srijan Tech park, DN-52, 10th Floor,
Salt Lake City, Sector V, Kolkata – 700 091**

... Transferor Company 2

And

In the matter of:

LUX INDUSTRIES LIMITED, 39, Kali Krishna Tagore Street, Kolkata – 700 007

... Transferee Company

And

- 1. J. M. HOSIERY & CO. LIMITED**
- 2. EBELL FASHIONS PRIVATE LIMITED,**
- 3. LUX INDUSTRIES LIMITED**

... PETITIONERS



Order Under Sections 230 and 232 of the Companies Act, 2013

The above Company Petition coming on for further hearing on the 25th March, 2021 and upon hearing the advocate appearing for the Petitioners and upon hearing Deputy Director of Regional Directorate, Eastern Region representing the Central Government the final order was passed on the 25th March, 2021.

1. Heard the Learned Senior Counsel for the Petitioner Companies as well as Mr. Harihara Sahoo, Joint Director from the Office of the Regional Director (ER) representing the Central Government. No objector has come before this Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petitions to the Scheme of Amalgamation.
2. The instant second motion petition has been filed under Section 230 read with Section 232 of the Companies Act, 2013 for sanction of Scheme of Amalgamation between J.M. Hosiery & Co. Ltd, Ebell Fashions Private Limited and Lux Industries. Copy of the Scheme is annexed as Annexure A at pg. 38 of the petition.



3. The Ld. Senior Counsel for the Petitioners submits that the Transferee Company and the Transferor Companies are engaged inter alia in the business of hosiery.

4. The Ld. Senior Counsel submits that the circumstances and/or reasons and/or grounds that have necessitated and/or justified the arrangement are stated in the said Scheme of Amalgamation. They are inter alia, as follows:

(a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;

(b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased top line and bottom line for the Transferee Company;

(c) The merged entity will have greater financial strength and flexibility;

(d) The merger will also result in value appreciation for the shareholders of the merged entity;

(e) Under a liberalised, fast changing and highly competitive environment,



this amalgamation shall strengthen the businesses of the Transferor Companies and the Transferee Company by pooling up resources for common purpose;

(f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimisation of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged company.

(g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

5. The Scheme was approved by the respective Board of Directors of the Companies at their meetings held on 26th June, 2018.

6. The statutory Auditor of the Transferee Company have by their certificate dated 26th June, 2018 confirmed that the accounting treatment in the Scheme is in conformity with the accounting standard prescribed under Section 133 of the Companies Act, 2013.



7. It is also stated by the Ld. Senior Counsel of the Petitioners that no proceedings are pending under Sections 210 to 227 of the Companies Act, 2013 against the Petitioner(s).
8. It is also stated that the exchange ratio of shares in consideration of the Amalgamation has been fixed on a fair and reasonable basis and on the basis of the Report thereon of the IBBI, Registered Valuer.
9. The Learned Senior Counsel for the petitioners submits that the joint company petition has been filed in consonance with the Order of this Tribunal dated 21st October, 2020 in CA(CAA) No. 826/KB/2020. In terms of the order meetings were held and the chairperson Mr. Patita Paban Bishwal has filed his report which is annexed to the petition at page no. 1040 being Annexure N to the petition. From the report it appears that the creditors and shareholders have approved the Scheme in their respective meetings.
10. Affidavit of service/compliance in terms of order dated 21st October, 2020 is filed and is also annexed to the petition at page 907 being Annexure M to the petition.
11. This second motion petition was admitted by order dated 6th January, 2021. Upon admission directions were given for publication of notice of hearing and service upon the sectoral authorities.



12. Learned Senior Counsel for the petitioners submit that in compliance of the order dated 6th January, 2021, the petitioners have published the notice of hearing and also served the sectoral authorities being Registrar of Companies, Central Government through the Office of Regional Director, Eastern Region, Income Tax, Official Liquidator, National Stock Exchange of India, BSE, SEBI and Competition Commission of India. It is further submitted that affidavit of compliance dated 28th January, 2021 has been filed before this Tribunal. It is submitted that both National Stock Exchange of India and BSE have given their "NoC" to the Scheme which has been filed in this Tribunal by way of Supplementary Affidavit dated 5th March, 2021.

13. Learned Sr. Counsel submitted that Official Liquidator has filed its report dated 4th March, 2021 and at para 10 of the said report it states that:

"10. That the Official Liquidator on the basis of information submitted by the Petitioner Companies is of the view that the affairs of the aforesaid Transferor Companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest as per the provisions of the Companies Act, 1956/the Companies Act, 2013 whichever is applicable."

14. It is further submitted that the Central Government through the office of Regional Director has filed an affidavit dated 4th March, 2021 by which they



have given their observations. Their observations and responses of the petitioners are given below:

Paragraph No. 2(a) of RD affidavit

"The Appointed Date is 1st April, 2018 which is much older. In terms of the Circular no.09/2019 dated 21.08.2019 of the Ministry of Corporate Affairs, where the 'Appointed Date' is chosen as a specific calendar date, it may precede the date of filing of the application for scheme of merger/ amalgamation in NCLT. However, if the 'Appointed Date' is significantly ante-dated beyond a year from the date of filing, the justification for the same would have to be specifically brought out in the scheme and it should not be against public interest". It is not ascertainable from the documents provided by the Applicant whether the application for the scheme was filed before Hon'ble Tribunal within a year from 1st April 2018. If the application for the scheme was filed with Hon'ble Tribunal after more than one year from the Appointed Date, Hon'ble Tribunal may kindly direct the Applicant to bring out the justification for the Appointed Date being more than one year before date of filing of the application for the scheme, in the scheme according to the Circular.

Paragraph No. 3 and 4 of Rejoinder

The petitioners submit that on 26th June, 2018 the Board of Directors of the respective Companies had approved the proposed Scheme and accordingly the same was filed with BSE and National Stock Exchange for



their No Objection. The Stock Exchanges thereafter asked the petitioners to comply with certain requisites which took some time for the petitioners to comply with due to unforeseen reasons. Upon compliance the Stock Exchanges gave their No Objection on 5th March, 2020. Immediately, thereafter on 17th March, 2020 the Scheme was filed before this Hon'ble Tribunal for its sanction. The delay was due to reasons beyond the control of the applicants. In any event the Scheme envisages in clause 3.1 that:

"This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 16 of this Scheme, shall become effective from Appointed Date but shall be operative from the Effective Date"

Therefore, the petitioners submit that the Appointed Date may be allowed to be changed by this Hon'ble Tribunal from 1st April, 2018 to 1st April, 2020 and that the Board of Directors of the applicant companies have also approved such change in date vide Circular Resolution. A copy of the Circular Resolution is also annexed to the Rejoinder and marked "A".

This will also not have any impact on the financials of the companies.

Paragraph No. 2(b) of RD affidavit

The promoters' stake in the Transferee Company shall increase pursuant to the merger, from 69.51 % to 74.39%. This is a material fact regarding beneficial effect of the Scheme on the Promoters which was



needed to be disclosed under section 230(3) of the Companies Act, 2013. Non-disclosure of the fact impacts the application, as it appears. Hon'ble Tribunal is requested to take note of the fact and order as may deem fit and proper.

Paragraph 5 of Rejoinder

The petitioners submit that with regard to the effect of the Scheme on the shareholding pattern including in the Promoter's Stake both pre and post amalgamation in the Transferee Company has been disclosed and the same is available at the website of the Company as well as the same was filed with the Stock Exchanges where the shares of the Transferee Company are listed. A copy of the change in pre and post amalgamation change in the promotor's shareholding is also attached to the Rejoinder and marked as "B".

Paragraph 2(c) of RD affidavit

It is submitted that in the financial statement of J M Hosiery & Co. Ltd (Transferor Company) as at 31.3.2020, following Car Loans were shown as secured borrowings:-

<i>Kotak Mahindra Prime Ltd</i>	<i>Repayable in 36 installments from July 2014</i>
<i>Kotak Mahindra Prime Ltd</i>	<i>Repayable in 36 installments from September 2014</i>



Volkswagen Auto Fin Ltd	Repayable in 36 installments from Oct 2016
HDFC Bank Ltd	Repayable in 36 installments from July 2016

However, no Form CHG-1 in compliance with the provision of section 77 of the Companies Act, 2013 was filed in this regard. Once merged, since the Transferor Company will no longer be able to rectify such defects as the status of the Transferor Company will no more be 'Active', the Transferor Company should be directed to file first the relevant Form in compliance with the provision of section 77 of the Companies Act, 2013.

Paragraph 6 of Rejoinder

The petitioners submit that with regard to the Car loans from Kotak Mahindra Prime Limited and Volkswagen Auto Fin Limited, the same have been repaid and there is no outstanding. Copies of no dues certificates are also annexed to the rejoinder and marked as "C". It is further submitted that due to inadvertence the charge was not filed in form CHG-1 under Companies Act, 2013. It is also submitted that in any event the Transferee Company undertakes that whatever liabilities that arises due to such inadvertence, the Transferee Company shall bear the same in terms of the Scheme of Amalgamation.



Paragraph 2(d) of RD affidavit

That the Petitioner Transferee Company should comply with the provision of section 232(3)(i) of the Companies Act, 2013 in regard to adjustment of fees upon clubbing of Authorized Share Capital(s) of the Transferor Company (ies) with the Authorized Share Capital of the Transferee Company in post-amalgamation.

Paragraph 7 of Rejoinder

The petitioners submit that consequent upon the Sanction of the Scheme by this Tribunal the Transferee Company undertakes to pay requisite fees, if any, on the increase in the Authorised Share Capital, after adjustment of fees upon clubbing of Authorised Share Capital(s) of the Transferor Companies as required in compliance with the applicable provisions of the Companies Act 2013 read with relevant rules as applicable.

Paragraph 2(e) of RD affidavit

That the Transferee Company should be directed to pay applicable stamp duty on the transfer of the immovable properties from the Transferor Companies to it.



Paragraph 8 of Rejoinder

The petitioners submit that consequent upon sanctioning of the scheme applicable stamp duty on transfer of the immovable properties from the transferor Companies will be paid by the Transferee Company.

Paragraph 2(f) of RD affidavit

In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND-AS-8 etc.

Paragraph 9 of Rejoinder

The petitioners submit that consequent upon the sanction of the Scheme, the Transferee Company, in compliance of IND-AS 103, shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable accounting standards such as AS-5 or IND-AS 8.

" Paragraph 2(g) of RD affidavit

The Hon 'ble Tribunal may kindly direct the Petitioners to file an affidavit to the extent that the Scheme enclosed to the Company



Application and Company Petition are one and same and there is no discrepancy or no change is made.

Paragraph 10 of Rejoinder

The petitioners submit that the copy of Scheme attached to the Company Application (first motion petition) and Company Petition i.e the present petition for Sanction of the Scheme is one and same and that there is no discrepancy and that no change has been made in the Scheme.

Paragraph 2(b) of RD affidavit

The Petitioners under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the Petitioner Company (s) concerned.

Paragraph 11 of Rejoinder

The petitioners further submit that necessary notice as required under section 230(5) of the Companies Act, 2013 have been served by the



Petitioner Companies to all concerned authorities and affidavit of service in this regard has also been filed before the Tribunal.

Paragraph 2(i) of RD affidavit

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 Companies Act 2013 in meeting duly held in terms of section 230(1) read with sub-sections (3) to (5) of section 230 of the said Act and the Minutes thereof are duly placed on record.

Paragraph 12 of Rejoinder

The petitioners submit that the Scheme has been approved by the requisite majority of members and creditors as per section 230(6) of the Companies Act, 2013. The Chairman's Report of the Meetings relating to approval of the Scheme is also on record of this Tribunal.

Paragraph 2(j) of RD affidavit

It is submitted that the Income Tax Department by a letter dated 09/02/2021 with a request to forward their comments/ observations/ objections, if any However, the said authority has not forwarded their report to this Directorate till date.



Paragraph 13 of Rejoinder

It is submitted that the petitioners have not received any objection from any other Sectoral Authority.

15. Mr. Harihara Sahoo, Joint Director appearing on behalf of the Regional Director, Eastern Region, Ministry of Corporate Affairs, representing the Central Government submits that in view of submissions made by the petitioners in paragraphs 3 and 4 of the rejoinder, Central Government has no objection to approval of the Scheme of Amalgamation.
16. From the material on record, the Scheme appears to be fair and reasonable and is not violative to any provisions of law, nor is contrary to public interest.
17. Since all requisite compliance has been fulfilled, the following orders in terms of prayers made in the petition, with modification by the Tribunal are passed:

THIS TRIBUNAL DOTH ORDER

- (a) The Scheme of Amalgamation being Annexure "A" herein be sanctioned by this Hon'ble Tribunal to be binding with effect from the 1st April, 2020 instead of 1st April, 2018 being the Appointed Date as mentioned in the Scheme, on their respective shareholders and all concerned including those mentioned in the Scheme of Amalgamation;



(b) Pursuant to Section 230 to 232 of the Companies Act, 2013, all properties, rights, powers, interests, assets and undertakings of the Transferor Companies as on 1st April, 2020, being the Appointed Date, be transferred without any act deed or thing to the Transferee Company;

(c) Pursuant to Section 230 to 232 of the Companies Act, 2013, all liabilities and duties of the Transferor Companies as on 1st April, 2020, being the Appointed Date, be transferred without any act deed or thing to the Transferee Company;

(d) All suits and/or appeals and/or any proceedings, of whatsoever nature now pending by or against the Transferor Companies, if any, be continued by or against the Transferee Company;

(e) The Transferee Company do within 30 days of the date of obtaining certified copy of the order to be made herein, cause certified copy of the said order to be delivered to the Registrar of Companies, West Bengal for registration;

(f) The Registrar of Companies, West Bengal upon receiving such certified copy, be directed to place all such documents, papers and records relating to all the applicant companies and the files relating to the applicant companies shall be consolidated in terms of the scheme of amalgamation;



(g) The Transferor Company 1 and the Transferor Company 2 be dissolved without winding up from the date of filing of the certified copy of this order upon the Registrar of Companies, West Bengal by them;

(h) Leave is given to file the Schedule of Assets of the Transferee Company within four weeks from date of this order;

(i) Any person interested shall be at liberty to apply to this Hon'ble Tribunal in the above matter for such directions as may be necessary;

(j) Sanction of the Scheme shall not come in the way of any action for violation of any provisions of law committed by any of the Petitioner Companies and the same shall be met and answered by the Transferee Company. We leave it to the authorities concerned to see if there has been any violation of provisions of law and to take action as may be deemed appropriate under the law.

18. The Company Petition being CP (CAA) 1526/KB/2020 connected with CA (CAA) No.826/KB/2020 is disposed of.



Witness:

Sri Rajasekhar V.K., Hon'ble Member (Judicial) & Sri Harish Chander Suri, Hon'ble Member (Technical) at Kolkata aforesaid on the 25th March, 2021.

Ms. Shruti Swaika, Advocate, Ms. Iram Hassan, Advocate & Mr. Sanket Sarawgi, Advocate of petitioners.

Mr. Harihara Sahoo, Joint Director for the Regional Director (ER).

Schedule of Assets

First Part-I

(As per Annexure)

Second Part-II

(As per Annexure)

Third Part-III

(As per Annexure)


26/4/21
Joint Registrar

**National Company Law Tribunal
Kolkata Bench**

Dated, the ^{26th} day of April, 2021.



COMPOSITE SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF

THE COMPANIES ACT, 2013

AMONGST

J.M. HOSIERY & CO. LIMITED

(Transferor Company)

AND

EBELL FASHIONS PRIVATE LIMITED

(Transferor Company)

AND

LUX INDUSTRIES LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS



A. BACKGROUND OF THE COMPANIES

- (i) J. M. Hosiery & Co. Limited, the "Transferor Company 1", having Corporate Identity Number U18109WB2004PLC100293, a public limited company within the meaning of the Companies Act, 2013, was originally incorporated as "Todi Hosiery Private Limited" on 20th October, 2004 under the Companies Act, 1956 in the State of West Bengal. It was converted to a public limited company in the year 2012, subsequently renamed to its present name i.e. J. M. Hosiery & Co. Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 29th July, 2015 by the Registrar of Companies, West Bengal. The Transferor Company 1 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery.
- (ii) Ebell Fashions Private Limited, the "Transferor Company 2", having Corporate Identity Number U25191WB1997PTC084787, private limited company within the meaning of the Companies Act, 2013, was originally incorporated as "Ebel Polymers Private Limited" on 30th June, 1997 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Ebell Fashions Private Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 7th May, 2013 by the Registrar of Companies, West Bengal. The Transferor Company 2 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel for women's
- (iii) Lux Industries Limited, the "Transferee Company", having Corporate Identity Number L17309WB1995PLC073053, public listed company within the meaning of the Companies Act, 2013, was originally incorporated as "Lux Hosiery Industries Limited" on 21st July, 1995 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Lux Industries Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 24th October, 2007 by the Registrar of Companies, West Bengal. The Transferee Company is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery. The shares of the Transferee Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.



B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for the amalgamation of the Transferor Companies into the Transferee Company (as defined hereinafter), in the manner set out in this Scheme, and in accordance with the provisions of Sections 230 to 232 of the Act and other applicable provisions of Applicable Law.

C. PARTS OF THIS SCHEME

This Scheme is divided into the following parts :

- (i) PART I deals with the definitions of capitalized terms used in this Scheme and the share capital of the Transferor Companies and the Transferee Company;
- (ii) PART II deals with the amalgamation of the Transferor Companies with the Transferee Company; and
- (iii) PART III deals with the general terms and conditions that would be applicable to this Scheme.

D. RATIONALE FOR THIS SCHEME

The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
- (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased top line and bottomline for the merged entity;
- (c) The merged entity will have greater financial strength and flexibility;



- (d) The merger will also result in value appreciation for the shareholders of the merged entity;
- (e) Under a liberalised, fast changing and highly competitive environment, this amalgamation shall strengthen the businesses of the Transferor Companies and the Transferee Company by pooling up resources for common purpose;
- (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimisation of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged company.
- (g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the shareholders, creditors, employees, and other stakeholders of both the Transferor Companies and the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Companies to the Transferee Company pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

PART I

DEFINITIONS



1.1 DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii) the following expressions shall have the following meanings:

- 1.1.1 "Act" means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/ or regulations and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time;
- 1.1.2 "Appointed Date" means 1st April, 2018;
- 1.1.3 "Applicable Law" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of the Transferee Company.
- 1.1.4 "Appropriate Authority" means:
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - (b) any public international organisation or supranational body and its institutions,



departments, agencies and instrumentalities;

- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Competition Commission of India, SEBI (as defined hereinafter), and the Tribunal (as defined hereinafter); and
- (d) any Stock Exchange.

1.1.5 "Board" in relation to each of the Transferor Companies and the Transferee Company as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, this Scheme or any other matter relating thereto.

1.1.6 "Effective Date" means the day on which the conditions specified in Clause 17 (Conditions Precedent) of this Scheme are complied with.

1.1.7 "Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;

1.1.8 "INR" means Indian Rupee, the lawful currency of the Republic of India.

1.1.9 "Parties" shall mean collectively the Transferor Companies and the Transferee Company and "Party" shall mean each of them, individually;



- 1.1.10 "Permits" means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;
- 1.1.11 "Person" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.1.12 "Record Date" means the date to be fixed by the Board of the Transferor Companies in consultation with the Transferee Company for the purpose of determining the shareholders of the Transferor Companies for issue of the new equity shares pursuant to this Scheme.
- 1.1.13 "RoC" means the relevant Registrar of Companies having jurisdiction over the Transferor Companies or the Transferee Company as the case may be;
- 1.1.14 "Scheme" means this scheme of amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 1.1.15 "SEBI" means the Securities and Exchange Board of India;
- 1.1.16 "SEBI Circular" shall mean the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, modifications issued pursuant to regulations 11 and 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.1.17 "Stock Exchanges" means the National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE");
- 1.1.18 "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Companies or the Transferee Company or any other Person and all penalties, charges,



costs and interest relating thereto;

1.1.19 "Tax Laws" means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the Income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

1.1.20 "Transferee Company" means Lux Industries Limited, a public listed company, within the meaning of the Companies Act, 2013, having corporate identity number L17309WB1995PLC073053 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700 007, India;

1.1.21 "Transferor Company 1" means J.M. Hosliery & Co Limited, a public company, within the meaning of the Companies Act 2013, having corporate identity number U18109WB2004PLC100233 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata - 700 007, India.

1.1.22 "Transferor Company 2" means Ebell Fashions Private Limited, a private company, within the meaning of the Companies Act 1956, having corporate identity number U25191WB1997PTC084787 and having its registered office at PS Srijan Tech Park, DN-52, 10th Floor, Salt Lake City, Sector - V, Kolkata - 700 091, India.

1.1.23 "Transferor Companies" means collectively the Transferor Company 1 and the Transferor Company 2;

1.1.24 "Tribunal" means the National Company Law Tribunal having jurisdiction over the Transferor Companies and the Transferee Company.

1.2 INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



- .2.3 references to the word "include" or "including" shall be construed without limitation;
- .2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- .2.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- .2.6 Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- .2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- .2.8 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

SHARE CAPITAL

- .1 The share capital of the Transferor Company 1 as on 31st March, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
75,00,000 equity shares of INR 10 each	7,50,00,000
Total	7,50,00,000
Issued, Subscribed and Paid-up Capital	
74,46,006 equity shares of INR 10 each	7,44,60,060
Total	7,44,60,060

The equity shares of the Transferor Company 1 are not listed on any stock exchange in India or elsewhere.

- .2 The share capital structure of the Transferor Company 2 as on 31st March, 2018 is as follows:

Particulars	INR
Authorised Share Capital	
2,50,000 equity shares of INR 10 each	25,00,000
Total	25,00,000
Issued, Subscribed and Paid-up Capital	



2,35,000 equity shares of INR 10 each	23,50,000
Total	23,50,000

The Transferor Company 2 is a private limited company.

- 2.3 The share capital structure of the Transferee Company as on 31st March, 2018 is as follows:

Particulars	INR
Authorised Share Capital:	
1,50,00,000 equity shares of INR 2 each	3,00,00,000
56,00,000 preference shares of INR 100 each	56,00,00,000
Total	65,00,00,000
Issued & Subscribed:	
2,77,37,500 equity shares of INR 2 each	5,54,75,000
Total	5,54,75,000
Fully Paid Up:	
2,52,53,000 Equity Shares of INR 2 each	5,05,06,000
Total	5,05,06,000

The Issued & Subscribed Capital of the Company consist of 2,77,37,500 equity shares of Rs. 2/- each while the Fully Paid Up Capital of the Company consists of 2,52,53,000 Equity Shares of Rs. 2/- each in view of the fact that the Company had forfeited 4,96,900 equity shares of Rs. 10/- each (equivalent to 24,84,500 equity shares after sub-division of shares from that of Rs. 10/- each to Rs. 2/- each) during the financial year 2006-07.

The Transferee Company is a public limited company and its equity shares are listed on the NSE & BSE.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 16 of this Scheme, shall become effective from Appointed Date but shall be operative from the Effective Date.



PART II

AMALGAMATION OF TRANSFEROR COMPANIES WITH THE TRANSFeree COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1 With effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Companies shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. 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 and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1 with respect to the assets of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Companies by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;
- 4.2.2 subject to Clause 4.2.3 below, with respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, 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, whether or not the same is held in the name of the respective Transferor Companies the same, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of properties, the Transferee Company will enter into novation agreements, if it is so required;

4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the concerned Transferor Companies, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Companies, without any act or deed to be done or executed by the Transferor Companies, as the case may be and/or the Transferee Company;

4.2.4 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to the contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;

4.2.5 the vesting of the entire undertaking of the Transferor Companies, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant



assets of the Transferor Companies or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the respective Transferor Company is a party) related to any assets of such Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

4.2.6 Taxes, if any, paid or payable by the respective Transferor Company after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;

4.2.7 If any of the Transferor Companies is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under any incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission;

4.2.8 upon Part II of the Scheme becoming effective, the Transferor Companies and/or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;

4.2.9 it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230



to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.2.10 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the respective Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and

4.2.11 without prejudice to the foregoing provisions of Clause 4.2, the Transferor Companies, and the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require and execute any and all instruments or documents and do all acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.

5. PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to the Transferor Companies, pursuant to the provisions of Section 232 of the Act, shall, without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and



conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Companies, and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

6. CONTRACTS

6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Appointed Date, to which any of the Transferor Companies is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above. Any inter-se contract between any of the Transferor Companies, on the one hand, and the Transferee Company on the other hand, shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.

6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Companies occurs by virtue of this Scheme, the Transferee Company may, at any time in accordance with the provisions hereof, if so required under any Applicable law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which either of the Transferor Companies is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. 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 Companies, to carry out or perform all such formalities or



compliances referred to above on the part of the Transferor Companies.

- 6.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of such Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies, to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

7. EMPLOYEES

Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Companies prior to the amalgamation of the Transferor Companies with the Transferee Company shall be taken into account for

the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits.

8. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "Proceedings") by or against any of the Transferor Companies is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted



and enforced by or against the concerned Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

9. CONSIDERATION

9.1 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Companies in the Transferee Company in terms of Part II of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot equity shares ("New Equity Shares") to the members of the respective Transferor Companies whose names appear in the register of members of the respective Transferor Companies as on the Record Date in the following manner:

9.2 for every 100 fully paid up equity shares of the Transferor Company 1 having face value of INR 10 each and held by the members of the Transferor Company 1 as on record date, 29 equity shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 1.

9.3 for every 100 fully paid up equity shares of Transferor Company 2 having face value of INR 10 each and held by the members of the Transferor Company 2 as on record date, 1142 Equity Shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 2.

9.4 Notwithstanding anything contained in Clause 9.1 above, upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Companies (either directly or through nominees) or the Transferor Companies hold amongst each other shall get cancelled without any further application, act or deed, in accordance with provisions of Section 100 to 103 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. It is clarified that no new equity shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Companies held inter-se



amongst the Transferor Companies.

- 9.5 Any share of the Transferee Company that is held by the Transferor Companies, to the extent the same has not been transferred prior to the Effective Date, shall, without any further act, document or deed, upon the Scheme becoming effective, be deemed to have been transferred to the Transferee Company pursuant to this Scheme for the express purpose of cancellation, and be so cancelled and there would be no issuance of shares by the Transferee Company in relation to such shares so held.
- 9.6 In the event that the Transferee Company restructures its equity share capital by way of a share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 9.7 The issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies shall be deemed to have complied with all provisions of the Act and such other statutes and regulations as may be applicable.
- 9.8 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 9.9 In respect of shareholders entitled for fractional entitlement based on the swap ratio, no fractional shares shall be issued by the Transferee Company and all fractional entitlements will be rounded up to the nearest Integer.
- 9.10 The equity shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges and shall be listed and admitted to trading on the relevant Stock Exchange(s) in India, where the existing equity shares of the Transferee Company are listed and admitted to trading.
- 9.11 The new Equity Shares to be issued by the Transferee Company in respect of any equity



shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise, shall also be kept in abeyance.

10. ACCOUNTING TREATMENT BY THE TRANSFeree COMPANY IN RESPECT OF ASSETS AND LIABILITIES

- 10.1** The Transferee Company shall account for the Scheme in its books/financial statements upon receipt of all relevant/requisite approvals for the Scheme in accordance with principles laid down in the applicable "Indian Accounting Standard (Ind-AS)" including Ind AS 103 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the applicable provisions of the Act, and generally accepted accounting principles in India; and-
- 10.2** Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with Clause 10.1
- 10.3** In case of difference in accounting policy between the Transferee Company and the Transferor Companies, the accounting policy followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the statement of profit and loss to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.
- 10.4** Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of Part II of this Scheme, the resolutions and powers of attorney of/executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and powers of



attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

PART-III

GENERAL TERMS & CONDITIONS

12. DIVIDENDS

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

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

13. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

13.1 With effect from the Appointed Date and up to and including the Effective Date:

13.1.1 the Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and



shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;

13.1.2 all profits or income arising or accruing to the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company;

13.1.3 all loans raised and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company;

13.1.4 The Transferor Companies shall carry on their business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto,

13.1.5 The Transferor Companies shall not amend its respective Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required and expressly permitted under this Scheme.

13.1.6 The Transferor Companies shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

13.1.7 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to



execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

14. DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the Registrar of Companies.

15. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

15.1 The Parties shall with dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Companies without being wound up.

15.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferor Companies and Transferee Company may require to own the assets and/or liabilities of the Transferor Companies, and to carry on the business of



the Transferor Companies.

16. MODIFICATION OR AMENDMENTS TO THIS SCHEME

16.1 On behalf of each of the Transferor Companies and the Transferee Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the boards of the Transferor Companies and the Transferee Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Transferor Companies and the Transferee Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. CONDITIONS PRECEDENT

17.1 Unless otherwise decided (or waived) by the relevant Parties and subject to the provisions of Clause 17.2, all parts of the Scheme are conditional upon and subject to the following conditions precedent:

17.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

17.1.2 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Companies and the Transferee Company and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may



be directed by the Tribunal;

17.1.3 the Parties, as the case may be, complying with the provisions of the SEBI Circular, as applicable, and in particular in compliance with Para (I)(A)(9)(a) of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, which provides for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, , and in particular in compliance with Para (I)(A)(9)(b) of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 which provides that the scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it,

17.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act being obtained by the Transferor Companies and the Transferee Company;

17.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction over the Parties; and

17.1.6 the requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract, agreement, may be necessary for the effective transfer of business and/or implementation of the relevant parts of the Scheme.

17.2 Without prejudice to Clause 17.1 and subject to satisfaction or waiver of conditions mentioned in 17.1 above, Part II of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 17.1.1 by the Boards of the Transferor Companies and the Transferee Company.

17.3 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Companies and/ or the Transferee Company may have under or pursuant to all Applicable Laws.

17.4 On the approval of this Scheme by the shareholders of the Transferor Companies and the Transferee Company and such other classes of Persons of the said Companies, if any,



pursuant to Clause 17.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

18. EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

18.1 The Transferor Companies and the Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

18.2 If this Scheme is not made effective within such period as may be mutually agreed upon between the Transferor Companies and the Transferee Company through their respective Boards or their authorised representatives, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

18.3 In the event of revocation or withdrawal under Clause 18.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

18.4 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

18.5 Further, it is the intention of the Parties that each part shall be severable from the



remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

19. INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE TRANSFeree COMPANY

- 19.1 Upon Part II of the Scheme becoming effective, the authorised share capital of the Transferor Company 1 and Transferor Company 2 will get merged with that of the Transferee Company.
- 19.2 The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 19.3 Consequently, clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act, and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 727,500,000/- (Rupees Seventy Two Crores Seventy Five Lacs only) consisting Rs. 167,500,000/- (Rupees Sixteen Crore Seventy Five Lacs) divided into 8,37,50,000 (Eight Crores Thirty seven Lacs Fifty Thousand) equity shares of Rs. 2 (Rupees Two) each and Rs. 56,00,00,000/- (Rupees Fifty Six Crores) divided into 56,00,000 (Fifty Six Lacs) Preference Shares of Rs. 100/- each with such rights, privileges and conditions attaching thereto as are provided by the Regulations of the Article of Association of the Company for time being, with power to increase and decrease the Capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential qualified or special rights from time to time and to vary, modify or abrogate any such rights, privileges or conditions attached to any class of shares in such manner as may for the time being be provided by the regulations of the Company."



- 19.4 It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/ approval also to the consequential alteration of their respective memorandum of association pursuant to Clause 19.3 of this Scheme and the Transferee Company shall not be required to seek separate consent/ approval of its

shareholders for such alteration of their memorandum of association pursuant to Clause 19.3 of this Scheme, as required under Sections 13, 14, 61, 64, and other applicable provisions of the Act.

20. COSTS AND TAXES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the Transferee Company.

21. LISTING AGREEMENT AND SEBI COMPLIANCES:

- 21.1 Since the Transferee Company is a listed company, this scheme is subject to the compliances of all the requirements under the Listing Regulations and all directions of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and implementation of the Scheme.
- 21.2 The Transferee Company will cause compliance by its Promoters with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017 with respect to issuance of shares to the shareholders of the Transferor Companies pursuant to Clauses 9.1 to 9.3 of the Scheme, to the effect that the percentage of shareholding of pre-scheme public shareholders of the Transferee Company in the post-scheme shareholding pattern of the "Transferee" company shall not be less than 25%, at any point in time.



- 21.3 The Scheme being approved by the public shareholders of the Transferee Company, in compliance with Para (1)(A)(9)(a) of SEBI Circular No. CFD/DIL3/Cir/2017/21 dated March 10, 2017, while providing for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, provided that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it, in compliance with Para (1)(A)(9)(b) of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



SCHEDULE OF ASSETS

Part A

Schedule of Assets as at 1st April, 2020 of J. M. Hosliery & Co. Limited (the Transferor Company 1), to be transferred to and vested in Lux Industries Limited (the Transferee Company).

First Part

(Short description of the freehold property of the Transferor Company 1)

Property No. 1: All That 2nd Floor containing an area of 142.175 square meter more or less situated in the building at premises No. D-238, Hariom Complex, 2nd Floor, Kamla Nagar, Hariparwat Ward, Agra- 262 004 together with all other properties, rights, benefits and appurtenances thereto including proportionate undivided share in the land to which the Transferor Company 1 is seized and possessed of and otherwise well sufficiently entitled to in connection with the said floor.

Property No. 2: All That 3rd Floor containing an area of 96.703 square meter more or less situated in the building at premises No. D-238, Hariom 3rd Floor, Kamla Nagar, Hariparwat Ward, Agra- 262004 together with all other properties, rights, benefits and appurtenances thereto including proportionate undivided share in the land to which the Transferor Company 1 is seized and possessed of and otherwise well sufficiently entitled to in connection with the said floor.

Property No. 3: All That pieces and parcels of land containing an area of 2400 square feet more or less together with all that building thereon or on part thereof situated at Site No.70, Angeripalayam Road Sastri Nagar Ward 6 of Tirupur Municipal Town, Tirupur Taluk, Tamil Nadu-641602.

Property No. 4: All That pieces and parcels of land containing an area of 2400 square feet more or less together with all that building thereon or on part thereof situated at Site No.68, Angeripalayam Road Sastri Nagar Ward 6 of Tirupur Municipal Town, Tirupur Taluk, Tamilnadu - 641602.

Property No.5: All That pieces and parcels of land containing an area of 2400 square feet more or less together with all that building thereon or on part thereof situated at Site No.69, Angeripalayam Road Sastri Nagar Ward 6 of Tirupur Municipal Town, Tirupur Taluk, Tamil Nadu - 641602.

Second Part

Short description of the leasehold property of the Transferor Company 1

NIL



Short description of all stocks, shares, debentures and other choses in action of the Transferor Company 1

SCHEDULE OF ASSETS

Part A

Schedule of Assets as at 1st April, 2020 of Ebell Fashions Private Limited (the Transferor Company 2), to be transferred to and vested in Lux Industries Limited (the Transferee Company).

First Part

Short description of the freehold property of the Transferor Company 2

NIL

Second Part

(A short description of the leasehold properties of the Transferor Company 2)

Property: All That Module No. 103 containing an area of 305 square meter situated on the ground floor SDF Building at plot No. 1, Block-LB, Sector-III, P.S. Bidhannagar, Dist. - 24 Parganas (North), Kolkata- 700106 together with all other properties, rights, benefits and appurtenances thereto including proportionate undivided share in the land the Transferor Company 2 is seized and possessed of and otherwise well sufficiently entitled to in connection with the said Module.

Third Part

Short description of all stocks, shares, debentures and other choses in action of the Transferor Company 2

	Particulars	Rs. (In Lakhs)
1	Non-Current Assets:	
	(a) Fixed Assets	
	(i) Tangible assets - Lease hold Rs. 20.62 lakhs	
	- Others Rs.573.76 lakhs	594.38
	(ii) Intangible Assets (Computer Software)	2.46
	(b) Long Term Loans and Advances	30.65
	(c) Other Non-Current Assets	7.86
2	Current Assets:	
	(a) Inventories	4,339.55
	(b) Trade Receivables	5,152.91
	(c) Cash and Bank Balances	374.32



(d) Short-Term Loans and Advances	2,303.41
(e) Other Current Assets	86.73
(f) Current Investments	3,810.84
Total Assets	16,703.11

