



**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
NELCO LIMITED**

**CIN: L32200MH1940PLC003164**

No.11-3164

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME  
IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.

In the matter of THE NATIONAL RADIO & ELECTRONICS COMPANY LTD.

I hereby approve and signify in Writing under Section 21  
of the Companies Act, 1956 (Act of 1956) read with the  
Government of India, Department of Company Affairs,  
Notification No.G.S.R. 507E dated the 24th June 1985 the  
change of name of the company.

from THE NATIONAL RADIO & ELECTRONICS COMPANY LIMITED

to NELCO LIMITED

and I hereby certify that THE NATIONAL RADIO & ELECTRONICS  
CO. LTD. which was originally incorporated on THIRTY-FIRST  
day of AUGUST 1940 under the Indian Companies Act VII of 1913  
under the name THE NATIONAL RADIO & ENGINEERING CO. LTD.,  
having duly passed necessary resolution in terms of section  
21 / / / of the Companies Act, 1956 the name of  
the said Company is this day changed to NELCO  
LIMITED and this certificate is issued  
pursuant to Section 23(1) of the said Act.

Given under my hand at MUMBAI this TWENTYEIGHTH  
day of SEPTEMBER one thousand nine hundred  
ninety NINE.



(H. A. SOJ ),  
ASST. REGISTRAR OF COMPANIES,  
MAHARASHTRA MUMBAI.



सत्यमेव जयते

# GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

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

Corporate Identity Number: L32200MH1940PLC003164

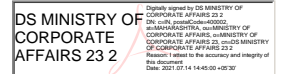
## SECTION 13(1) OF THE COMPANIES ACT, 2013

### Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s NELCO LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 09-06-2021 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Mumbai this Fourteenth day of July Two thousand twenty-one.



V T SAJEEVAN

Registrar of Companies

RoC - Mumbai

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

NELCO LIMITED

MIDC, PLOT NO. EL 6, TTC INDUSTRIAL AREA,, ELECTRONICS ZONE,  
MAHAPE, NAVI MUMBAI, Maharashtra, India, 400710



No. 3164/TA.

CERTIFICATE OF CHANGE OF NAME

In the OFFICE of the REGISTRAR OF COMPANIES  
UNDER THE COMPANIES ACT, 1956.

In the matter of :

THE NATIONAL-EKCO RADIO & ENGINEERING  
COMPANY LIMITED

I do hereby certify that pursuant to the provisions of Section 23 of Companies Act, 1956 and under order of the Central Government conveyed by the Ministry of Industrial Development, Department of Company Affairs by their No.: RD:15(21)6/Change-69 dated 18th July 1969, to the address of THE NATIONAL-EKCO RADIO & ENGINEERING COMPANY LIMITED, Ewart House, Bruce Street, Fort, Bombay-1, the name of "THE NATIONAL-EKCO RADIO & ENGINEERING COMPANY LIMITED" has this day been changed to "THE NATIONAL RADIO & ELECTRONICS COMPANY LIMITED" and that the said Company has been duly incorporated as a Company under the provisions of the said Act.

Dated this SIXTH day of AUGUST One Thousand Nine Hundred and SIXTY-NINE.



Sd/- (N. M. SHAH)  
Asstt. Registrar of Companies,  
Maharashtra, Bombay.



## Certificate of Registration

(Pursuant to the provision of Section 61(4) of the Indian Companies Act, 1913.)

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THE NATIONAL EKCO RADIO AND ENGINEERING COMPANY LIMITED having by Special Resolution reduced its capital as confirmed by an Order of the High Court of Judicature at Bombay bearing date the 6th January 1950.

*I hereby Certify the Registration*  
of a certified Copy of the said Order and of a minute showing the share capital of the Company as altered by the Order.

Given under my hand at Bombay this First day of March One Thousand Nine Hundred and Fifty.



(Sd.) BEHRAMJI M. MODI,  
Registrar of Companies,  
Bombay.

No. 3164

In the OFFICE of the REGISTRAR OF COMPANIES UNDER  
ACT VII OF 1913.

IN THE MATTER OF The National Radio & Engineering  
Company, Limited.

I do hereby certify that pursuant to the provisions of Section 11, sub-section (5), Act VII, 1913 (The Indian Companies Act, 1913), and under order of the Government of Bombay conveyed by their No. 6693/33-D Finance Department dated the 5th May 1949 to the address of Messrs. Wadia Ghandy and Company, Solicitors and Notaries Public 123, Esplanade Road, Fort, Bombay, the name of The National Radio and Engineering Company Limited has this day been changed to National Ekco Radio and Engineering Company Limited and that the said Company has been duly incorporated as a Company under the provisions of the said Act.

Dated this Twenty-eighth day of May One thousand Nine hundred and Forty-nine.



(Sd.) BEHRAMJI M. MODI,  
Registrar of Companies,  
Bombay.



## Certificate of Incorporation.

No. 3164 of 1940-1941.

I hereby certify that The National Radio  
and Engineering Company, Limited

is this day incorporated under the Indian  
Companies' Act, XXI of 1913, and that the  
Company is Limited.

Given under my hand at Bombay

this thirty-first day of August

One thousand nine hundred and forty.

*The Registrar*  
Registrar of Joint-Stock Companies.

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**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**NELCO LIMITED**

- I. The name of the Company is "**NELCO LIMITED.**"
- II. The Registered Office of the Company will be situate in the State of Maharashtra.
- III. The objects for which the Company is established are :-
  - (1) To carry on in India or elsewhere business as manufacturers importers and exporters of and dealers in Radios, Radio Receiving and Transmitting Sets and their component parts. Wireless Apparatus and appliances and radio, electrical, and engineering materials, goods. Machinery and requisites and as Radio, Electrical, Mechanical and General Engineers and Contractors and as manufactures and workers in materials of any nature and kind, and as exporters and importers of and dealers in articles and goods of all descriptions.
  - (1-A) To carry on in India or elsewhere the business of manufactures, assemblers, buyers, sellers, importers, exporters, dealers in, hirers and distributors of
    - (a) Radios, radio products, radio apparatus and equipment, radio receivers of all kinds such as table sets, portable sets, transistors, car radios, record players, radiograms, television receivers, tape recorders, dictating machines and electronic apparatus and equipment of all kinds and cabinets, component parts and accessories thereof of every kind and description including coils, resistors, condensers, transformers, loud-speakers, valves, transistors, diodes, photocells, storage batteries wet and dry and all other mechanical, electrical and electronic parts, and parts made from metal, wood, plastic, glass and other materials.
    - (b) All equipment and instruments for recording, amplifying, reproducing or transmitting voices, sound, light, vision, impulses and signals and components and parts thereof.
    - (c) All kinds of radio and electronic equipment and products of every description and kind including broadcasting and television transmitters, wireless receiving and transmitting apparatus, direction finding equipment, sonar and radio sounder, electrical testing and measuring instruments, electronic equipment components and accessories, panels, meters, telecommunication cable and cable accessories, intercom sets, radio links, carrier frequency equipment, analogue and digital computers, letter sorting and ticket issuing machines and components and parts thereof.
    - (d) Household and commercial appliances, electrical, mechanical or otherwise of every nature and kind whatsoever including lamps; irons, washing machines, vacuum cleaners, floor polishers, water heaters, air conditioners, ovens, stoves, grills, professional kitchen and canteen equipment and scientific and laboratory apparatus and equipment.
    - (e) Optical and nautical apparatus, binoculars, microscopes, stereoscopes, glasses, lenses and appliances and instruments of every description and components and parts thereof.



- (f) Medical and surgical instruments, hearing aids, scientific and laboratory apparatus and instruments and analytical balances.
  - (g) All capital equipment, machinery and apparatus required for the manufacture, testing and repairs of any or all of the above articles and products.
- (1-B) To repair, maintain, service and alter all or any of the above articles and products.
- (1-C) To carry on the business of manufacturers, assemblers, factors, builders, importers, hirers and dealers in theatrical, film producing *and* studio equipments of every description, cameras, taking picture equipments of both recording and reproducing and laboratory equipments of every description, photographic apparatus, instruments, materials and products of every description and printed and other advertising matters and in connection therewith to undertake and carry out all or any of the functions, operations, services or works ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.
- (1-D) To produce, finance, exploit, turn to account and deal in motion picture plays and to conduct and carry on, in all their respective branches, the businesses of producers, manufacturers, licensors, licensees, printers, proprietors, hirers, renters and exhibitors of and dealers in and agents for films of all and every kind and description, photographic negatives and positives, photoplays, scenarios, photographic instruments, material and products, and printed and other advertising matter and in connection therewith to undertake and carry out all or any of the functions operations services or work ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.
- (1-E) To carry on the business of touring cinemas for public entertainment, education and instruction and to maintain libraries of entertainment, instructional and educational films and to produce or cause to be produced films for public entertainment, education and instruction and also deal in such other equipments, as may be essential for the purpose of education in Government, Municipal and private schools, colleges and universities.
- (1-F) To establish, provide, maintain and conduct or otherwise subsidise research and development, technical laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds. And generally to encourage, promote and reward studios, researches, investigations, experiments, tests, discoveries and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

*“With effect from 9<sup>th</sup> June, 2021 (being the date of receipt of all the approvals and sanctions from appropriate authorities as may be required under the law in respect of the Scheme have been obtained i.e. Effective Date), to the Composite Scheme of Arrangement and Amalgamation amongst Nelco Ltd., Tatanet Services Ltd. and Nelco Network Products Limited approved by NCLT, Mumbai Bench vide its order dated 2<sup>nd</sup> November, 2018, the main object clause of the Memorandum of Association (MOA) of the Company (Amalgamated Company) stands altered and amended. Accordingly, the following Clause III (1-G) is inserted.”*

(1-G) To carry on in India and elsewhere, either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under strategic alliance or Joint Venture or any other arrangement the business of establishing, setting, arranging, undertaking, consulting, advising, managing, planning, designing, operating, promoting, organizing, conducting, observing, controlling, customizing, providing, selling, letting on hire, taking and giving on lease, installing, maintaining, producing,

modifying, to provide communication services including VSAT based satellite and broadband communication services including Maritime and Aeronautical Communication Services and such other domestic/ international telecommunications services as are in use elsewhere or to be developed in future, to plan, establish, develop, provide, operate and maintain telecommunications systems and networks within India or outside India as are found necessary for domestic and international telecommunications, digital satellite news gathering services, internet protocol television, digital signage, domestic and international data gateway networks, data transmission, telematics, video conferencing, streaming video, digital video broadcast, distance learning, digital transmission, telemedicine, high speed internet, virtual private network services, beaming to single / multi screen cinema, up linking of TV signals, teleport services, Internet services, systems and connectivity with telephone network using telephone, satellites and transponders, Voice-over-Internet Protocol (VOIP), Broadband internet wireless, data and hosting services, Cyber shops, cyber classrooms, internet kiosks, E-mail services and Data-storage, server & storage co-location, data analytics and data processing related activities, leased lines, Multi Protocol Label Switching (MPLS) services, cloud based services and other allied service”

- (2) To carry on the business as manufacturers and makers of and dealers in metal and other products, articles and thing of every description and kind and to carry on and conduct workshops and foundries of iron, brass and other metals and to buy sell manipulate and deal, both wholesale and retail, in products, commodities, goods, articles and things of all kinds whatsoever.
- (3) To construct, maintain, carry out, work, sell, let on hire, and deal in Telegraphic and Wireless Apparatus and all kinds of works, machinery conveniences and things capable of being used in connection with any of the objects of the Company, and in particular any cables, wires, lines, stations, exchanges, accumulators, lamps, meters, and engines.
- (4) To carry on the business of engineers and manufacturers of Telegraphic and Wireless Works or Telegraphic and Wireless Apparatus of any nature and kind.
- (5) To carry on in India and elsewhere the business of an electric light and power company in all its branches, and the business of electrical engineers, electricians, engineers, contractors, manufacturers conductors, suppliers of and dealers in electrical and other appliances, cables, wirelines, accumulators, lamps and works, and to generate, accumulate, distribute and supply electricity for the purposes of light, heat motive power, and for all other purposes of which electrical energy can be employed and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and of employment of electricity including in the term electricity all power that may be directly or indirectly derived there from or may be incidentally hereafter discovered in dealing with electricity.
- (6) To carry on the business of iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders. metal-workers, boiler-makers, millwrights, machinists, iron and steel converters, smiths, wood-workers builders, painters, metallurgists, electrical engineers, water supply engineers, gasmakers, farmers, printers, carriers and merchants, and to buy, sell manufacture, repair, convert, alter let on hire and deal in machinery, implements, rolling-stock and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.

- (7) To carry on the business of a telephone, telegraph and electric light, heat, and power supply company and in particular to establish, work, manage, control and regulate telephone exchanges and works for the supply of electric light, heat and motive power, and to transmit and facilitate the transmission of telephonic and telegraphic communications and messages and to undertake the lighting of towns, streets, buildings, and other places, and the supply of electric light, heat and motive power for public or private purposes.
- (8) To construct, maintain, lay down, carryout, work, sell, let on hire and deal in telephones and all kinds of works, machinery, apparatus, conveniences, and things capable of being used in connection with any of these objects and in particular any cables, wires, lines, stations, exchanges, reservoirs, accumulators, lamps, meters and engines.
- (9) To construct, execute, carry out, equip, improve, work, develop, administer, manage or control in India and elsewhere public works and conveniences of all kinds, which expression, in this Memorandum includes railways, tramways, docks, harbour, piers, wharves, canals, reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works and hotels, warehousing, markets and Public buildings and all other works or conveniences of public utility.
- (10) To carry on the business of miners, metallurgists, builders and contractors, engineers, farmers, grazers, ship-owners, ship-builders, merchants, importers and exporters, and to buy, sell and deal in property of all kinds.
- (11) To carry on the business of railway, tramway, airway, omnibus, van carriage and boat proprietors and carriers of passengers and goods by land sea, or air.
- (12) To apply for, tender, purchase or otherwise acquire any contracts, sub contracts, licenses and concessions for or in relation to the objects or businesses herein mentioned or any of them, and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
- (13) To sub-let all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
- (14) To purchase, take on lease or in exchange, obtain assignments of or otherwise acquire land and/ or buildings of any tenure or description in India or elsewhere and any estate or interest in and any rights connected with any such lands and/ or buildings.
- (15) To erect, construct, enlarge, alter or maintain buildings and structures of every kind necessary or convenient for the Company's business.
- (16) To purchase for investment or resale and to traffic in land and house or other property of any tenure and any interest therein, and to create, sell, and deal in freehold and leasehold ground rents and to make advances upon the security of land or house or other property or any interest therein and generally to deal in, traffic by way of sale, lease, exchange or otherwise with land and house property and any other property whether immovable and movable.

- (17) To form, promote, organise and assist or aid in forming, promoting, subsidizing, organizing or aiding companies, syndicates or partnerships of all kinds for the purpose of acquiring and undertaking any property and liabilities of this Company or of advancing, directly or indirectly the objects thereof or for any other purpose which this Company may think expedient and to take or otherwise acquire, hold and dispose of shares, debentures, and other securities in or of any such company and to subsidise or otherwise assist any such company.
- (18) To sell, improve, manage, work, develop, lease, mortgage, abandon or in any other manner deal with or dispose of the undertaking of the Company or any part thereof or any part of the property rights and concessions for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.
- (19) To amalgamate with or enter into partnership or any joint purse or profit sharing arrangement with or co-operate with or subsidise or assist in any way any company firm or person.
- (20) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interests with any person or persons, company or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorised to carry on or conduct or from which this Company would or might derive any benefit whether direct or indirect.
- (21) To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to act as administrators, managers, Secretaries., receivers, managing agents or in any other capacity and to appoint and remunerate any directors, administrators, managers or accountants or other experts or agents.
- (22) To form, manage, join or subscribe to any syndicate.
- (23) To transact and carry on all kinds of agency business.
- (24) To carry on all or any of the business of metal, timber and wood merchants, importers and exporters, saw mills, ship, barge and lighter owners and manufacturers and shippers of and dealers in all kinds of metals, metallic articles, wood, wooden articles and machinery of all descriptions.
- (25) To carry on the business of a water-works company in all its branches and to sink wells and shafts, and to make; build and construct, lay down and maintain, dams, reservoirs, waterworks, cisterns, culverts, filter beds, main and other pipes and appliances, and to execute and do all other acts and things necessary or convenient for obtaining, storing, selling, delivering, measuring, distributing and dealing on water.
- (26) To acquire and take over any business or undertaking similar or dissimilar to the business and undertaking of the Company which the Company may desire to acquire or become interested in and the whole or any of the assets and liabilities of such business or undertaking and to carry on the same or to dispose of, remove or put an end thereto or otherwise deal with the same as may seem expedient.



- (27) To establish, form and maintain an experimental workshop and collection of models, designs, drawings and other articles of interest in connection with Radio and Radio Sets manufacture and trade.
- (28) To enter in any arrangements, with any Government, State or authorities, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them *and* to apply for and obtain or to purchase or otherwise acquire from any such Government, State or authorities any licenses, concessions, grants, degrees, sanctions, rights powers and privileges whatsoever (whether statutory or otherwise) which may seem to the Company Capable of being turned to account and in particular for the manufacture, export, import of and dealing in Radios, Radio Receiving and Transmitting Sets and their components part and Wireless Appliances and Apparatus and to work, develop, carry out, execute and turn to account the same.
- (29) To acquire by concession, grant, purchase, amalgamation, barter, lease, license or otherwise either absolutely or conditionally and either solely or jointly with others any factories, workshops, lands, farms, quarries, water rights and other privileges and rights and any machinery, plant, utensils, trademarks and other movable and immovable property of any description.
- (30) To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere any patents, patent rights, brevets d'invention, licenses, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (31) To buy, sell, manufacture, refine, manipulate, import, export and deal both wholesale and retail in commodities, substances, apparatus, machinery, articles and things of all kinds capable of being used or which can conveniently be dealt in by the Company in connection with any of its objects.
- (32) To be interested in, promote and undertake the formation and establishment of such institutions, businesses or companies (industrial agricultural, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the Company and to carry on any other business (industrial, agricultural, trading, manufacturing or other) which may seem to the Company capable of being conveniently carried on in connection with any of these objects or otherwise calculated, directly or indirectly; to render any of the Company's properties or rights for the time being profitable, and also to acquire, promote, aid, foster, subsidise or acquire interests in any industry or undertaking.
- (33) To guarantee and insure the due payment, fulfilment and performance of contracts and obligations of any kind or nature.
- (34) To ensure any of the properties, undertakings, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.
- (35) To draw, accept and make and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bill of lading and other negotiable or transferable instruments.

- (36) To borrow or raise money or to receive money on deposit at interest, or otherwise in such manner as the Company may think fit, and in particular by the issue of debenture or debenture stock, perpetual or otherwise including debentures or debenture stock convertible into shares of this Company, or perpetual annuities, and as security for any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise, or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.
- (37) To accumulate funds and to lend, invest or otherwise employ moneys belonging to or entrusted to the Company in any shares, securities or investments, movable or immovable, upon such terms as may be thought proper and from time to time to vary such transactions in such manner as the company may think fit.
- (38) To acquire and hold shares in any other company and to pay *for* any properties, rights or privileges acquired by this Company either in shares of this Company or partly in shares and partly in cash or otherwise, and to give shares or stock of this Company in exchange for shares or stock of *any* other company.
- (39) To let out on hire all or any of the property of the Company whether immovable or movable, including all and every description of apparatus or appliances and to hold, use, cultivate, work, manage improve, carry on and develop the undertaking, land and immovable and movable property and assets *of* any kind of the Company or any part thereof.
- (40) To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and charges in connection therewith and to remunerate or make donations to (by cash or other assets, or by the allotment of fully or partly paid shares, or by a call or option on shares, debentures, debenture stock or securities of this or any other company, *or* in any other manner, whether out of the Company's capital or profits or otherwise) any person, persons or company for services rendered or to be rendered in introducing any property or business to the Company or for any other reason which the company may think proper.
- (41) To adopt such means of making known the business and/or products of the company as may seem expedient and in particular by advertising in the Press by circulars, by purchase and exhibition of work of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (42) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connection of such persons by building or contributing to the building of houses, dwelling or chawls or by grant of money, pensions, 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 Company shall think fit, and to subscribe 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.

- (43) To distribute any of the property of the Company amongst the members in specie or kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (44) To undertake and execute any trusts the undertaking whereof may seem desirable and either gratuitously or otherwise.
- (45) To aid, pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement, or surmounting of problems with which the Company may be concerned including Industrial or labour problems or the promotions of industry or trade.
- (46) To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principal agents contractors trustee or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others, and so that the word "company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph of this Clause or the name of the Company.

IV. The liability of the members is limited.

*"With effect from 9<sup>th</sup> June, 2021 (being the date of receipt of all the approvals and sanctions from appropriate authorities as may be required under the law in respect of the Scheme have been obtained i.e. Effective Date), to the Composite Scheme of Arrangement and Amalgamation amongst Nelco Ltd., Tatanet Services Ltd. and Nelco Network Products Limited approved by NCLT, Mumbai Bench vide its order dated 2<sup>nd</sup> November, 2018, the main object clause of the Memorandum of Association (MOA) of the Company (Amalgamated Company) stands altered and amended. Accordingly, the following Clause V is inserted."*

"V. The Capital of the company is Rs 55,00,00,000 divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being), with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

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

Dated this Thirty first day of August 1940

Name of Subscriber	Address description of subscriber	Number of shares taken by each subscriber	Name and Address of witness
H. P.MODY	Director Tata Sons Ltd., Bombay House, Homi Mody Street, Fort, Bombay.	Ten	D. C. Dinshaw Investment Corporation of India Ltd.
A .D. SHROFF	Financial Adviser, Tata Sons Ltd., Bombay House, Homi Mody Street, Fort, Bombay.	Ten	D. C. Dinshaw
J.D.CHOKSI	Solicitor, Tata Sons Ltd., Bombay House, Homi Mody Street, Fort, Bombay.	Ten	D. C. Dinshaw
J.N.PATUCK	Secretary, The Investment Corporation of India Ltd Bombay House, Homi Mody Street, Fort, Bombay.	Five	D. C. Dinshaw
R. C. DOODHMAL	Accountant, The Investment Corporation of India Ltd Bombay House, Homi Mody Street, Fort, Bombay.	One	D. C. Dinshaw

Special resolution passed at the Extraordinary General Meeting of the Company held on 26<sup>th</sup> March, 1996

"RESOLVED THAT pursuant to sub-section (2A) of Section 14S and other applicable provisions, if any of the Companies Act. 1956, the Company hereby consents to the commencement by the Company, itself or jointly or in collaboration or partnership with others, of the business of builders and contractors, developers and promoters of real estate and property, and any other business which may seem to the Company capable of being conveniently carried on in connection with these businesses."

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**NELCO LIMITED**  
**TABLE A EXCLUDED**

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

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

**INTERPRETATION**

**Interpretation Clause**

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

**"The Act" or "the said Act"**

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

**"The Board" or the "Board of Directors"**

"The Board" or the "Board of Directors" means a Meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.

**"The Company" or "This Company"**

"The Company" or "This Company" means NELCO Limited.

**"Directors"**

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

**"Dividend"**

"Dividend" includes bonus.

**"Gender"**

Words importing the masculine gender, also include the feminine gender.

**"Month"**

"Month" means a calendar month.

**"Office"**

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

**"Persons"**

"Persons" includes corporations as well as individuals.

**“Plural number”**

words importing the plural number, also include the singular number.

**“These Presents or Regulations”**

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

**“Seal”**

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

**“Singular Number”**

Words importing the singular number include the plural number.

**“Writing”**

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

**“Secretaries and Treasurers or Managing Director(s)”**

"Reference to the term "Secretaries and Treasurers or Managing Director(s)" in these Articles shall be applicable if and so long as there are Secretaries and Treasurers or Managing Director(s) as the case may be, respectively.

**Expressions in the Act to bear the same meaning in Articles**

Subject as aforesaid any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

**Marginal Notes**

The Marginal notes hereto shall not affect the construction hereof.

**PRELIMINARY**

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

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

**Agreements entered into by the Company**

4. The Company has entered into the following Agreements:-  
(a) Agreement dated 23<sup>rd</sup> October, 1940 and made between the Investment Corporation of India Ltd. and others of the one part and the Company of the other part.  
(b) Agreement dated 23<sup>rd</sup> October, 1940 and made between the Investment Corporation of India Ltd. of the one part and the Company of the other part.

**Liability of Promoters or Directors**

No objection shall be taken to the said agreements nor shall any Promoter or Director be liable to account to the Company for any profit or benefit derived by him by reason of any Promoter or Director of the Company being interested in any capacity whatsoever in the agreements or of the Board of Directors not being in the circumstances an independent Board. Every member of the Company present or future shall be deemed to have notice of the contents of the said Agreements and to join the Company on the above basis.

## **CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

### **Capital of the Company**

*“With effect from 9<sup>th</sup> June, 2021 (being the date of receipt of all the approvals and sanctions from appropriate authorities as may be required under the law in respect of the Scheme have been obtained i.e. Effective Date), to the Composite Scheme of Arrangement and Amalgamation amongst Nelco Ltd., Tatanet Services Ltd. and Nelco Network Products Limited approved by NCLT, Mumbai Bench vide its order dated 2<sup>nd</sup> November, 2018, the main object clause of the Articles of Association (AOA) of the Company (Amalgamated Company) stands altered and amended. Accordingly, the following Clause 5 is inserted.”*

5. “The capital of the Company is Rs 55,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for time being), with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

### **Right attached to Preference Shares**

6. The preference Shares shall carry the right to a fixed cumulative preferential dividend at such rate as the Board of Directors may decide (subject to deduction of Income-tax) on the capital for the time being paid up or deemed to be paid up thereon and the right in winding up to payment of capital and arrears of dividend, whether earned declared or not, upto the commencement of the winding up in priority to the other capital of the Company but shall not confer any further right to participate in the profits or assets of the Company.

### **Mode of issue of shares**

7. Any shares in the capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting sanctioning the issue of such shares shall be directed and if no direction be given and in all other cases as the Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

### **Shares under the control of the Directors**

8. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any share forming part of any increased capital of the Company) shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper and with full power with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at premium or subject as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit.

### **Power of General Meeting to offer shares to such persons as the Company may resolve**

9. In addition to and without derogating from the powers for that purpose conferred on the Directors under Article 8 the Company in General Meeting may determine to issue further shares of the authorised but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the



Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or, (subject to compliance with the provisions of Section 79 of the Act), at a discount as such General Meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or (subject to compliance with the provisions of Sections 79 of the Act) at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares, subject to any directions given by General Meeting as aforesaid and provisions of Article 11 hereof shall apply to any issue of new shares.

#### **Increase of capital**

10. The Company may from time to time in General Meeting increase its share capital by the issue of new shares of such amount as it thinks expedient. Subject to the provision of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given as the Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company provided always that any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

#### **Rights of equity shareholders to further issue capital**

11. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares, shall be offered to the persons who, at the date of the offer, are holders of the ordinary shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided that notwithstanding anything herein before contained, the further shares aforesaid may be offered to any persons whether or not those persons include the persons who, at the date of the offer, are holders of ordinary shares of the Company in any manner whatsoever.

- (a) If a Special Resolution to that effect is passed by the Company in General Meeting or
- (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be), in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any; of the Chairman) by members who being entitled so to do, vote in person, or where proxies are allowed; by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

#### **Provision in case of Redeemable Preference Shares**

12. On the issue or redeemable preference shares under the provisions of Article 10 the following provision shall take effect:-

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of their redemption.
- (b) No such shares shall be redeemed unless they are fully paid;

- (c) The premium, if any payable on redemption shall be provided for out of the profits of the Company or out of the Company shares premium account before the shares are redeemed.
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a Reserve Account 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 a Company shall except as provided under Section 80 of the Act or herein apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
- (e) Subject to the provisions of Section 80 of the Act and this Article the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.

**Same as original capital**

13. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original ordinary capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise .

**Restrictions on purchase by Company or its own shares**

14. (1) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Article 15 or in pursuance of Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

(2) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

(3) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under Article 10 or under Section 80 or other relevant provisions (if any) of the Act or of any previous Companies law.

**Reduction of capital**

15. The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

**Consolidation, division and sub-division**

16. The Company may in General Meeting alter the conditions of its memorandum as follows:-

- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- (b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act and of these Articles.

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

**Issue of further pari passu shares not to affect the right of shares already issue**

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

**No issue with disproportionate right after 1<sup>st</sup> April 1956**

18. The Company shall not after 1<sup>st</sup> April 1956, issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend capital or otherwise which are disproportionate to the rights attached to the holders of any shares (not being Preference Shares).

**Power to modify class rights**

19. If at any time the share capital by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied modified abrogated or dealt with, the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the-holders of the issued shares of that class and all the provision contained in these Articles as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such Meeting.

**SHARES**

**Shares to be numbered progressively and no shares to be sub-divided**

20. The shares in the capital of the Company shall be numbered progressively according to their several denominations, and, except in the manner hereinafter mentioned no share shall be sub-dividend.

**Directors may allot shares as fully paid-up.**

21. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company, either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up other wise than in cash, and, if so issued, shall be deemed to be fully paid up or partly paid up shares as aforesaid.

**Acceptance of shares**

22. An application signed by or on behalf of an applicant for shares in the shares Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

**Deposit and calls etc. to be a debt payable immediately**

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

#### **Instalment on shares to be duly paid**

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

#### **Company not bound to recognise any interest in shares other than that of the registered holders**

25. Except as required by law no persons 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 Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

### **UNDERWRITING AND BROKERAGE**

#### **Commission for placing shares debentures etc.**

26. The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act at any time pay a commission to any person in consideration debentures etc. of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debenture 2 ½ % of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

### **CERTIFICATES**

#### **Certificates of Shares**

27.(a) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

PROVIDED ALWAYS that notwithstanding anything contained in this Article then certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made there under, as may be in force for the time being and from time to time.

#### **Members' rights to certificates**

(b) Every member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve.

**Limitation of time for issue of certificates**

28. The Company shall within three months after the allotment of any of its shares or debentures and within two month after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide and the Company shall otherwise comply with the requirements of Section 113 and other applicable provisions (if any) of the Act.

**As to issue of new certificates in place of one defaced lost or destroyed**

29. If any certificate be worn out defaced torn or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space on the back thereof for endorsement of transfers then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment, if any, of such sum not exceeding Re.1 /- as the Directors may in their discretion determine. The Directors may in their discretion waive payment of such fee in the case of any certificate or certificates.

**CALLS**

**Board may make calls**

30. The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments.

**Calls on Shares of same class to be made on uniform basis**

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

**Notice of calls**

32. Fifteen day's notice at the least of every. call otherwise than on allotment shall be given specifying the time of payment; and if payable to any person .other than the Company the name of the persons to whom the call shall be paid; provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

**Calls to date from resolution**

33. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

**Directors may extend time**

34. The Directors may from time to lime, at their 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 Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

**Amount payable at fixed time or by instalments as calls**

35. If by the terms of issue of any share or otherwise any amount is-made payable at any fixed time or by installments at fixed times (whether on account of the amount of the share or by the way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given as and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

**When interest on calls or instalment payable**

36. If the sum payable in respect of any call or installment be not paid or on or before-the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate not exceeding 9 per cent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

**Judgement decree or partial payment not to preclude foreclosure**

37. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.

**Proof on trial of suit for money due on shares**

38. Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute book; and that notice of such call was duly given in pursuance of these presents. and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

39. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares, held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon and the Company may at any time repay the amount so advanced upon giving to such member three months' notice in writing.

**FORFEITURE, SURRENDER AND LIEN**

**If calls or instalment not paid notice must be given**

40. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

#### **Term of notice**

41. The notice shall name a day (not being less than 14 days from the date of the notice) on or before which such call installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) to the person appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

#### **In default of payment shares to be forfeited**

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

#### **Entry of forfeiture in Register of Members**

43. When any share shall have been so forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of members.

#### **Forfeited shares to be property of company and may be sold etc.**

44. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person upon such terms and in such manner as the Board shall think fit.

#### **Power to annual forfeiture**

45. The Directors may at any time before any share so forfeited shall have been sold re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.

#### **Members still liable to pay money owing at time of forfeiture and interest**

46. Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company all calls installments interest expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate not exceeding 9 per cent per annum as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

#### **Surrender of shares**

47. The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering on such terms as they think fit.

#### **Company's lien on shares**

48. The Company shall have no lien on its fully paid shares. In the case of partly paid shares the Company shall have a first and paramount lien only upon all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of share shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.



### **As to enforcing lien by sale**

49. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit. but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment or discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

### **Application of proceeds of sale**

50. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold.

### **Certificate of Forfeiture**

51. A certificate in writing under the hands of two Directors, and so long as the appointment of the Secretaries and Treasurers is in force countersigned by the Secretaries and Treasurers, that the call-in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made, by a resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

### **Title of purchaser and allottee of forfeited shares**

52. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, 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, re-allotment or other disposal of the share.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Register of Transfer**

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

### **Form of transfer**

54. Shares in the Company shall be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law subject thereto, the Directors may prescribe a common form for instrument of transfer, which may from time to time be altered by the Directors.

### **Application for transfer**

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

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

(3) For the purpose of sub-clause (2) above the notice to the transferee shall be deemed to have been duly given if it is dispatched by pre-paid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

**To be executed by transferor and transferee**

56. Every such instrument of transfer shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof .

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

57. The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares; provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

**Directors may refuse to register transfer**

58. Subject to the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force, the Directors may, at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in any case in which the Company has a lien upon the shares or any of them or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Directors and such refusal shall not be effected by the fact that the proposed transferee is already a member, provided that registration of any 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 as stated above. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee.

**Notice of the refusal to be given to transferor and transferee**

59. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of the transmission was lodged with the Company send notice of refusal to transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

### **Transfer by legal representative**

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

### **Custody of transfer**

61. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

### **Closure of transfer books**

62. The Directors shall have power on giving not less than seven days previous notice by advertisement as required by Section 154 of the Act to close the transfer books transfer books of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as to them may seem fit.

### **Title to shares of deceased holder**

63. The executors or administrators (whether European, Hindu, Mohamedan, Parsi or otherwise not being one of two or more Joint holders of a deceased member or a holder of a Succession Certificate shall be the only person whom Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly Constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

### **Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)**

64. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require either be registered as a member in respect of such shares or elect to have same person nominated by him and approved by the Directors registered as a member in respect of such shares, provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of such shares. This Clause is herein referred to as the Transmission Clause.

### **Refusal to register nominee :**

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

**Board may require evidence of transmission**

66. Every transmission-of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

**Fee on transfer or transmission**

67. A fee not exceeding twenty-five paise per share may be charged in respect or the transfer or transmission to the same party-of-any number of shares of any class or denomination subject to such maximum on any one transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on any one transfer or on transmission of any number of shares of one class or denomination or may be on a graduated scale varying with the number of shares of any one class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine.

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

68. The Company shall incur no liability or responsibility whatever in consequence of their 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 same shares notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer. and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest. or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

**JOINT-HOLDERS**

**Joint-holders**

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

**Company may refuse to register more than six persons.**

- (a) The Company shall be entitled to decline to register more than 6 persons as the joint-holders of any shares.

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

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

**Title of survivors**

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

Receipt of one sufficient.

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

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

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 207) from the Company and any documents served on or sent to such person shall be deemed service on all the joint holders.

Votes of Joint-holders

(f) Any one of two or more joint-holders may vote at any Meeting either personally or by an attorney duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof provided always that a joint-holders present at any meeting personally shall be entitled to vote in preference to a joint holder present by an attorney duly authorised under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher as the case may be in the Register in respect of such shares. several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint holders.

**69A**

**DEMATERIALIZATION OF SECURITIES**

1. For the purpose of this Article: -

Definitions

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository;

"SEBI" means the Securities & Exchange Board of India ;

"Depository" means a Company formed and registered under the Companies Act, 1956, and which has been granted a Certificate of Registration to act as depositories under the Securities & Exchange Board of India Act, 1992;  
and

"Security" means such security as may be specified by the SEBI Board from time to time.

**Dematerialised of securities**

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

**Option for Investors**

3. Every person subscribing to Securities offered by the Company shall have the option to receive Security 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 the law, in respect of any Security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

#### **Amendment at the 56<sup>th</sup> AGM held on 17.8.1998**

If a person opts to hold his Security with a depository, the Company shall intimate such depository the detail of allotment of the Security; and on receipt of the Information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

#### **Securities in depositories to be in fungible form**

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 53A, 153B, 187 B 187C and 372 of the Act shall apply to a depository in respect of the Securities held by it on behalf of the beneficial owners.

#### **Rights of depositories and beneficial owners**

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security on behalf of the beneficial owners.

(b) 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 Securities held by it.

(c) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

#### **Service of documents**

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

#### **Transfer of Securities**

7. Nothing contained in Section 108 of the Act, or these Articles shall apply to a transfer of Securities effected by a transfer or and transferee both of whom are entered as beneficial owners in the records of a depository.

#### **Allotment of Securities dealt with in**

8. Notwithstanding anything in the Act or these Articles where Securities are dealt with by a depository, the Company shall intimate, the details thereof to the depository immediately on allotment of such Securities.

#### **Distinctive number of securities held in a depository**

9. Nothing contained in the Act or these Articles 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**

10. The Register and Index of beneficial owners maintained by a depository under the depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of this Articles.

## **BORROWING POWERS**

### **Power to borrow**

70. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purpose of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

### **Conditions on which money may be borrowed**

71. Subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

### **Bonds, debentures etc. to be subject to control of Directors**

72. Any bonds, debentures, debenture-stock or other security issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of Company.

### **Securities may be assignable free from equities**

73. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

### **Issue at discount etc. or with special privileges**

74. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, drawings, allotment of shares appointment of Directors and otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with sanction of the Company in General Meeting.

### **Mortgage of uncalled capital**

75. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed or if permitted by the Act may by instrument under the seal authorise the person in whose favour such mortgage or security is executed or any other person-in trust for him to make calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors power or otherwise and shall be assignable if expressed so to be.



### **Indemnity may be given**

76. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

## **CONVENING MEETING**

### **Annual General Meetings**

77. (1) The Company shall in addition to any other meetings hold a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provision herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

(2) Every Annual General Meeting shall be called for a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City of Bombay. The notice calling the Meeting shall specify it as the Annual General Meeting.

### **Extraordinary General Meeting**

78. All General Meeting other than Annual General Meetings shall be called Extraordinary General Meetings.

### **Directors may call Extraordinary General Meeting**

79. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

### **Calling of Extraordinary General Meeting on requisition**

80. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

(2) The requisitionists shall set out the matters for consideration of which the Meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company.

(3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

(5) If the Board of Directors does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition. the Meeting may be called by the requisitionists themselves or by-such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-clauses (1) above whichever is less.

(6) A Meeting called under sub-clause (5) above by the"requisitionists or any of them shall be called in the-same manner as nearly as possible as that in which Meetings are to be called by the Board but shall not be held after the expiration of three months from the date of the deposit of the requisition.

(7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

#### **Notice of meeting**

81 . (1) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing.

(2) However, a General Meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto: -

- (i) in the case of an Annual General Meeting by all the members entitled to vote thereat; and
- (ii) in the case of any other Meeting, by members of the Company holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at that Meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the Meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions but not in respect of the later.

#### **Contents of notice**

82 . (1) Every notice of a Meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member-of the Company.

#### **Special business**

83 . (1) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with exception of business relating to:

- (i) the consideration of the Accounts, Balance Sheet and Profit & Loss Account and the Report of the Board of Directors and of the Auditors;
- (ii) the declaration of dividend;

- (iii) the appointment of Directors in the place of those retiring;
- (iv) the appointment of and the fixing of the remuneration of the Auditors;

(2) In the case of any other Meeting all business shall be deemed special.

(3) Where any item of business to be transacted at the Meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest, if any, therein of every Director and so long as the appointment of the secretaries and Treasurers is in force of the Secretaries and Treasurers.

Provided, however, that where any item of special business as aforesaid to be transacted at a Meeting of the company relates to or affects, any other Company, and the extent of shareholding interest in that other company of every Director, and the Secretaries and Treasurers of the Company so long as the appointment of the Secretaries and Treasurers is in force shall also be set out in the Explanatory Statement, if the extent of such shareholding interest is not less than 20 (twenty) percent of the paid-up share capital of the other company.

(4) Where any item of business to be transacted at the Meeting of the Company consist of according the approval of the Meeting to any document the time and place where the document can be inspected shall be specified in the Explanatory Statement.

#### **Service of notice**

84 . Notice of every Meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and by these Articles. It shall be given to the person entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representative of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of Section 53 of the Act, the Explanatory Statement need not be annexed to the Notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

#### **Notice to be given to the Auditors**

85. Notice of every Meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorised by section 53 in the case of any member or Members of the Company.

#### **As to omission to give notice**

86. The accidental omission to give notice of any Meeting to or the nonreceipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting.

#### **Resolutions requiring special notice**

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

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

## **PROCEEDINGS AT GENERAL MEETING**

### **Quorum at General Meeting**

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

### **Proceedings when quorum not present**

89 . If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present, the Meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day time and place as the Directors may by notice to the shareholders appoint. If at such adjourned Meeting a quorum be not present those members present shall be a quorum and may transact the business for which the Meeting was called.

### **Business at adjourned meetings**

90 . No business shall be transacted at any adjourned Meeting other than business which might have been transacted at the Meeting from which the adjournment took place.

### **Chairman of the General Meeting**

91. The Chairman of the Directors shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such Meeting or is unable to be present due to illness or any other cause or is unwilling to act, the Vice-Chairman of the Board of Directors shall be entitled to take the chair and if he be not present within 15 minutes after the time appointed for holding the Meeting or is unable for any of the causes mentioned above or unwilling to act then, the Directors present may choose a Chairman and in default of their doing so the members present shall chose one of the Directors to be Chairman and if no Directors present willing to take the chair, the members present shall choose one of their number to be the Chairman.

### **Business confined to election a Chairman whilst the chair is vacant**

92. No business shall be discussed at any General Meeting except the election of a Chairman whilst chair is vacant.

### **Chairman with consent may adjourn Meeting**

93. The chairman with the consent of any Meeting at which a quorum is present, may adjourn any Meeting from time to time and from place to place in Bombay.

### **Notice to be given where a adjourned for 30 days or more.**

94. When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

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

95. At any General Meeting, a resolution put to the vote of the Meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the Minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

**Demand for Poll**

96. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

**Time and manner of taking poll**

97. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in Bombay and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the Meeting shall have the power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.

**Scrutiness at Poll**

98. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove the scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article one shall always be a member (not being an officer or employee of the Company) present at the Meeting provided such a Member is available and willing to be appointed.

**Demand for Poll not to prevent transaction of other business**

99. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

**Motion how decided in case of equality of votes.**

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

**Reports, Statements and Registers to be laid on the table.**

101. At every Annual Meeting of the Company there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditors Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors and Secretaries and Treasurer's holding maintained under section 307 of the Act. The Auditors Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

### **Registration of certain Resolution and Agreements**

102. A copy of each of the following resolution (together with a copy of the statement of material facts annexed under section 173 to the notice, of the Meeting in which such resolutions have been) or agreements shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an Officer of the Company and filed with the Registrar:-

(a) special resolution

(b) resolution which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolution;

(c) resolution of the Board or agreement relating to the appointment, reappointment or the renewal of the appointment or variations on the terms of appointment of a Managing Director;

(d) any agreement related to the appointment; re-appointment or renewal of the appointment of a Managing Agent or Secretaries and Treasurers for the Company, or varying the terms of any such agreement executed by the Company;

(e) resolution or agreements which have been agreed to by all members of any class of shareholders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some manner, and all resolution or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members;

(f) resolutions requiring the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484 of the Act.

(g) resolution passed by the Company according consent to the exercise by its Board of Directors of any of the powers under clause (a) clause (d) and clause (e) of sub-section (1) of Section 293 of the Act ; and

(h) resolution passed by the Company approving the appointment of Sole Selling Agents under Section 294 of the Act.

A copy of every resolution which has the effect of altering the Articles of Association of the Company and copy of every agreements referred to in the above sub-clauses ( c ) , (d) and (e) shall be embodied in and annexed to every copy of the Articles issued after the passing of the resolution or the making of the agreement.

### **Minutes of General Meeting**

103 . The Company shall cause Minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act by making within thirty days of the conclusion of every such Meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of the each Meeting in such books shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of 30 days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose In no case the Minutes or the Proceedings of a Meeting shall be attached to any such books as aforesaid by pasting or otherwise. Any such Minutes kept as aforesaid shall be evidence of the Proceedings recorded therein.

### **Inspection of the Minute books of General Meetings**

104. The book containing the aforesaid Minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the Minutes on payment of 37 paise for every one hundred words or fractional part thereof required to be copied.

**Publication of report of proceedings of General Meetings**

105. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 193 of the Act to be contained in the Minutes of the proceedings of such Meeting.

**VOTES OF MEMBERS**

**Votes may be given by proxy of attorney**

106. Subject to the provisions of the Act and these Articles, votes may be given either Personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 108.

**Number of votes to which members entitled**

107. (1) Subject to the provisions of the Act and these Articles upon a show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article 108) or by attorney or in the case of a body corporate by proxy shall have one vote.

(2) Subject to the provisions of the Act and these Articles, upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have following voting rights.

(a) in respect of every Ordinary share his voting right shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary capital of the Company;

(b) In respect of every fully paid Preference share his voting right shall be equal to the voting right for a fully paid Ordinary share.

**No voting by proxy on show of hands**

108. No member not personally Present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by a proxy in which case such attorney or representative or proxy may vote on a show of hands as if he were a member of the Company.

**Votes in respect or shares of deceased insolvent members**

109 . Any person entitled under the transmission Article (Article 64 hereof) to transfer any shares may vote at any General Meeting in respect thereof as if he was he registered holder of such shares provided that at least 48 hours before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

**No member to vote unless calls are paid up**

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

**Right of member to use his votes differently**

111. On a poll taken at a Meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

**Proxies**

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

**Appointment of proxy**

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

**Deposit of instrument of appointment**

114 (1) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the Meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such Meeting as aforesaid. Notwithstanding that a power of Attorney or other authority has been registered in the Records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the Meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the Meeting the attorney shall not be entitled to vote at such Meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

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

**Form of Proxy**

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

**NELCO LIMITED**

"I /We \_\_\_\_\_ of \_\_\_\_\_ in the district of being a member/ members of the above named Company hereby appoint \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the \_\_\_\_\_ Annual General Meeting / Extraordinary General Meeting of the Company to be held on the \_\_\_\_\_ Day of \_\_\_\_\_ and at any adjournment thereof

Signed this \_\_\_\_\_ day of \_\_\_\_\_



### **Custody of the instrument**

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

### **Validity of votes given by proxy notwithstanding death of member etc.**

117 . A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer or the share in respect of which the vote is given provided that no intimation in writing of the death revocation or transfer shall have been received at the office before the Meeting.

### **Time for objections to vote**

118 . Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the Meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

### **Chairman of any Meeting to be the judge of validity of any vote**

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

## **DIRECTORS**

### **Number of Directors**

120 . Until otherwise determined by a General Meeting the number of Directors shall not be less than three nor more than fifteen.

### **Present Directors**

121 . The present Directors of the Company are :

Mr. A D. Shroff  
MR. J. D. Choksi  
Mr. N. H. Tata  
Mr. S. Moolgaokar  
Mr. J. Corbishley  
Sir Hirji Jehangir  
Mr .Virendra Singh N. Chowan  
Mr. R. M. A. Jones

### **Debenture Director**

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

### **Nominee Director**

122 A. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to The Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Reconstruction Bank of India (IRBI) and Bank of India (BOI) (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans granted by them to the Company the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole time or non-whole-time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons, in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constitute or proposes to constitute any Management Committee or other Committee(s) it shall if so required by the Corporation include the Nominee Director as a member of such Management Committee or other Committees(s) subject as aforesaid the Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the corporation and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such-office immediately the moneys owing by the Company to the Corporation are paid off. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are members/ as also the minutes of such meeting. The Corporation shall also be entitled to receive all such notices and minutes. The Nominee Director/s shall be entitled to the same sitting fees, commission remuneration and expenses as are applicable to other directors of the Company. The Company shall pay the sitting fees and other expenses to the Nominee Director/s directly, but the commission, remuneration or other monies and fees to which the Nominee Director/s is/are entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation.

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

Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or, reimbursed by the company to the Corporation or as the case may be, to such Nominee Director/s.

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

### **Appointment of Alternate Director**

123. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State of Maharashtra and such appointment shall have effect and such Appointee, whilst he holds office as an Alternate Director shall be entitled to notice of Meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he so returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.

### **Casual vacancy**

124. Subject to the provisions of Sections 262 and 284 (6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a Meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.

### **Appointment of additional Directors**

125. Subject to the provision of Sections 260 and 284 (6) and other provisions (if any) of the Act, the Directors shall have powers at any time and from time to time to appoint a person as an additional Director. The additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for re-election.

### **Qualification of Directors**

126. A Director need not hold any qualification shares.

### **Remuneration of Directors**

127. (1) The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each Meeting of the Board of Directors attended by him. Subject to the limitation provided by the Act, such additional remuneration, as may be fixed by the Directors, may be paid to any one or more or their number for services rendered by him or them, and the Directors shall be paid such further remuneration (if any) as the company in General Meeting shall from time to time determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination within the year equally. Such remuneration and/ or additional remuneration may be by way of salary or commission on dividends profits or turnover or by participation in profits or by any or all of those modes.

### **Directors not bona fide residents of Bombay may receive extra compensation and remuneration of committee**

(2) The Directors may subject as aforesaid allow and pay to any Director who is not a bona fide resident of Bombay and who shall come to Bombay for the purpose of attending a Meeting such sum as the Directors may consider fair compensation for traveling expenses in addition to his fee for attending such Meeting as above specified and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting committee appointed by the Directors in terms of these Articles and may pay the same.

**Special remuneration of Director going out of Bombay on Company's business or otherwise performing extra services.**

(3) If any Director being willing, shall be called upon to perform extra services or to make any special exertions in going or residing out of Bombay or otherwise for any of the purpose of Company, the Company shall subject to the limitation provided by the Act remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

**Directors may act notwithstanding vacancy**

128. The continuing Directors may act notwithstanding any vacancy in their body, but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company or in emergencies.

**When office of Director shall become vacant**

129. (1) Subject to the provisions of Section 283(2) of the Act the office of a Director shall become vacant if:

- (a) he fails to obtain within the time specified in Article 126 and sub-section (1) of section 270 of the Act or at any time thereafter ceases to hold, the share qualification if any, required of him by these Articles; or
- (b) he is found to be of unsound mind by a court of competent jurisdiction; or
- (c) he applies to be adjudicated an insolvent; or
- (d) he is adjudged an insolvent; or
- (e) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; or
- (f) any office or place of profit under the Company or any subsidiary thereof is held by him in contravention of Article 135 or Section 314(2) of the Act; or
- (g) he absents himself from three consecutive Meetings of the Board of Directors or from all Meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board of Directors; or
- (h) he becomes disqualified by an Order of the Court under Section 203 of the Act; or
- (i) he is removed in pursuance of Article 149 or Section 284 of the Act; or
- (j) he whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is Director accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Article 136 or Section 295 of the Act: or
- (k) he acts in contravention of Section 299 of the Act and by virtue of such contravention shall have been deemed to have vacated office: or
- (l) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months.

**Resignation**

(2) Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

### **Directors may contract with Company**

130. (1) Subject to the provision of sub-clause (2) (3) (4) and (5) of this Article and the restrictions imposed by Article 137 and the other Articles hereof and the Act and the observance and fulfillment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by sub-clauses (2), (3) and (4) hereof.

### **Disclosure or interest**

(2) Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a Meeting of the Board of Directors or as provided by sub-clause (4) hereof.

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

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

### **General Notice of Interest**

(4) For the purpose of this Article, a general notice given to the Board of Director by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a Meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first Meeting of the Board after it is given.

(5) Noting in the sub-clauses (2), (3) and (4) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one of the Directors of the company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company.

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

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

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

#### **Register of Contract in which Directors are interested**

131. (1) The Company shall keep one or more registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies, including the following particulars to the extent they are applicable in each case, namely:-

- (a) the date of the contract or arrangement;
- (b) the name of the parties thereto;
- (c) the principal term and condition thereof;
- (d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies, the date on which it was placed before the Board;
- (e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.

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

- (a) in the case of a contract or arrangement requiring the Board's approval, within seven days (exclusive of public holidays) of the Meeting of the Board at which the contract or arrangement is approved;
- (b) in the case of any other contract or arrangement, within seven days on the receipt at the registered office of the company of the particulars of such other contract or arrangement or within thirty days of the date of such other contract or arrangement, whichever is later; and the register shall be placed before the next Meeting of the Board and shall then be signed by all the Directors present at the Meeting.

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

(4) Nothing in the foregoing clauses (1) (2) and (3) shall apply to any contract or arrangement for the sale purchase or supply of any goods; materials or services, if the value of such goods and material, or the cost of such services does not exceed one thousand rupees in the aggregate in any year.

#### **Directors may be Directors of Companies promoted by the Company**

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

### **Disclosure by Director of appointments**

133. A Director shall within twenty days of his appointment to or relinquishment of his office as Director, Managing Agent Director, Manager or Secretary in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303 (1) of the Act. The Company shall enter the aforesaid particulars in the register kept for that purpose in conformity with Section 303 of the Act.

### **Disclosure of holdings**

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

Article 135 is deleted

### **Loans to Directors**

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

### **Board resolution at a Meeting necessary for certain contracts**

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

(2) Nothing contained in the foregoing sub-clause (1) shall Affect:-

(a) the purchase of goods and materials from the Company or the sale of goods and material to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner, or private company as the case may be regularly trades or does business;

Provided that such contract or contract do not relate to goods and materials the value of which, or service the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

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

(4) Every consent of the Board required this Article shall be accorded by a resolution passed at a Meeting of the Board and not otherwise and the consent of the Board required under subclause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

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

The Directors, so contracting or being so interested shall not be liable to Company for the profit realized by any such contact or the fiduciary relationship thereby established.

## **RETIREMENT AND ROTATION OF DIRECTORS**

### **Retirement by rotation**

138. (1) Not less than two-thirds of the total number of Directors of the Company shall be person whose period of office is liable to determination by retirement of Director by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

(2) The remaining Directors shall be appointed in accordance with the provision of these Articles.

### **Directors to retire annually how determined**

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

### **Ascertainment of Directors retiring by rotation**

140. Subject to the provision of the Act and these Article, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the Meeting at, which his re-appointment is decided or his successor is appointed.

### **Eligibility for reappointment**

141 . Subject to the provisions of the Act and these Articles a retiring Director shall be eligible for re-appointment.

### **Company to fill up vacancy**

142. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the Director or some other person thereto.

### **Provisions in default of appointment**

143. (1) If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the Vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.



(2) If at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting unless –

(a) at that Meeting or at the previous Meeting a resolution for the reappointment of such Director has been put to the Meeting and lost;

(b) the retiring Director has; by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

(c) he is not qualified or is disqualified for appointment;

(d) a resolution whether special or ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act;

(e) Article 145 or sub-section (2) of Section 263 of the Act is applicable to the case.

#### **Notice of candidature for office of Director**

144. (1) Subject to the provision of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him has at least fourteen clear days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.

(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.

(3) A person other than-

(a) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or

(b) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or

(c) a person named as a Director of the company under its Articles as first registered shall not act as a Director of the company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

#### **Individual resolution for Directors' appointments**

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

Articles 146, 147 and 148 are deleted.

## REMOVAL OF DIRECTORS

### Removal of Directors

149. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.

(2) Special notice as provided by Article 87 .or Section 190 of the Act shall be given of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.

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

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

(5) A vacancy created by the removal of a Director under this Article may, If he had been appointed by the Company in General Meeting or by the Board in pursuance of Article 124 or Section 262 of the Act be filled by the appointment of another Director in his stead by the Meeting at which he is removed; Provided special notice of the intended appointment has been given under sub-clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions in so far as-they are applicable, of Article 124 or Section 262 of the Act, and all the provisions of that Section shall apply accordingly.

(7) A Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.

(8) Nothing contained in this Article shall be taken-

(a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or

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

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

### **The Company may increase or reduce number of Directors and alter their qualification**

150. Subject to the provisions of the Act and these articles, the Company may by ordinary resolution from time to time increase or reduce the number of Directors and alter their qualification provided that any increase in the number of Directors except an increase which is within the permissible maximum of 12 under the Articles in force as on the 21<sup>st</sup> day of July, 1951 shall not have any effect unless approved by the Central Government and shall become void if and so far as it is disapproved by that Government.

## **PROCEEDINGS OF BOARD OF DIRECTORS**

### **Meetings of Directors**

151. The Directors may meet together as a Board, for the dispatch of business from time to time and shall so meet atleast once in every three months and at least four such Meetings shall be held in every-year, and they may adjourn and otherwise regulate their Meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a Meeting of the-Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

### **When meetings to be convened**

152. A Director or the Secretaries and Treasurers, so long as their appointment is in force, may at any time and the Secretaries and Treasurers so long as their appointment is in force, upon the request of a Director, shall convene a Meeting of the Directors. Notice of every meeting of the Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.

### **Quorum**

153. Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for a Meeting of the Board of Directors shall be one-third of the total Strength of the Board of Directors (excluding Directors if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested and are present at the Meeting, not being less than two shall be the quorum during such time. A Meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

### **Adjournment of meeting for want of quorum**

154. If a Meeting of the Board cannot be held for want of a quorum then the Meeting shall stand adjourned to-such day, time and place as the Director or Directors present at the Meeting may fix.

### **Appointment Chairman and Vice-Chairman**

155 . (1) The Directors may elect a Chairman of their Meetings and determine the period for which he is to hold office.

(2)The Directors may appoint a Vice-Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.

**Who is to preside at Meeting of the Board.**

156. All meetings of the Directors shall be presided over by the Chairman if present, but if at any Meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice-Chairman if present shall preside and if he be not present at such time then and in that case the Directors shall choose one of "the Directors then present to preside at the Meeting.

**Questions at Board Meeting how decided.**

157. Questions arising at any Meeting shall be decided by a majority of votes; and in case of an equality of votes the Chairman of the Meeting (whether the chairman or Vice Chairman appointed by virtue of these Articles or the Director presiding at such Meeting) shall have a second or casting vote.

**Directors may appoint Committees**

158. Subject to the provisions of Section 292 of the Act and Article 166 the Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part, and either as to persons or purposes; but every committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.

**Meetings of Committees how to be governed.**

159. The Meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the Meeting and proceeding of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

**Resolution by Circular**

160.(1) A resolution passed by circular without a Meeting of the Board or a committee of the Board appointed under Article 158 shall subject to the provisions of sub-clause 2 hereof and the Act be as valid and effectual as a resolution duly passed at a Meeting of the Directors or of a Committee duly called and held.

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

(3) Subject to the provisions of the Act a statement signed by the Secretaries and Treasures, if any, or the Managing Director or other person authorised in that behalf by the Directors certifying the absence from India of any Directors shall for the purpose of this Article be conclusive.

**Acts of Board of Committees valid notwithstanding defect of appointment**

161. Subject to the provisions of the Act and these Articles all acts done by any Meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

**Minutes of proceedings of Board of Directors and Committees to be kept**

162. The Company shall cause Minutes of the Meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act the Minutes shall contain a fair and correct summary of the proceedings at the Meeting including the following:-

- (i) the names of the Directors present at the Meetings of the Board of Directors or of any Committee of the Board;
- (ii) all orders made by the Board of Directors or Committees of the Board and all appointments of officers and Committees of Directors;
- (iii) all resolutions and proceeding of Meetings of the Board of Directors and the Committees of the Board;
- (iv) in the case of each resolution passed at a Meeting of the Board of Directors or Committees of the Board, the names of the Directors, if any, dissenting from or not concurring in the resolution.

**By whom Minutes to be signed and the effect of Minutes recorded.**

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

**POWERS OF DIRECTORS**

**General Powers of the Directors**

164. (1) subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and thing, as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; provided further that in exercising any such power or doing any such act or thing the Board still be subject to the provision contained in the behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

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

**Consent of Company necessary for the exercise of certain powers**

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

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

- (b) remit or give time for the repayment of any debt due by a Director;
- (c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition after 1<sup>st</sup> April 1956 of any such undertaking as is referred to in sub-clause (a) above, or any premises or properties used for any such undertaking and without which it cannot be carried on or be carried on only with difficulty or only after a considerable time.
- (d) borrow moneys in excess of the limits provided in Article 70;
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will in any financial year; exceed twenty-five thousand rupees or five per cent of its average net profit as determined in accordance with the Act during the three financial years immediately preceding, whichever is greater

**Certain powers to be exercised by the Board only at Meeting.**

166. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by "means of" resolutions passed at Meetings of the Board:-

- (a) the power to make calls on shareholders in respect of money unpaid on their shares;
- (b) the power to issue debentures;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company;
- (e) the power to make loans.

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

(2) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegates; provided however that where the Company has an arrangement with its Bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft cash credit or other accounts by means of which the arrangement is made is availed of shall not require the sanction of the Board.

(3) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegates.

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

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

**Certain powers of the Board**

167. Without prejudice to the power conferred by Articles 70 and 164 and so as not in any way to limit or restrict these powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding two Articles, it is hereby declared that the Directors shall have the following powers that is to say power:

(1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act and Articles 26 and 178.

(2) Subject to the provisions of the Act and these articles to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and Conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

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

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

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

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

(7) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company or in payment for services rendered to the Company such conditions as to the transfer thereof as they think fit.

(8) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof so far as may be permissible law.

(9) To appoint any person or persons (whether incorporated or not) to accept hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(10) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company.

(11) To refer any claim or demand by or against the Company or any differences to arbitration and observe and perform any awards made thereon.

(12) To act on behalf of- the Company in all matters relating to bankrupts and insolvents.

(13) To make and give receipts releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(14) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(15) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments, provided that save as permitted by Section 49 of the Act, all investments shall be made and held in the Company's own name.

(16) To execute in the name and on behalf of the Company in favour of any Director or the person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgages of the Company's property present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants, provisions and agreements as shall be agreed on.

(17) To give to any Director, officer or other person employed by the Company an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest commission or share of profits shall be treated as a part of the working expenses of the Company.

(18) To provide for the welfare of employees or ex-employees of the company and the wives, widows and families or the dependents or connection of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, 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 instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Directors shall think fit and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any 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.

(19) Before recommending and dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation, or to a Depreciation Fund, General Reserve, Reserve, a Reserve Fund, Sinking Fund Insurance Fund or any special or other fund or funds or account or accounts to meet contingencies, or to repay redeemable Preference shares, debentures or debentures stock and for special dividends, and for equalizing dividends and for repairing, improving extending and maintaining any part of the property of the Company and/or for such other purposes (including the purposes referred to in the last two proceeding sub-clauses) as the Directors may, in their absolute discretion think conducive to the interest of the Company, and to invest the several sums so set aside or so much thereof as required to be invested upon-such investments (subject to the restrictions imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expand the same or any part thereof may be matters



to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve, General Reserve or the Reserve Fund in to such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts including the Depreciation Fund, in the business of the Company or in the purchase or repayment of redeemable Preference shares, debentures or debenture stock and that without being bound to keep the same separate from the other assets, and without being bound to pay or allow interest on the same with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

(20) Without thereby prejudicing the appointment of the Secretaries and Treasurers and the position, rights and powers of such Secretaries and Treasurers by virtue of Article 168 to 173 (inclusive) and by virtue of any agreement entered into between them and the company, to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid from time to time to provide for the managements and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in subclauses (22), (23), (24) and (25) following shall be without prejudice to the general powers conferred by this sub-clause.

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

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

(23) Subject to the provisions of Section 292 of the Act and Article 166 from time to time and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed any of the powers authorities and discretions for the time being vested in the Board of Directors and to authorize the member 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 under sub-clause (22) of this Article may be made on such terms, and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed and may annul or vary any such delegation.

(24) At any time and from time to time by power of attorney to appoint any person or persons, to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles) and for such period and subject to such conditions as the Board of Directors may from time to time think fit and any such appointment may (if the Board of Directors think fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any company, or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board of Directors and any such power of attorney may contain such powers for the protection or convenience of person dealing with such attorneys as the Board of Directors may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

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

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

## **SECRETARIES AND TREASURERS**

### **Appointment of Secretaries and Treasurers**

168. Subject to the provisions of the Act, the Investment Corporation of India Ltd., their successors in business and assigns shall be the Secretaries and Treasurers of the Company from the 16<sup>th</sup> day of August 1965 for the period and upon the terms provisions and conditions set out in the Secretaries and Treasurers Agreement dated the 6<sup>th</sup> day of September, 1965, and which were approved by the Company by a Special Resolution at the Annual General Meeting of the Company held on the 29<sup>th</sup> day of June, 1964, and by the Central Government with certain modification agreed to by the Board. The said Agreement may (subject to the provision to the Act) be further modified from time to time in such manner as may be mutually agreed upon between the Company and the Secretaries and Treasurers. If, on the expiry of the period mentioned in the said Agreement, the Investment Corporation of India Ltd., are re-appointed for any further term, they shall continue manage the affairs and business of the Company upon such terms and conditions as may be agreed upon between the Company and the Secretaries and Treasurers with the approval of the Central Government.

### **Disclosures to members in case of contract appointing Secretaries and Treasurers**

169. Whenever the Company proposes to enter into a contract for the appointment of Secretaries and Treasurers in which contract any directors of the company is concerned or interested or proposes to vary any such contract already in existence in which a Director is concerned or interested, the Company shall send an abstract of the terms of such contract or variation, as the case may be together with a memorandum clearly specifying the nature of the concern or interest of the Director in such contract or variation to every member of the Company in sufficient time before General Meeting of the Company at which the proposal is to be considered and the company shall comply with the provisions of Section 302 and other applicable provisions (if any) of the Act relating to the appointment of such Secretaries and Treasurers.

### **General Management in hands of Secretaries and Treasurers**

170. (1) The Secretaries and treasurers subject to the provisions of the Act and these Articles shall be entitled to the management of the whole of the affairs of the Company, and they shall exercise their powers as such Secretaries and Treasurers including the powers conferred on them by the Secretaries and Treasurers Agreement dated the 6<sup>th</sup> day of September 1965, or any extension or renewal thereof subject to the superintendence, control and direction of the Board of Directors of the Company and also subject to the restrictions contained in Schedule VII of the Act and Article 172.

(2) The Secretaries and Treasurers shall have the power from time to time provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.

**Secretaries and Treasurers to have power to sub-delegate**

171 . Subject to the provisions of the Act and these Articles, the Secretaries and Treasurers shall be authorised to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them and in particular from time to time to provide by the appointment of an attorney or attorneys, for the management and transaction of the affairs of the Company in any specified locality, in such manner as they-may think fit.

**Board's previous approval**

172. The Secretaries and Treasurers shall not exercise any of the following powers except after obtaining the previous approval of the Board of Directors of the company in regard to each such exercise :-

- (a) Power to appoint as an officer or member of the staff of the Company, payable from its funds (as distinguished from the funds of the Secretaries and Treasurers or from out of any remuneration payable to the Secretaries and Treasurers, by the Company, any person;
  - (i) on a remuneration or scale of remuneration exceeding the limits laid down by the Board in this behalf; or
  - (ii) who is a relative of any Director or member of the Secretaries and Treasurers of the Company;

- (b) Power to purchase capital assets for the Company except where the purchase price is within the limits prescribed by the Board in this behalf;

- (c) Power to sell the-capital assets of the Company, except where the purchase price is within the limits prescribed by the Board in this behalf:

- (d) Power to compound or sanction the extension of time for the satisfaction or Payment of any claim or demand of the Company against (including any debt claimed to be due to it from) the Secretaries and Treasurers or any associate of the Secretaries and Treasurers, the term associate to mean an associate a defined in Section 2(4) of the Companies Act, 1956; or

- (e) Power to compound any claim or demand made against the Company (including any debt claimed to be due from it) by the Secretaries and Treasurers or any such associates of the Secretaries and Treasurers as aforesaid.

**Contracts between Secretaries and Treasurers or associate and Company for the sale or Purchase of goods or the supply of services, etc.**

173. (1) Any contract between the Company and its Secretaries and Treasurers or an associates of the Secretaries and Treasurers:-

- (a) for the sale, purchase or supply of any property movable or immovable or for the supply or rendering of any service other than that of Secretaries and Treasurers; or

- (b) for the underwriting of any shares or debentures to be issued or sold by the Company; shall not be valid against the Company-

- (i) unless the contract has been approved by the Company by a Special Resolution passed by it; and

- (ii) where the contract is for the supply or rendering of any service other than that of Secretaries and Treasurers, unless further the contract has been approved by the Central Government either before the date of the contract or at any time within three months next after that date.

(2) The Special Resolution aforesaid shall-

- (a) set out the material terms of the contract to be entered into or entered into; and

(b) provide specifically that for any property supplied or sold, or any service supplied or rendered by the Company, the Secretaries and Treasurers or associates shall make payment to the Company within one month from the date of the supply or sale of the property, or the supply or rendering of the service, as the case may be.

(3) Every such contract and all particulars relating thereto shall be entered in a separate register maintained by the Company for the purpose.

(4) Nothing in sub-clause (a) above shall affect any contract or contracts for the sale, purchase or supply of any property or the supply or rendering of any services, in which either the Company or the Secretaries and Treasurers or associate, as the case may be, regularly trades or does business, provided that the value of such property or the cost of such services does not exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

### **MANAGING DIRECTOR(S)**

#### **Power to appoint Managing Director(s)**

173A. 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 as Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as it thinks fit, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

#### **What provisions Managing Director(s) shall be subject to**

173B. Subject to the provisions of the Act and of these Articles, a Managing Director shall not while he continues to hold that office be subject to retirement by rotation under Article 138 but he shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to registration and removal as the other Directors of the company and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause, Provided that if at any time the number of Directors (including the Managing Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Managing Directors as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 138 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

#### **Remuneration of Managing Director(s)**

173C. The remuneration of a Managing Director (subject to Section 309 and other applicable provision of the Act and of the Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on profit of the Company, or by participation in any such profits or by any or all of those modes. A Managing Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company.

#### **Powers and Duties of Managing Director(s)**

173D. Subject to the superintendence, control and direction of the Board of Directors the day to day management of the Company shall be in the hands of the Managing Directors. The Directors may from time to time entrust to and confer upon a Managing Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of, and in substitutions for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## REGISTERS BOOKS AND DOCUMENTS

### **Registers, Books and Documents**

174. (1) The Company shall maintain Registers, Books and Documents as required by the Act or these Articles including the following namely :-

(a) Register of Investments not kept in Company's name according to Section 49 of the Act.

(b) Register of Mortgages, Debentures and Charges according to Section 143 of the Act.

(c) Register of Members and an Index of Members according to Section 150 and 151 of the Act.

(d) Register and Index of Debenture-holders according to Section 152 of the Act.

(e) Register of Contracts, companies and firms in which Directors are interested according to Section 301 of the Act.

(f) Register of Directors and Secretaries and Treasurers according in Section 303 of the Act.

(g) Register of Directors' Shareholdings and Debenture holdings according to Section 307 of the Act.

(h) Register of Appointment of Secretaries and- Treasurers. or associates as Selling Agent of the Company, according to Section 356 of the Act.

(i) Register of Particulars of every contract under Section 359(1) of the Act.

(j) Register of Particulars of all Contracts between the Secretaries and Treasurers or associates for the sale or purchase of goods or supply of services according to Section 360 of the Act.

(k) Register of Investment in shares or debentures of bodies corporate according to Section 372 of the Act.

(l) Books of Account in accordance with the provisions of Section 209 of the Act.

(m) Copies of Instruments creating any charge requiring registration according to Section 136 of the Act.

(n) Copies of Annual Returns prepared under Section 159 of the Act together with the copies of Certificates required under Section 161 of the Act.

(o) Register of Renewal and Duplicate Certificates according to Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960.

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

(3)The Company may keep a Foreign Register of Members in accordance with Section 157 and 158 of the Act. Subject to the provisions of Section 157 and 158 the Directors may from time to time makes such provisions as they may think fit in respect of the keeping of such branch Registers of Members and / or Debenture holders.

## **SEAL**

### **Seal**

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

### **Deeds how executed**

(\*\*)176. Every deed or other instrument to which the Seal of the Company is required Deed to be affixed, shall unless the same is executed by a duly constituted attorney of the how Company, be signed by two Directors of the Company. For operational convenience executed It is proposed that this common seal provision of signing by two Directors be amended to signing by (a) two Directors, or (b) one Director and the Secretary, or (c) one Director and such other authorized person, as the Board or a duly constituted Committee thereof may appoint for the purpose.

(\*\*) Amended vide Special Resolution passed at the Annual General Meeting held on 19<sup>th</sup> January 2011.

### **Seals abroad**

177. The company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

## **INTEREST OUT OF CAPITAL**

### **Payment of interest out of capital**

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

## **DIVIDENDS**

### **Dividends**

179. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or 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. Provided always that (subject as aforesaid) any Capital paid up on a share during the period in respect of which a dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount-of such dividend as from the date of such payment.

### **Capital paid up in advance at interest not to earn dividend**

180. Where capital is paid up in advance of calls upon the footing that the Same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits, or dividend.

**Dividends in proportion to amount paid up**

181. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

**The Company in General Meeting may declare a dividend.**

182. The Company in General Meeting may subject to Section 205 of the Act declare a dividend to be paid to the members according to their respective rights and interest in the profits and subject to the provisions of the Act may fix the time for payment. When a dividend had been so declared, the warrant in respect thereof shall be posted within forty two days from the date of the declaration to the shareholders entitled to the payment of the same.

**Power of Directors to limit dividend**

183. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undisturbed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

**Interim dividend**

184. Subject to the provisions of the Act the Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the company justifies.

**Retention of dividends until completion of transfer under Article 64.**

185. Subject to the provisions of the Act the Directors may retain the dividends payable upon shares in respect of which any person is, under Article 64 hereof, entitled to become a member or which any person under the Articles is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

**No member to receive whilst indebted to the Company and Company's right of reimbursement thereout.**

186. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

**Transfers of shares must be registered**

187. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**Dividends how remitted**

188. Unless otherwise directed any dividend may be paid by cheque or warrants sent through post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque shall be made payable to the order of the person to whom it is sent.

The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost of that member or person entitled there to by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

### **Unclaimed dividend**

189. Dividends unclaimed for one year after having been declared maybe invested or otherwise used by the Directors for the benefit of the Company until claimed and all dividends the claim to which has become barred by law may be forfeited by the Directors for the benefit of the Company; provided however the Directors may at any time annual such forfeiture and pay any such dividend.

### **Dividend and call together**

190. Any General Meeting declaring a dividend may make a call on the members for such amount as the Meeting fixes, but so that the call on each member shall not exceed the dividend, payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the members be set off against the calls.

## **CAPITALIZATION**

### **Capitalization**

191.(1) Any General Meeting may resolve that any amounts standing to the credit of the share Premium Account or the Capital Redemption Reserve Account or any moneys, invested or other assets forming part of the undivided profits [(including profits or surplus moneys arising from the realization and (where permitted by law) from the appreciation in value of any capital assets of the company)] standing to the credit of the General Reserve. Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalized:-

(a) by the issue and distribution as fully paid up of shares, and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company; or

(b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

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

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

(3) The Directors shall give effect to any such resolution and apply such portion of the profits. General Reserve or Reserve-Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying, in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalized sum.



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

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

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

## **ACCOUNTS**

### **Book of account to be kept**

192. (1) The Company shall keep at its registered office proper books of account with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

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

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

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

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

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

**Inspection by members of accounts and books of the Company.**

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

**Statements accounts to be furnished to General Meeting**

194. The Board of Directors shall lay before each Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or where an extension of times has been granted by the registrar under the provisions of the Act, by more than six months and the extension so granted.

**Balance Sheet and Profit & Loss Account**

195. (1) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the Forms set out in Part I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.

(2) There Shall be annexed to every Balance Sheet a Statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of Section 372(11) of the Act) in the shares of which investments have been made by it (including all investments, whether existing or net. made subsequent to the date as at which the previous Balance Sheet, was made out, and the nature and extent of the investments so made) in each body corporate.

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

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

**Authentication of Balance Sheet and Profit and Loss Account**

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

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

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

**Profit and Loss Account to be annexed and Auditor's Report to be attached to the Balance Sheet**

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

**Board's report to be attached to Balance Sheet**

198. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Director's with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet, and the amount, if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.

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

(3) The Board shall also give the fullest information and explanation in its report or in cases falling under the provision to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(4) The Board's report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board, and where he is not so authorized shall be signed by such number of Director's as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (1) and (2) of Article 196.

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

**Right of members to copies of Balance Sheet and Auditors Report**

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

**ANNUAL RETURNS**

**Annual Returns**

200. The Company shall make the requisite annual returns in accordance with Sections 159 and 161 of the Act and shall file with the Registrar three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act Annual returns.

**AUDIT**

**Accounts to be audited**

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

**Appointment of Auditors**

202. (1) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment, give intimation thereof to every Auditor so appointment unless he is a retiring Auditor.

(2) At any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be re-appointed, unless:

(a) he is not qualified for re-appointment;

(b) he has given the Company notice in writing of his unwillingness to be reappointed

(c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

(d) where notice has been given of an intended resolution to appoint some person or person's in the place of retiring Auditor, and by reason of the death incapacity or disqualification of that person or of all those of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.

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

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

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

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

#### **Qualification and disqualification of Auditors**

(7) The persons qualified for appointment as Auditor's shall be only those referred to in Section 226 of the Act.

(8) None of the person mentioned in Section 226 of the Act as not qualified for appointment as Auditors shall be appointed as Auditors of the Company.

#### **Audit of branch offices**

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

#### **Remuneration of Auditors**

204. The remuneration of the Auditors of the company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors .

#### **Rights and Duties of Auditors**

205. (1) Every Auditor of the company shall have the right of access at all times to the books and vouchers of the Company and shall entitled to require from the Directors and officers of the Company such information and explanations as maybe necessary for the performance of the duties of the Auditors.

(2) All notices of, and other communication relating to, any General Meeting of Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the company, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which attends on any part of the business which concerns him as Auditor.

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

(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year,

(ii) in the case of the Profit and Loss Account of the profit and loss for its financial year.

(4) The Auditor's Report shall also state:

(a) Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) Whether, in his opinion, proper books of account as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purpose of his audit have been received from branches not visited by him.

(c) Whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub-section (3) of that Section and how he has dealt with the same in preparing the Auditor's Report.

(d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of account and returns.

(5) Where any of the matters referred to in clauses (i) and (ii) of sub-section (2) of Section 227 of the Act, or in Clauses (a), (b), (bb), and (c) of sub-section (3) of Section 227 of the Act, or sub-clauses 4(a), (b), (c), and (d) hereof is answered in the negative or with a qualification the Auditor's Report shall state the reason for the answer.

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

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

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

**Accounts when audited and approval to be conclusive except as to errors discovered within three months**

206. Every account when audited and approved by General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected, and thenceforth shall be conclusive.

## DOCUMENTS AND SERVICE OF DOCUMENTS

### **How document is to be served on members**

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

(2) Where a document is sent by post.

(a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice provided that where a member has intimated to the company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by member and

(b) Such service shall be deemed to have been effected

(i) in the case of a notice of a Meeting, at the expiration of forty-eight hour after the letter containing the notice is posted and

(ii) in any other case, at the time at which the letter would be delivered in ordinary course of post.

### **Service on members having no registered address**

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

### **Service on members acquiring shares on death or insolvency of member.**

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

### **Persons entitled to notice of General Meetings**

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

(i) to members of the Company as provided by Article 84 in any manner authorized by Articles 207 and 208 as the case may be or as authorized by the Act.

(ii) to the person entitled to a share in consequence of the death or insolvency of a member as provided by Article 209 or as authorized by the Act; and

(iii) to the Auditor or Auditor's for the time being of the Company, in any manner authorized by Article 207 or the Act in the case of any member or members of the Company.

### **Advertisement**

211. Subject to the provisions of the Act any document required to be served or sent by the company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in Bombay.

### **Members bound by document given to previous holders.**

212. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every document in respect of such share which previously to his name and address being entered on the register shall have been duly served on or sent to the person from whom he derives his title to such share.

### **Notices by Company and signature thereto**

213. Any notice to be given by the company shall be signed by the Secretaries and treasurers, if any or by such Director or officer as the Directors may appoint, and such signature may be written or printed or lithographed.

### **Service of notices by members**

214. All notices to be given on the part of members to the Company shall be left at or sent by registered post to the registered office of the Company.

## **AUTHENTICATION OF DOCUMENTS**

### **Authentication of documents and proceedings**

215. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Secretaries and Treasurers, if any, or an authorized officer of the company and need not be under its seal.

## **WINDING UP**

### **Distribution of assets**

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

### **Distribution in specie or kind**

217. (1) If the Company shall be wound up whether voluntary, or otherwise; the liquidators may with the sanction of Special Resolution divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators with the like sanction shall think fit.

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unilaterally fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

#### **Right of shareholders in case of date**

218. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their-existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential right conferred by the said Section.

### **SECURITY CLAUSE**

#### **Security Clause**

219. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Secretaries and Treasurers or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors and the Secretaries and Treasurers, it will be inexpedient in the interests of the members of the Company to communicate to the public.

### **INDEMNITY AND RESPONSIBILITY**

#### **Directors' and other's right to indemnity**

220.(1) Subject to the provisions of Section 201 of the Act every Director of the Company or of the Secretaries and Treasurers, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Director of the Secretaries and Treasurers, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, officer or servant or in any way in the discharge of the duties.

(2) Subject as aforesaid every Director, Managing Director, member of the Secretaries and Treasurers Company, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceeding whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the court.

#### **Not responsible for acts of others**

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





dated 14<sup>th</sup> day of December 1967 that the proposed Scheme of Amalgamation has been approved and agreed to unanimously by the Members of the Petitioner Company present and voting in person or by proxy THIS COURT DOTH HEREBY SANCTIONS under Section 391 of the Companies Act, 1956 the Scheme of Amalgamation between the Petitioner Company and its Members as the Transferor Company and The National Ekco Radio and Engineering Company Limited as the Transferee Company and its Members, being Exhibit B to the said Petition and set out in the Schedule hereto annexed so as to be binding on all the Members of the Petitioner Company and also or The National Ekco Radio and Engineering Company Limited, the Transferee Company AND THIS COURT DOTH FURTHER ORDER under Section 394 of the Companies Act, 1956 that the undertaking and all the property rights and power of every description including all leases and tenancy rights, industrial, imports and all other licenses and quota rights of the Petitioner Company be and they are hereby transferred to and be vested or deemed to be transferred to and be vested in The National Ekco Radio and Engineering Company Limited, the Transferee Company without further act or deed as from the 1<sup>st</sup> day of January 1967 AND THIS COURT DOTH FURTHER ORDER under the said Section 394 of the Companies Act, 1956 and all the liabilities and duties of the Petitioner Company including the Provident Fund liabilities with effect from the 1<sup>st</sup> day of January 1967 be and they are hereby transferred to the Transferee Company without further act or deed so as to make the same the liabilities and duties of the Transferee Company AND THIS COURT DOTH FURTHER ORDER under the said Section 394 of the Companies Act, 1956 that all Suits, Appeals, Matters and Proceedings by or against the Petitioner Company pending at the date of such transfer as aforesaid and relating to the undertaking, property, rights, power liabilities and duties of the Petitioner Company be continued and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER under the said Section 394 of the Companies Act, 1956 that the Transferee Company do without further application make allotment to the Members of the Petitioner Company on the 15<sup>th</sup> day of April 1968 the New Ordinary Shares of the Transferee Company, to which they are entitled according to the Provisions of the Scheme of Amalgamation in respect of the Equity Shares of the Petitioner Company held on such date and the Transfer Books of the Petitioner Company be finally closed as from the 15<sup>th</sup> day of April 1968 and the Transferee Company do also make payment to such members of the Petitioner Company according to and in the manner provided by the Scheme of Amalgamation AND THIS COURT DOTH FURTHER ORDER under the said Section 394 of the Companies Act, 1956 that as from the 16<sup>th</sup> day of April 1968 the Petitioner Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that the Registrar of Companies, Maharashtra at Bombay do place on and from the 16<sup>th</sup> day of April 1968 all documents relating to the Petitioner Company registered with him on the file kept by him in relation to The National Ekco Radio and Engineering Company Limited, the Transferee Company and do consolidate the Files relating to the said two Companies AND THIS COURT DOTH FURTHER ORDER that any person interested shall be at liberty to apply to this Honorable Court in the above matter for any directions as and when occasion may arise AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do within 14 days of the date of the sealing of this order cause a Certified Copy of this Order to be filed with the Registrar of Companies, Maharashtra at Bombay. Witness Sohrab Peshotan Kotval Esqr., Chief Justice at Bombay aforesaid this 27<sup>th</sup> day of February 1968.

Seal of the  
Sd/ M. S. Pal

By the Court,  
Sd/- V.K.PAI

For Prothonotary and Senior Master

This 27<sup>th</sup> day of March 1968. Order sanctioning the Scheme of Amalgamation drawn on application of Messrs Mulla and Mulla and Craigie Blunt and Caroe, Attorneys for the Petitioner

## THE SCHEDULE ABOVE REFERRED TO

### SCHEME OF AMALGAMATION OF GENERAL RADIO AND APPLIANCES LIMITED WITH THE NATIONAL EKCO RADIO AND ENGINEERING COMPANY LIMITED

1. With effect from the First day of January 1967, the undertaking and all the property, rights and powers of every description including all leases and tenancy rights, industrial, import and all other licenses, and quota rights of General Radio and Appliances Limited (hereinafter called "the Transferor Company") without further act or deed be transferred to and vested or deemed to be transferred and vested in The National Ekco Radio and Engineering Company Limited (hereinafter called " the Transferee Company").

2. All the liabilities and duties of the Transferor Company with effect from the said date shall also be transferred or deemed to be transferred without further act or deed to the Transferee Company so as to become the liabilities and duties of the Transferee Company.

3. All proceeding by or against the Transferor Company pending at the date of such transfer as aforesaid and relating to the undertaking, property, rights, powers, liabilities or duties of the Transferor Company be continued and enforced by or against the Transferee Company.

4. The transfers of property and liabilities under clauses 1 and 2 and all the continuance of proceeding by the Transferee Company under Clause 3 shall not affect any transaction or proceedings already concluded by the Transferor Company on and after 1<sup>st</sup> January 1967, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto as done and executed on behalf of itself. Furthermore, as from 1<sup>st</sup> January 1967, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of the Transferee Company until such time as this Scheme takes effect.

5. Out of the authorised capital of the Transferee Company of Rs. 80 lacs (divided into 30,000 Ordinary Shares of Rs. 100/- each, 10,000 Preference Shares of Rs. 100/- each and 40,000 Unclassified Shares of Rs. 100/- each), the Transferee Company shall issue and allot at fully paid up to the members of the Transferor Company and in the manner as set out in Clause 6 hereof, 31,666 New Ordinary Shares of Rs. 100/- each (ignoring fractional certificates which a shareholder of the transferor Company has agreed to forego). These New Ordinary Shares shall rank for dividend, voting, rights and in all other respects pari passu with the existing Ordinary Shares of the Transferee Company.

6. (a) In consideration of the Transfers under Clauses 1, 2 and 3 hereof every member of the Transferor Company shall:

(i) in respect of every Twelve Equity Shares held by him in the Issued and Subscribed Capital of the Transferor Company (consisting of 3,80,000 issued and fully paid-up Equity Shares of Rs. 10/- each) be entitled as of right to claim and receive and the Transferee Company shall make an allotment to him of one New Ordinary Share in the Transferee Company of Rs. 100/- credited as fully paid-up.

And

(ii) in respect of every holding of less than 12 Equity Shares or in respect of every holding in excess of an exact multiple of twelve Equity Shares held by him, in the Issued and Subscribed Capital of the Transferor Company be entitled to share in the cash distribution in respect of or representing a holding of less than 12 Equity Shares or in excess of an exact multiple of twelve Equity Shares, as the case may be, in terms of the proviso to this sub-clause (a) (ii) PROVIDED THAT NO FRACTIONAL Certificate shall be issued in respect of or representing any holding in the Transferor Company of or representing less than 12 equity Shares, or in excess of an exact multiple of 12 Equity Shares, but the new Ordinary Shares of the Transferee Company allottable in respect of such holdings as are fractions of less than 12 Equity

Shares or in excess of an exact multiple of twelve Equity Shares of the Transferor Company shall be consolidated and in respect of each set of twelve fractions so consolidated each of or representing one-twelfth of an Ordinary Share of the Transferee Company, the Board of Directors of the Transferee Company shall allot one new Ordinary Share to such person or persons (including one or more of themselves or the Secretaries and Treasurers, The Investment Corporation of India Ltd. or one or more of the officers or employees of the Transferee Company) as such Board of Directors may in their absolute discretion select for the purpose of holding and selling such new Ordinary Shares at such time or times and at such price or prices as may be approved by such Board of Directors, provided that such Board of Directors may without making an allotment of all or some of such new Ordinary Shares direct the sale of any or all of such new Ordinary Shares at such price or prices as may be approved by it and upon receipt of the purchase price in respect of each such sale provided such Board of Directors approves of the purchaser, such Board of Directors may allot the share or shares to the approved purchaser. The aggregate sale proceeds of all such new Ordinary Shares of the Transferee Company left over after defraying thereout all costs, Charges and expenses of the sale or sales shall be distributed and divided amongst such holders of the Equity Shares of the Transferor Company as would otherwise have been entitled to such fractions of such new Ordinary Shares of the Transferee Company in proportion to their holdings of the aforesaid fractions of 12 Equity Shares of the Transferor Company.

(b) For the purpose of this Scheme a member of the Transferor Company shall be deemed to include any person entitled to become of holder of or receive or be allotted an Equity Shares of the Transferor Company.

7. On the Scheme being agreed to by the requisite majorities of the members of the Transferor Company and of the members of the Transferee Company, each of them the Transferor Company and the Transferee Company, will, with reasonable dispatch, apply to the High Court, Bombay for sanctioning this Scheme of Amalgamation under section 391 or the Companies Act, 1956, and for an Order or Orders under Section 394 of the Companies Act, 1956 for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

8. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification of this Scheme or to any condition which the Court may deem fit to approve or impose.

9. This Scheme is conditional on

(a) the necessary resolution for issue of the further capital of the Transferee Company being passed and the consent of the Government of India under the Capital Issue (Control) Act, 1947, for the issue of such further capital being obtained :

(b) the Scheme being agreed to by the requisite majorities as are referred to in Clause 7 hereof and sanctioned by the High Court under Section 391 of the Companies Act, 1956, both on behalf of the Transferor Company and the Transferee Company and the necessary Order or Orders under Section 394 of the Companies Act, 1956 referred to in Clause 7 hereof being obtained .

10. In the event of the Scheme not being sanctioned by the Court of first instance and the Orders under Section 394 of the Companies Act, 1956 obtained before 31<sup>st</sup> March, 1968, or within such further period or periods as may be agreed upon between Transferor Company (by its Directors) and the Transferee Company (by its Directors) this Scheme shall become null and void.



Certified to be a true copy  
This 27<sup>th</sup> day of March 1968  
Sd/-  
For Prothonotary and Senior Master

IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

C.P.(CAA) 1931/233-232/(MB)/2018

C.P.(CAA)-1934/233-232/(MB)/2018

C.P.(CAA)-1935/233-232/(MB)/2018

Under section 230-232 of the Companies  
Act, 2013

In the matter of:

Nelco Limited

.....Petitioner in C.P.(CAA)1935/2018

("Nelco" or "Transferee Company" or  
"Amalgamated Company")

Tatanel Services Limited

..... Petitioner in C.P.(CAA) 1931/2018

("TNSL" or "Amalgamating Company")

Nelco Network Products Limited

.....Petitioner in C.P.(CAA) 1934/2018

("NNPL" or "Transferee Company")

Order delivered on: 02.11.2018

Coram:

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



For the Petitioners:

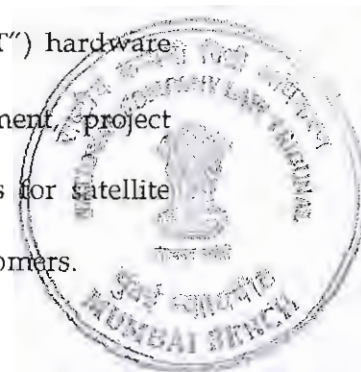
Mr. Kingston D'souza, Mrs. Ziyah H. Pardiwala and Ms. Veena Nair i/b

Z.H.Pardiwala & Co., Solicitors & Advocates

*Per: M. K. Shrawat, Member (J)*

COMMON ORDER

1. The sanction of this Hon'ble Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to the Composite Scheme of Arrangement and Amalgamation between Nelco Limited ("Nelco" or "Transferor Company" or "Amalgamated Company"), Tatanet Services Limited ("TNSL" or "Amalgamating Company") and Nelco Network Products Limited ("NNPL" or "Transferee Company") and their respective shareholders and creditors (hereinafter referred to as "Scheme").
2. The Petitioner Companies have approved the Scheme by passing Board Resolutions and thereafter they have approached the Hon'ble Tribunal for sanction of the Scheme.
3. The Transferor Company is presently engaged in the business of providing Integrated Security and Surveillance solutions ("ISSS") and providing Very Small Aperture Terminals ("VSAT") hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.



4. The Amalgamating Company is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom ("DOT").
5. The Transferee Company was incorporated with the objects to carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, System Integration Services involving various computers, communications and electronics products/technologies and to market and sell and support various types of Satellite/data communications and electronics and electrical equipments and networks; amongst other businesses.
6. The Learned Counsel for the Petitioner Companies states that the Transferee Company i.e., NNPL and the Amalgamating Company i.e., TNSL are both wholly owned subsidiaries of the Transferor Company i.e., Nelco.
7. The Learned Counsel for the Petitioner Companies states that the transactions under the Scheme are as under:
  - i. The Transferor Company shall transfer to the Transferee Company as a going concern by way of Slump Sale the following two existing businesses:
    - a. the business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to



railways, oil companies, large Government undertakings and other customers viz., "Transferred Undertaking 1" (as more particularly described in the Scheme) for a consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only); and

- b. the business of providing VSAT hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to all customers other than to the Amalgamating Company viz., "Transferred Undertaking 2" (as more particularly described in the Scheme) for a consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only).

- ii. The Amalgamating Company will amalgamate / merge by absorption with the Transferor Company. Since the Amalgamating Company is a wholly owned subsidiary of the Transferor Company, the shares held by the Transferor Company in Amalgamating Company will be cancelled and no shares will be issued or consideration paid to the Amalgamating Company or its shareholders for such amalgamation / merger.

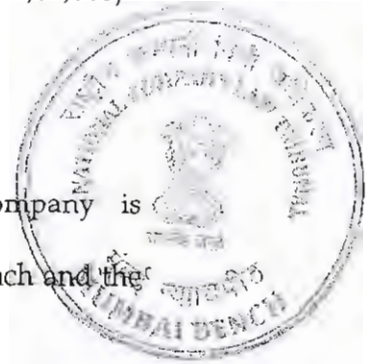
8. The Scheme will have the following benefits:

- i. The Amalgamating Company's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by the Transferor Company is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.





- ii. The organizational and operational structure would be simplified on completion of the arrangement and amalgamation with the VSAT communication service business vesting in the Transferor Company, the flagship listed parent entity and the related hardware business vesting in the Transferee Company. This would result in the recurring revenue from VSAT communication service being in the Transferor Company and the revenue from sale of hardware including VSAT equipment being in the Transferee Company.
- iii. The enhanced net worth of the Transferor Company after the arrangement and amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.
9. The Authorised share capital of the Transferor Company is ₹ 50,00,00,000/- divided into 2,50,00,000 Equity shares of ₹ 10/- each and 25,00,000 Redeemable Preference Shares of ₹ 100/- each and the Issued share capital is ₹ 22,81,84,000/- divided into 2,28,18,400 Equity Shares of ₹ 10/- each and the Subscribed and Paid up share capital is ₹ 22,81,74,610/- divided into 2,28,17,461 Equity Shares of ₹ 10/- each.
10. The Authorised share capital of the Amalgamating Company is ₹ 5,00,00,000/- divided into 50,00,000 Equity shares of ₹ 10/- each and the Issued, Subscribed and Paid up share capital is ₹ 4,90,00,000/- divided into 49,00,000 Equity Shares of ₹ 10/- each.
11. The Authorised share capital of the Transferee Company is ₹ 5,00,000/- divided into 50,000 Equity shares of ₹ 10/- each and the



Issued, Subscribed and Paid up share capital is ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10/- each.

12. The averments made in the Petitions and the submissions made by the Learned Counsel for the Petitioner Companies are:

- i. The Petitioner Companies have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary Affidavits of compliance in this Hon'ble Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable.
- ii. It is stated that the Regional Director has filed his Report dated 17<sup>th</sup> June, 2018. Save and except as stated in paragraph IV (a) to (i) of the Report, the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has observed that:
  - a. *Petitioner Company in clause 35 of the Scheme interalia mentioned that the Capital of the company is Rs. 55,00,00,000 divided into 3,00,00,000 Equity Shares of Rs. 10/- each and 25,00,000 Redeemable Preference Shares of Rs. 100/- each. In this regard, petitioner companies shall have to comply with the provisions of section 232(3) (i) of Companies Act, 2013, according to which where the transferor Company is dissolved, the fee, if any, paid by the transferor Company on its authorized capital shall be set-off against any fees payable by the transferee Company on its authorized capital subsequent to the amalgamation.*



- b. ROC, Mumbai has mentioned in their report dated 28.05.2018 that Amalgamated and Amalgamating Company has filed AOC-4 only up to 30.03.2016. As the Appointed Date is 01.04.2017, the Amalgamated and Amalgamating Company shall have to file Balance sheet up to 31.03.2017 with the Registrar of Companies, Mumbai in the Form AOC-4 before the sanction of the Scheme.
- c. Petitioner in clause 10 of PART-II of the Scheme has inter alia mentioned that the consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) for transferred undertaking-1 by way of slump sale shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors. In this regard Board has to obtain approval of Hon'ble Tribunal.
- d. Petitioner in clause 15 of PART-III of the Scheme has inter alia mentioned that the consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eight Three Lakhs only) for transferred undertaking-2 by way of slump sale shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors. In this regard Board has to obtain approval of Hon'ble Tribunal.
- e. "Effective Date" is defined in the Scheme as the date on which the last of all the conditions and matters referred to in clause 36 have been fulfilled, obtained or waived. As per the provisions of section 232(6) of Companies Act, 2013, the Scheme shall clearly indicate an appointed date from which it shall be effective and the Scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date.
- f. Petitioner Companies shall have to undertake to submit Divisional Balance sheet for "Transferred Undertaking 1" and "Transferred Undertaking 2" before sanction of the Scheme.



- g. *The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition are one and same and there is no discrepancy or deviation.*
- h. *Petitioner in clause 37.1 has inter alia mentioned that the written approvals of DOT with respect to the transfer of the Internet Service Provider license and VSAT license (described in Schedule I) from the Amalgamating Company to the Amalgamated Company under the Scheme shall have been received, which shall be in form and substance acceptable to Nelco and TNSL, each acting reasonably and in good faith; Petitioner shall have to submit the approval received from the DOT.*
- i. *This office has received a letter dated 20.06.2018 from Regional Director, NR enclosing therewith letter No. 820-854/05-LR (Vol-II) dated 01.06.2018 as received from Department of Telecommunication (DOT), Ministry of Communications (MOC) on the Scheme with a request to place the letter before the Hon'ble NCLT, Mumbai. Accordingly the said letter is annexed as Annexure J.*
- iii. *Apropos observation in paragraph IV (a) of the Report of Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferor Company and the Amalgamating Company undertakes to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 such that upon the dissolution of the Amalgamating Company, the fee, if any, paid by it on its authorized capital shall be set-off against any fees payable by the Transferor Company on its authorized capital subsequent to the amalgamation of the Amalgamating Company with the Transferor Company.*



iv. Apropos observation made in paragraph IV (b) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferor Company and the Amalgamating Company have filed Form AOC-4 with the Registrar of Companies, Mumbai for the period of 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 on 26<sup>th</sup> May, 2018 and 30<sup>th</sup> May, 2018 respectively.

Further, the Learned Counsel for the Petitioner Companies also states that the Transferor Company and the Amalgamating Company have submitted a copy of Form AOC-4 and the Challan dated 26<sup>th</sup> May, 2018 and 30<sup>th</sup> May, 2018 respectively generated on the Ministry of Corporate Affairs ("MCA") portal after filling of Form AOC-4 to the Regional Director on 16<sup>th</sup> July, 2018.

v. Apropos observation made in paragraph IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferee Company undertakes that in the event it is unable to discharge the consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) for Transferred Undertaking 1 as per clause 10 of Part-II of the Scheme within 6 months from the Effective Date and if it requires further time to discharge and pay the consideration amount it will seek the approval of this Hon'ble Tribunal.

vi. Apropos observation made in paragraph IV (d) of the Report of the Regional Director is concerned, the Learned Counsel for the



Petitioner Companies states that the Transferee Company undertakes that in the event it is unable to discharge the consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) for Transferred Undertaking 2, as per clause 15 of Part-III of the Scheme within 6 months from the Effective Date and if it requires further time to discharge and pay the consideration amount it will seek the approval of this Hon'ble Tribunal.

- vii. Apropos observation made in paragraph IV (e) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that as per Clause 5 of the Scheme, the "Appointed Date" is defined to mean 1<sup>st</sup> April, 2017 or such other date as may be directed by NCLT. It was further submitted that Clause 6.12 of the Scheme provides as follows *"The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date."* Thus on a co-joint reading of the aforesaid provisions of the Scheme, it is submitted that the Scheme will come into effect and be effective from the Appointed Date viz. 1<sup>st</sup> April, 2017. The Scheme is therefore in compliance with the provisions of section 232(6) of the Companies Act, 2013.

- viii. Apropos observation made in paragraph IV (f) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferor Company has submitted Divisional Balance Sheet as of the Appointed Date for



each of "Transferred Undertaking 1" and "Transferred Undertaking 2" to the Regional Director on 16<sup>th</sup> July, 2018.

- ix. Apropos observation made in paragraph IV (g) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Petitioner Companies undertake and confirm that the Scheme enclosed with Company Applications and the Scheme enclosed with Company Petitions are the same and there is no discrepancy or any deviation.
- x. Apropos observation made in paragraph IV (h) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies states that the Transferor Company and the Amalgamating Company undertakes to submit to the Regional Director the approval from Department of Telecom with respect to the transfer of the Internet Service Provider license and VSAT license (described in Schedule I to the Scheme) from the Amalgamating Company to the Transferor Company when received.
- xi. It is further stated that the Official Liquidator has filed its report dated 3<sup>rd</sup> July, 2018 inter-alia stating therein that the affairs of the Amalgamating Company (Tatanet Services Limited) have been conducted in a proper manner. Further, the Scheme is not prejudicial to the interest of the public and the Amalgamating Company may be ordered to be dissolved without winding up.



xii. It is further stated, no objector has approached either the Petitioner Companies or before the Hon'ble Tribunal, to oppose the Scheme.

13. The Petitioner Companies filed applications dated 12<sup>th</sup> July, 2018 for rectification of an inadvertent typographical error in the definition of "Effective Date" in Clause 5 of the Scheme. The applications are allowed. Accordingly the reference to clause 36 in the definition of "Effective Date" in clause 5 of the Scheme shall be read as clause 37. The revised definition of "Effective Date" in clause 5 of the Scheme shall be the following: *"Effective Date means the date on which the last of all the conditions and matters referred to in clause 37 have been fulfilled, obtained or waived. References in this Scheme to 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date."*

14. From the material on record, the Scheme of Arrangement and Amalgamation appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. And hereby this Bench, to the Petitioner Companies, **do Order that:**

- i. All assets and liabilities including taxes and charges, if any, and duties of Transferred Undertaking 1 of the Transferor Company shall pursuant to section 232 of the Companies Act, 2013 be transferred to and become the assets, liabilities and duties of the Transferee Company with effect from the Appointed Date, in accordance with the Scheme.





- ii. All assets and liabilities including taxes and charges, if any, and duties of Transferred Undertaking 2 of the Transferor Company shall pursuant to section 232 of the Companies Act, 2013 be transferred to and become the assets, liabilities and duties of the Transferee Company with effect from the Appointed Date, in accordance with the Scheme.
- iii. All assets and liabilities including taxes and charges, if any, and duties of the Amalgamating Company shall pursuant to section 232 of the Companies Act, 2013 be transferred to and become the assets, liabilities and duties of the Transferor Company with effect from the Appointed Date, in accordance with the Scheme.
- iv. The clarifications and undertakings given by the Learned Counsel for the Petitioner Companies to the observations made in the Report of the Regional Director are considered by this Bench and those are hereby accepted. Subsequently, this Bench hereby directs the Petitioner Companies to comply with the provisions/statements which the Petitioner Companies undertake herein.
- v. The consideration for the Scheme shall be as follows:
- a. The Transferee Company will pay a lump sum consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) to the Transferor Company for the transfer of Transferred Undertaking 1.
- b. The Transferee Company will pay a lump sum consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty



Three Lakhs only) to the Transferor Company for the transfer of Transferred Undertaking 2.

- c. Since the Amalgamating Company is a wholly owned subsidiary of the Transferor Company, the shares held by the Transferor Company in the Amalgamating Company shall automatically stand cancelled after the Scheme becomes effective.
- vi. The Amalgamating Company shall be dissolved without winding-up after the Scheme becomes effective.
- vii. The Petitioner Companies to lodge a copy of this order and the Scheme duly authenticated by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the Order.
- viii. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Company, electronically, along with E-form INC 28, in addition to the physical copy, within 30 days from the date of receipt of the Order, duly certified by the Deputy Director or Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.



- ix. The Petitioner Companies to pay cost of ₹ 25,000/- to the Regional Director, Western Region, Mumbai. The cost is to be paid within four weeks from the date of the receipt of Order.
- x. The Amalgamating Company (Petitioner Company in C.P.(CAA)1931/2018) to pay cost of ₹ 25,000/- to the Official Liquidator, High Court, Bombay. The cost is to be paid within four weeks from the date of the receipt of Order.
- xi. All authorities concerned to act on a certified copy of this order along with the Scheme duly certified by the Deputy Director or the Assistant Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench.
- xii. Any person prejudiced shall be at liberty to apply to the Hon'ble Tribunal in the above matter for any direction that may be necessary.
- xiii. Any concerned Authorities (i.e., Regional Director, Registrar of Companies, Official Liquidator, Income Tax Authority, etc.) are at liberty to approach this Bench for any clarification or directions under the Scheme.
- xiv. The Scheme is sanctioned hereby, and the appointed date of the Scheme is fixed as 1<sup>st</sup> April, 2017.

15. Ordered Accordingly. To be consigned to Records.



Certified True Copy

Copy Issued "free of cost"

On 13/12/2018

B. A. Patel

Dy.  
Assistant Registrar

National Company Law Tribunal Mumbai Bench

SD/-

M. K. Shrawat  
Member (Judicial)

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION  
(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013 READ WITH OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES  
THEREUNDER)**

**AMONGST**

**NELCO LIMITED**

**AND**

**TATANET SERVICES LIMITED**

**AND**

**NELCO NETWORK PRODUCTS LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND**

**CREDITORS**

**1. AN OVERVIEW OF THE SCHEME**

This Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the Rules of Companies (Compromises, Arrangements, Amalgamation) Rules, 2016 to restructure the various businesses of the Transferor Company and its subsidiaries in two phases as under:

In the first Phase (Part II and III of the Scheme) the Transferred Undertaking 1 (as defined hereinafter) and Transferred Undertaking 2 (as defined hereinafter) of the Transferor Company (as defined hereinafter) shall be transferred to and vested in the Transferee Company (as defined hereinafter) with effect from the Appointed Date (as defined hereinafter), as a going concern by way of Slump Sale (as defined hereinafter) for a lump sum consideration. In consideration of the sale of the Transferred Undertaking 1 and Transferred Undertaking 2, the Transferee Company shall pay Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) and Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) as a lump sum consideration respectively in cash to the Transferor Company within 6 months from the Effective Date (as defined hereinafter).

In the second Phase (Part IV of the Scheme), the Amalgamating Company (as defined hereinafter) will amalgamate with the Amalgamated Company (as defined hereinafter). Accordingly, all assets and liabilities of the Amalgamating Company shall be transferred to and vest in the Amalgamated Company with effect from the Appointed Date as a going concern. The entire share capital of the Amalgamating Company is held by the Amalgamated Company. Therefore the Amalgamated Company shall not be required to issue shares or pay any consideration to the Amalgamating Company or its shareholders.



## 2. DESCRIPTION OF COMPANIES

### 2.1 Nelco Limited

2.1.1 Nelco Limited (CIN: L32200MH1940PLC003164) ("Nelco" or "Amalgamated Company" or "Transferor Company") is a listed public company limited by shares, incorporated under the provisions of the Companies Act, 1913, on 31<sup>st</sup> August, 1940 under the name "The National Radio & Engineering Company Limited" vide certificate of incorporation no. 3164 dated 31<sup>st</sup> August, 1940 issued by the Registrar of Companies.

2.1.2 The name of The National Radio & Engineering Company Limited was changed to The National Ekco Radio & Engineering Company Limited and a fresh certificate no. 3164 dated 28<sup>th</sup> May, 1949 was issued by the Registrar of Companies, Bombay. Subsequently, the name of The National Ekco Radio & Engineering Company Limited was changed to The National Radio & Electronics Company Limited and certificate of change of name no. 3164/TA dated 6<sup>th</sup> August, 1969 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay. The name of The National Radio & Electronics Company Limited was further changed to Nelco Limited and a fresh certificate of incorporation bearing no. 11-3164 dated 28<sup>th</sup> September, 1999 was issued by the Asstt. Registrar of Companies, Maharashtra, Bombay.

2.1.3 The registered office of Nelco is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.

2.1.4 The main objects of Nelco as per its memorandum of association are inter alia as under:

"III (1) To carry on in India or elsewhere business as manufactures, importers and exporters of and dealers in Radios, Radio Receiving and Transmitting Sets and their component parts, Wireless Apparatus and appliances and radio, electrical, and engineering materials, goods, machinery and requisites and as Radio, Electrical, Mechanical and General Engineers and Contractors and as manufactures and workers in materials of any nature and kind, and as exporters and importers of and dealers in articles and goods of all descriptions.

(1-A) To carry on in India or elsewhere the business of manufactures, assemblers, buyers, sellers, importers, exporters, dealers in, hirers and distributors of

(a) Radios, radio products, radio apparatus and equipment, radio receivers of all kinds such as table sets, portable sets, transistors, car radios, record players, radiograms, television receivers, tape recorders, dictating machines and electronic apparatus and equipment of all kinds and cabinets, component parts and accessories thereof of every kind and description including coils, resistors, condensers, transformers, loud-speakers, valves, transistors, diodes, photocells, storage batteries wet and dry and all other mechanical, electrical and electronic parts, and parts made from metal, wood, plastic, glass and other materials.



(b) All equipment and instruments for recording, amplifying, reproducing or transmitting voices, sound, light, vision, impulses and signals and components and parts thereof.

(c) All kinds of radio and electronic equipment and products of every description and kind including broadcasting and television transmitters, wireless receiving and transmitting apparatus, direction finding equipment, sonar and radio sounder, electrical testing and measuring instruments, electronic equipment components and accessories, panels, meters, telecommunication cable and cable accessories, intercom sets, radio links, carrier frequency equipment, analogue and digital computers, letter sorting and ticket issuing machines and components and parts thereof.

(d) Household and commercial appliances, electrical, mechanical or otherwise of every nature and kind whatsoever including lamps, irons, washing machines, vacuum cleaners, floor polishers, water heaters, air conditioners, ovens, stoves, grillers, professional kitchen and canteen equipment and scientific and laboratory apparatus and equipment.

(e) Optical and nautical apparatus, binoculars, microscopes, stereoscopes, glasses, lenses and appliances and instruments of every description and components and parts thereof.

(f) Medical and surgical instruments, hearing aids, scientific and laboratory apparatus and instruments and analytical balances.

(g) All capital equipment, machinery and apparatus required for the manufacture, testing and repairs of any or all of the above articles and products.

(1-B) To repair, maintain, service and alter all or any of the above articles and products.

(1-C) To carry on the business of manufacturers, assemblers, factors, builders, importers, hirers, and dealers in theatrical, film producing and studio equipments of every description, cameras, taking picture equipments of both recording and reproducing and laboratory equipments of every description, photographic apparatus, instruments, materials and products of every description and printed and other advertising matters and in connection therewith to undertake and carry out all or any of the functions, operations, services or works ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-D) To produce, finance, exploit, turn to account and deal in motion picture plays and to conduct and carry on, in all their respective branches, the businesses of producers, manufacturers, licensors, licensees, printers, proprietors, hirers, renters, and exhibitors of and dealers in and agents for films of all and every kind and description, photographic negatives and positives, photoplays, scenarios, photographic instruments, material and products, and printed and other advertising matter and in connection therewith to undertake and carry out all or any of the functions, operations, services or



work ordinarily or which can conveniently be undertaken and carried out by persons engaged in such business.

(1-E) To carry on the business of touring cinemas for public entertainment, education and instruction and to maintain libraries of entertainment, instructional and educational films and to produce or cause to be produced films for public entertainment, education and instruction and also deal in such other equipments, as may be essential for the purpose of education in Government, Municipal and private schools, colleges and universities.

(1-F) To establish, provide, maintain and conduct or otherwise subsidise research and development, technical laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds. And generally to encourage, promote and reward studios, researches, investigations, experiments, tests, discoveries, and invention of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

2. To carry on the business as manufacturers and makers of and dealers in metal and other products, articles and thing of every description and kind and to carry on and conduct workshops and foundries of iron, brass and other metals and to buy sell manipulate and deal, both wholesale and retail, in products, commodities, goods, articles and things of all kinds whatsoever.

3. To construct , maintain carry out, work, sell, let on hire, and deal in Telegraphic and Wireless Apparatus and all kinds of works, machinery conveniences and things capable of being used in connection with any of the objects of the company, and in particular any cables, wires, lines, stations, exchanges, accumulators, lamps, meters and engines.

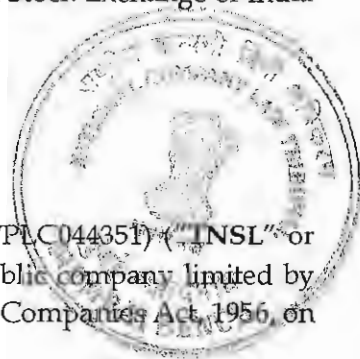
4. To carry on the business of engineers and manufacturers of Telegraphic and Wireless Works or Telegraphic and Wireless Apparatus of any nature and kind."

2.1.5 Nelco is presently engaged in the business of providing Integrated Security and Surveillance solutions ("ISSS") and providing Very Small Aperture Terminals ("VSAT") hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to customers.

2.1.6 Equity shares of Nelco are listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

## 2.2 Tatanet Services Limited

2.2.1 Tatanet Services Limited (CIN : U67120MH1987PLC044351) ("INSL" or "Amalgamating Company") is an unlisted public company limited by shares, incorporated under the provisions of the Companies Act, 1956, on

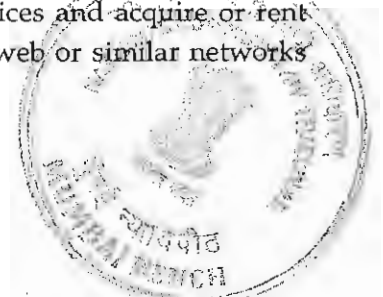


12<sup>th</sup> August, 1987 under the name "Nelco Finance Private Limited" vide certificate of incorporation no. 44351 dated 12<sup>th</sup> August, 1987 issued by the Registrar of Companies.

- 2.2.2 The name of Nelco Finance Private Limited was changed to Tatanet Broadband Wireless Private Limited and a fresh certificate no. 11-44351 dated 2<sup>nd</sup> July, 2003 was issued by the Deputy Registrar of Companies, Maharashtra, Mumbai. Subsequently, the name of Tatanet Broadband Wireless Private Limited was changed to Tatanet Broadband Wireless Limited and certificate of change of name no. 11-44351 dated 23<sup>rd</sup> April, 2004 was issued by the Registrar of Companies, Maharashtra, Mumbai. The name of Tatanet Broadband Wireless Limited was further changed to Tatanet Services Limited and a fresh certificate of incorporation bearing no. 11-44351 dated 28<sup>th</sup> March, 2005 was issued by the Dy. Registrar of Companies, Maharashtra, Mumbai.
- 2.2.3 The registered office TNSL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.
- 2.2.4 The main objects of TNSL as per its memorandum of association are as under:

"III (A) 1. To carry on in India or elsewhere any business in the field of Telecommunications, Internet Services Broadband Communications Services to provide services related to E-Commerce, Electronic Data Interchange Networking, High End Voice, Date and Image Transfer Solutions, Web T.V. Online Shopping, Creation of Web sites and Web based solutions, CGI Interface FTP Access, Usenet and Telnet Internet Relay Chat, Domain Name registration and Routing Computer storage space solutions. To develop, design, conceptualize, improve, produce, reproduced, market patent, distribute, buy sell, license, provide, import, export, implement operate, support and maintain information technology and communication based products and services including those through the Internet world wise computer network, voice date and image transfer in any form including digital data packets, storage media such as floppies, disk drives, magnetic tapes, publishing multimedia. To provide services of consultancy and training designing, coding and integrating systems for intranet and internet solutions, and to develop, configure or deal in computer hardware and systems including assemblies, sub-assemblies and other accessories, peripherals thereof, digital products, and the development and marketing of software and all types or products and services relating to the computer industry.

2. To engage in E-Commerce and related services for all kinds of products and services including merchandise, financial products and services, distribution and collection services using the worldwide computer networks and web services available and to obtain / offer agencies, tie-ups, distributorships of organizations that develop and market internet related products and services and buy, sell market distribute or deal in such products and services and acquire or rent computer/ storage space on the worldwide web or similar networks for this purpose.





3. To establish, promote, purchase, setup or connect with and/ or base any database, network, data and information processing centers and bureaus either of its own or franchise centers for dissemination or knowledge and information related to the computer, communications and information technology industry in various forms including print, video, CD-ROM, electronics media and digital media, internet, intranet, modem, fax modems, video conferencing, email, voice mail, Voice Response Systems, Multiplexes, line drivers, routers, bridges, hubs, VSATs, Radio trucking, networking, Telecom software, cable wireless networks ERP solutions and satellite communications."

2.2.5 TNSL is presently engaged in the business of providing wide area networking solutions using VSAT communication services on a pan India basis pursuant to the commercial VSAT Service provider license from Department of Telecom ("DOT"). The VSAT communication services use satellite bandwidth as a medium for connectivity. TNSL offers these services to enterprise customers across the various industry verticals as well as to Government customers.

2.2.6 TNSL is a wholly owned subsidiary of Nelco.

### 2.3 Nelco Network Products Limited

2.3.1 Nelco Network Products Limited (CIN : U32309MH2016PLC285693) ("NNPL" or "Transferee Company") is an unlisted public company limited by shares, incorporated on 8<sup>th</sup> September, 2016 under the provisions of the Companies Act, 2013 vide certificate of incorporation dated 8<sup>th</sup> September, 2016 issued by the Deputy Registrar of Companies.

2.3.2 The registered office of NNPL is situated at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710.

2.3.3 The main objects of NNPL as per its memorandum of association are as under:

"III (A) 1. To carry on the business of designers, manufacturers, assemblers, sellers, buyers, importers, exporters, stockiest, hirers, repairers, installers, developers and distributors of or otherwise dealers in all sorts of products and services in VSAT Communication, Value Added Network (VAN), Electronic Data Interchange, Datacom Network, File Transfer and Protocol Conversation, Voice Network Services, Electronic Transaction Services, High Speed VSAT based Satellite Communication Services, Video Conferencing Services, System Integration Services involving various computers, communications and electronics products/technologies and to market and sell and support various types of Satellite/data communications and electronics and electrical equipments and networks built using various products including but not limited to Routers, Switches and Computers.

2. To carry on business in and relating to research, development, manufacture, assembly, fitting up, fabricating, assembling, converting, overhauling, altering, hiring, letting on hire, improving, repairing and dealing in any or all descriptions of electrical and electronics appliances, apparatus, equipments, instruments, components as required in industrial/ defence control applications, electronic circuits, computers,

entertainment equipments, space research and allied industries, telecommunications and security services.

3. To carry on the business of advising, rendering consultancy, training, developing, designing, improving, upgrading, integrating, importing, exporting, distributing, buying, selling, operating, maintaining or otherwise dealing in all types of Industrial safety, security and surveillance devices, equipments, products, systems, services, applications and projects and Electronic Commerce and related applications products, services including hardware and all types of software to all types of establishments and dealing in and setting up, operating and maintaining the infrastructure, network computer system and related equipment and to take on lease or rent or otherwise network/gateways.

4. To carry on the business of manufacturers, operators and service providers in India or abroad of fibre optic transmission equipment, fibre optic cables, video conference equipments, digital cross connect equipment, SDH or PDH equipment, cellular telephony, radio paging, E-mail, Videotext, voice mail and allied telecommunication equipment whether directly or by franchise, lease or in association or in collaboration with other party or parties, company or companies whether Indian or foreign."

2.3.4 NNPL is yet to commence any business activity.

2.3.5 NNPL is a wholly owned subsidiary of Nelco.

### 3. RATIONALE

3.1 This Scheme involves the restructuring of the various businesses of Nelco and its subsidiaries by way of Arrangement and Amalgamation (as defined hereinafter). TNSL provides VSAT communication service under the commercial VSAT service provider license issued by DOT. Nelco inter alia sells and maintains VSAT hardware and provide allied services and also operates the TNSL network based on a contract with TNSL.

3.2 The rationale for the Scheme is mentioned below:

3.2.1. TNSL's revenue comes from sale of VSAT communication services, majority of which is recurring in nature. On the other hand, the revenue earned by Nelco is partially from recurring services of hardware maintenance but mainly from one time sale of hardware including VSAT equipment.

3.2.2. The organizational and operational structure would be simplified on completion of the Arrangement and Amalgamation with the VSAT communication service business vesting in Nelco, the flagship listed parent entity and the related hardware business vesting in NNPL. This would result in the recurring revenue from VSAT communication service being in Nelco and the revenue from sale of hardware including VSAT equipment being in NNPL.

3.2.3. The enhanced net worth of Nelco after the Arrangement and Amalgamation will improve its ability to bid for larger projects and pursue bigger opportunities.



#### 4. GENERAL

4.1 This Scheme is divided into the following parts:

- 4.1.1 **Part I**, provides for definitions, interpretation and share capital;
- 4.1.2 **Part II**, provides for the transfer and vesting of Transferred Undertaking 1 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment and matters incidental thereto;
- 4.1.3 **Part III**, provides for the transfer and vesting of Transferred Undertaking 2 of Nelco to NNPL by way of Slump Sale, discharge of consideration, accounting treatment, and matters incidental thereto;
- 4.1.4 **Part IV**, provides for the amalgamation of TNSL with Nelco, discharge of consideration, accounting treatment, merger of authorised share capital and matters incidental thereto;
- 4.1.5 **Part V**, deals with the general terms and conditions applicable to all parts of this Scheme.

#### PART I- DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

#### 5. DEFINITIONS

In the Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings given to them:

**"Act"** means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

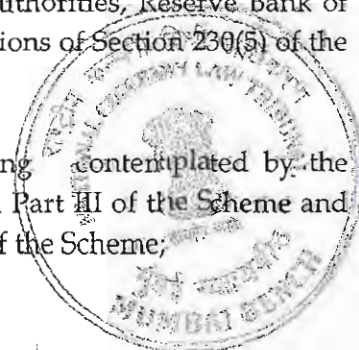
**"Amalgamation"** means the amalgamation of Amalgamating Company with Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Part IV of the Scheme;

**"Applicable Law"** means any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;

**"Appointed Date"** means 1<sup>st</sup> April, 2017 or such other date as may be directed by NCLT;

**"Appropriate Authority"** means any government body (central, state or local Government), legislative body, statutory body, departmental or public body or regulatory or administrative authority, judicial or arbitral body or other organization operating under the force of law including NCLT, the stock exchanges, the Securities and Exchange Board of India ("SEBI"), DOT, income tax authorities, Reserve Bank of India and other applicable authorities pursuant to the provisions of Section 230(5) of the Act, as may be relevant in the context;

**"Arrangement and Amalgamation"** means the restructuring contemplated by the Scheme including (i) the Slump Sales in terms of Part II and Part III of the Scheme and (ii) Amalgamation (post the Slump Sale) in terms of Part IV of the Scheme;



**"Board of Directors"** or **"Board"** in relation to Nelco, TNSL and NNPL as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

**"Contracts"** means deeds, bonds, contracts, agreements (including in connection with contracts for services) and other instruments;

**"Effective Date"** means the date on which the last of all the conditions and matters referred to in clause 36 have been fulfilled, obtained or waived. References in this Scheme to 'upon this Scheme becoming effective' or 'upon this Scheme coming into effect' shall mean the Effective Date;

**"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **"Encumbered"** shall be construed accordingly;

**"Governmental Approval"** means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Appropriate Authority;

**"Income Tax Act"** means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force;

**"Intellectual Property Rights"** means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information;

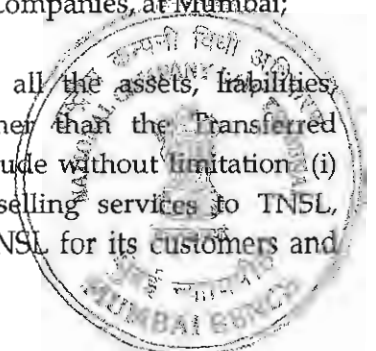
**"NCLT"** means the National Company Law Tribunal, Mumbai Bench having jurisdiction over Nelco, TNSL and NNPL;

**"Nelco" or "Amalgamated Company" or "Transferor Company"** means Nelco Limited, a listed public company limited by shares, incorporated on 31<sup>st</sup> August, 1940 under the provisions of the Companies Act, 1913 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

**"NNPL" or "Transferee Company"** means Nelco Network Products Limited, an unlisted public company limited by shares, incorporated on 8<sup>th</sup> September, 2016 under the provisions of the Companies Act, 2013, and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

**"Registrar of Companies" or "ROC"** means the Registrar of Companies, at Mumbai;

**"Residual Business of the Transferor Company"** means all the assets, liabilities, business and operations of the Transferor Company other than the Transferred Undertaking 1 and Transferred Undertaking 2 and shall include without limitation (i) the business of Transferor Company of marketing and selling services to TNSL, maintaining and running various hubs and networks for TNSL for its customers and



providing data centre services to all equipments of TNSL; (ii) leasehold land and building thereon situated at plot EL-6 situated at TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710; (iii) investment in shares and securities of any company and body corporate including subsidiary companies; and (iv) internet service provider license no. 820-789/04-LR dated 14<sup>th</sup> July, 2004 issued by DOT;

**"Scheme"** or **"this Scheme"** means this Composite Scheme of Arrangement and Amalgamation in its present form submitted to NCLT with any modification(s) thereto as NCLT or any other Appropriate Authority may require, direct or approve;

**"SEBI Circular"** means the circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 as modified by Circular no. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> March, 2017 issued by SEBI and all other applicable circulars and regulations issued by SEBI in this respect;

**"SEBI LODR"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**"Slump Sale"** means the transfer and vesting of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company into the Transferee Company as a going concern on an as is where is basis for a lump sum consideration, without values being assigned to the individual assets and liabilities in terms of Section 2(42C) of the Income Tax Act and to be implemented in terms of Part II and Part III of the Scheme;

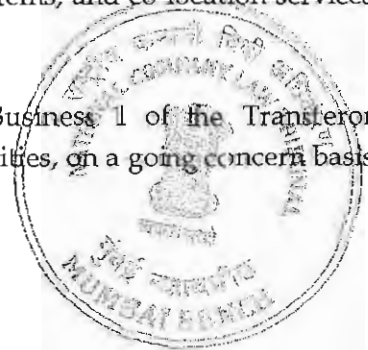
**"Tax"** or **"Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Appropriate Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales tax, severance, branch profits, customs duties, excise duty, CENVAT credit, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, input tax credit, entry tax, advance income tax, tax deducted at source, wealth tax, fringe benefit tax, tax collected at source, cess, tax refunds, taxes withheld or paid in a foreign country, customs duty and registration fees;

**"TNSL"** or **"Amalgamating Company"** means Tatanet Services Limited, an unlisted public company limited by shares, incorporated on 12<sup>th</sup> August, 1987 under the provisions of the Companies Act, 1956 and having its registered office at EL-6, TTC Industrial Area, MIDC, Electronics Zone, Mahape, Navi Mumbai - 400710;

**"Transferred Business 1"** means the business of providing solutions in the areas of Automation Control of ISSS through the supply, installation and fixed annual maintenance of security systems to railways, oil companies, large Government undertakings and other customers;

**"Transferred Business 2"** means the business of providing VSAT hardware and allied services consisting of network management, project management, infrastructure services, turnkey solutions for satellite communication systems, and co-location services to all customers other than to TNSL;

**"Transferred Undertaking 1"** means the Transferred Business 1 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;



- (i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 1, all immovable properties of the Transferor Company used for the Transferred Business 1, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques, bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 1 excluding the CENVAT credit and value added Tax set off available;
- (ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 1 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;
- (iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 1 or otherwise identified to be for the benefit of the same;
- (iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 1, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;
- (v) all permits, licenses (excluding licenses issued by the Wireless Planning and Coordination Wing, Ministry of Communications), consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related



approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 1;

- (vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 1, along with associated obligations;
- (vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 1, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 1;
- (viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 1, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;
- (ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 1; and
- (x) any other assets and liabilities.

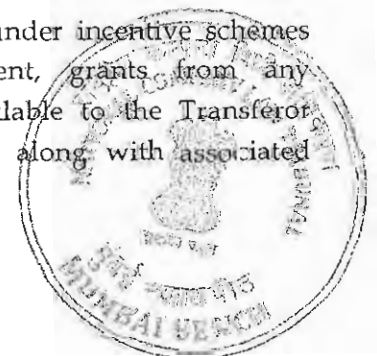
“**Transferred Undertaking 2**” means the Transferred Business 2 of the Transferor Company and all assets, properties, investments and liabilities, on a going concern basis including (without limitation) the following;

- (i) all movable assets and properties wherever located, whether real, tangible or intangible (whether or not recorded in books), present or future, actual or contingent, exclusively used or held, by the Transferor Company pertaining to the Transferred Business 2, all immovable properties of the Transferor Company used for the Transferred Business 2, structures and buildings constructed thereon, tenancies, parking rights, title, rights, interests, benefits and documents of title, rights or interest and easements in relation thereto and all plant and machineries, equipment, fixed assets, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, advances and deposits with any Appropriate Authority or others, outstanding loans and advances recoverable in cash or in kind (including accrued interest), receivables, all types of stocks including work-in-process, cash, balances with banks, cheques,



bills of exchange and other negotiable instruments, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit, financial assets and instruments, and other funds along with accrued interest thereon and benefits attached thereto, pertaining to the Transferred Business 2 excluding the CENVAT credit and value added Tax set off available;

- (ii) all debts (secured and unsecured), liabilities, provisions, loans, guarantees, forward contract liability, assurances, commitments, duties and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), exclusively pertaining to the Transferred Business 2 excluding the liabilities pertaining to service Tax, value added Tax and customs duty;
- (iii) all Contracts including material contracts, agreements, bids, tenders, licenses, linkages, memoranda of understanding, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders, right of way, tenancy rights or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferred Business 2 or otherwise identified to be for the benefit of the same;
- (iv) all Intellectual Property Rights including registered Intellectual Property Rights, registered trademarks, trade names, copyrights, patents, designs, all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names and applications relating thereto, goodwill, technical knowhow and trade secrets exclusively used by or held for use by the Transferor Company pertaining to the Transferred Business 2, whether or not registered, owned or licensed, including any form of intellectual property which is work in progress;
- (v) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, claims, registrations, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, permissions, if any, privileges and similar rights, and any waivers of the foregoing, issued by any Appropriate Authority or any department, commission, board, agency, bureau, official or other statutory, regulatory, local, administrative or judicial authority including telephone, broadband, wireless and other communication systems and equipment related approvals and connections including for data/image/graphics storage, reproduction, transmission and transfers, and all other rights, permits, consents, no-objections and approvals, pending applications for consents, renewals or extension exclusively relates to or used or held for use by the Transferor Company pertaining to the Transferred Business 2;
- (vi) all benefits, entitlements, incentives and concessions under incentive schemes and policies, subsidy receivables from Government, grants from any Appropriate Authority, to the extent statutorily available to the Transferor Company pertaining to the Transferred Business 2, along with associated obligations;





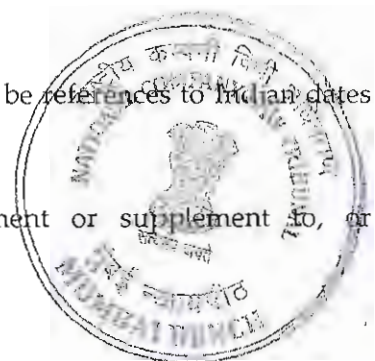
- (vii) all staff, employees and workmen of the Transferor Company, whether permanent or temporary, including employees/personnel engaged on contract basis and contract labourers, apprentices, interns/trainees, as are primarily engaged in or in relation to the Transferred Business 2, at its respective offices, branches and other locations, and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes, funds or benefits of such staff, employees, workmen and contract labourers of the Transferor Company, together with such of the investments made by these funds, which are referable to such staff, employees, workmen and contract labourers of the Transferor Company pertaining to the Transferred Business 2;
- (viii) all legal (whether civil or criminal) proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, that pertain to the Transferred Business 2, whether pending/ongoing or which be instituted any time in the future excluding legal proceedings or investigations relating to service Tax, value added Tax and customs duty;
- (ix) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Business 2; and
- (x) any other assets and liabilities.

All terms and words used in this Scheme and not specifically defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act.

## 6. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 6.1 words denoting singular shall include plural and vice versa;
- 6.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 6.3 references to the word "include" or "including" shall be construed without limitation;
- 6.4 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;
- 6.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 6.6 references to dates and times shall be construed to be references to Indian dates and times;
- 6.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;



- 6.8 references to a person include any individual, firm, body corporate (whether incorporated or not), Government, state or agency of a state or any joint venture, association, partnership, works councillor, employee representatives body (whether or not having separate legal personality) ;
- 6.9 references to any person includes that person's successors;
- 6.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 6.11 any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time); and
- (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced. Provided that nothing in this Clause 6 shall operate to increase the liability of any party to this Scheme beyond that which would have existed had this Clause 6 been omitted.
- 6.12 The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of NCLT, shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

## 7. SHARE CAPITAL

### 7.1 Nelco (Transferor Company / Amalgamated Company)

The share capital of Nelco as on 31<sup>st</sup> March, 2017 is as under:

Authorised Share Capital	Amount (Rs.)
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000
25,00,000 Redeemable Preference Shares of Rs. 100 each	25,00,00,000
<b>Total</b>	<b>50,00,00,000</b>
<b>Issued Share Capital</b>	
2,28,18,400 Equity Shares of Rs. 10 each	22,81,84,000
<b>Subscribed and Fully Paid Up Share Capital</b>	
2,28,17,461 Equity Shares of Rs. 10 each	22,81,74,610

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of Nelco.



7.2 TNSL (Amalgamating Company)

The share capital of TNSL as on 31<sup>st</sup> March, 2017 is as under

Authorised Share Capital	Amount (Rs.)
50,00,000 Equity Shares of Rs. 10 each	5,00,00,000
<b>Issued Share Capital</b>	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000
<b>Subscribed and Fully Paid Up Share Capital</b>	
49,00,000 Equity Shares of Rs 10 each	4,90,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of TNSL.

7.3 NNPL (Transferee Company)

The share capital of NNPL as on 31<sup>st</sup> March, 2017 is as under:

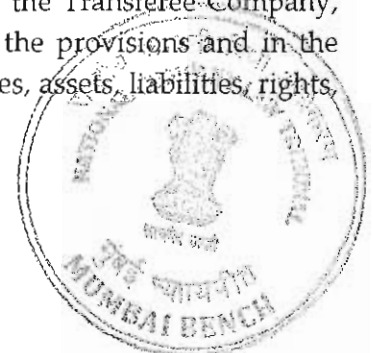
Authorised Share Capital	Amount (Rs.)
50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Issued Share Capital</b>	
50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Subscribed and Fully Paid Up Share Capital</b>	
50,000 Equity Shares of Rs. 10 each	5,00,000

Thereafter there has been no change in authorised, issued, subscribed and paid up share capital of NNPL. NNPL will be appropriately and adequately funded to meet its business requirements including discharge of consideration for the acquisition of Transferred Undertaking 1 and Transferred Undertaking 2.

**PART II - TRANSFER OF TRANSFERRED UNDERTAKING 1 OF THE TRANSFEROR COMPANY TO THE TRANSFEEE COMPANY BY WAY OF SLUMP SALE**

8. Transfer and vesting of Transferred Undertaking 1 of the Transferor Company to the Transferee Company by way of Slump Sale

8.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed Date the Transferred Undertaking 1 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.



8.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 1 together with all its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 10 herein below, without assigning values to individual assets and liabilities, and in the following manner:

8.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 1 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

8.2.2 All assets pertaining to the Transferred Undertaking 1 that are movable in nature, other than those in sub-clause 8.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

8.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 1 of the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

- 8.2.4 All immovable properties pertaining to the Transferred Undertaking 1 including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.
- 8.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.
- 8.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 1 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 1 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.
- 8.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 1, if any, shall stand vested in the Transferee Company.



without any further act, instrument or deed, upon the Scheme becoming effective.

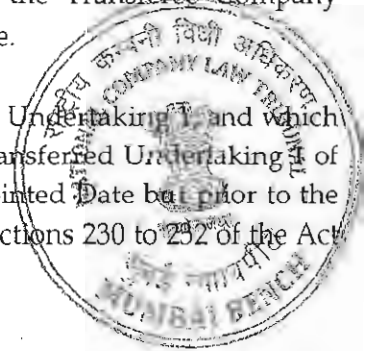
8.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 1, or to the benefit of which the Transferred Undertaking 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.

8.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 1 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.

8.3 Without prejudice to the generality of Clause 8.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:

8.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 1, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 1, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

8.3.2 All the liabilities pertaining to the Transferred Undertaking 1, and which are incurred or which arise or accrue to the Transferred Undertaking 1 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act



and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 1 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

8.3.3 Any liabilities of the Transferred Undertaking 1 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.

8.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaken on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 1 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.

8.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 1 relating to the liabilities of the Transferred Undertaking 1, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 1, shall without any further act, instrument or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 1 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.

8.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 1, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 1 transferred to the Transferee Company pursuant to this Scheme.



- 8.3.7 Without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 8.3.8 The provisions of this clause 8.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

#### 8.4 Employees

- 8.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 1, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 1 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.
- 8.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of the employees, staff, workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 1 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.
- 8.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 1, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

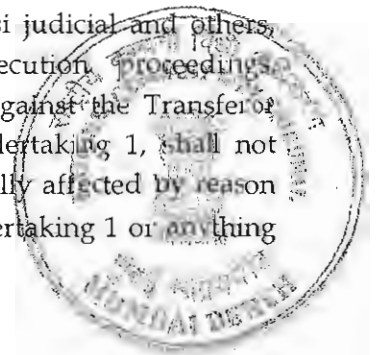




- 8.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred Undertaking 1 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 8.4.5 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 1 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- 8.4.6 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 1, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.
- 8.4.7 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 1 to the extent applicable in relation to the Transferred Undertaking 1, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 8.4.8 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 1 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

## 8.5 Legal Proceedings

- 8.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 1, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 1 or anything contained in this Scheme.



- 8.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 1, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 8.5.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertaking 1, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 8.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 8.5.1 to 8.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 8.6 The experience, track record and credentials of the Transferred Undertaking 1 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 1 even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
- 8.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.
- 8.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 1 including its business and operations, into the Transferee Company. It is hereby

clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

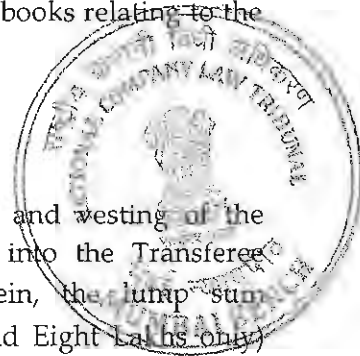
**9. Conduct of business**

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

- 9.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 1 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;
- 9.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 1 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and
- 9.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 1 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 1 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 1, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 1) of the Transferee Company.

**10. Consideration for Slump Sale**

- 10.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 1 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 10,08,00,000/- (Rupees Ten Crores and Eight Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.



**11. Accounting Treatment in the books of the Transferor Company and Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

**12. Validity of existing resolutions, etc.**

12.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 1, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

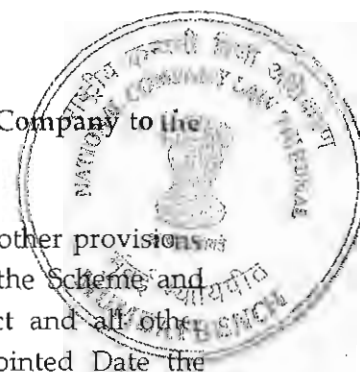
12.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 1 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 1 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

**PART III - TRANSFER OF TRANSFERRED UNDERTAKING 2 OF THE TRANSFEROR COMPANY TO THE TRANSFEE COMPANY BY WAY OF SLUMP SALE**

**13. Transfer and vesting of Transferred Undertaking 2 of the Transferor Company to the Transferee Company by way of Slump Sale**

13.1 Upon this Scheme becoming effective, subject to clause 18 and other provisions of this Scheme, pursuant to the orders of NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, with effect from the Appointed Date the Transferred Undertaking 2 of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, by way of Slump Sale, so as to become, as and from the Appointed Date, the undertaking of the Transferee Company, without any further act, instrument or deed, as per the provisions and in the manner provided herein, together with all its properties, assets, liabilities, rights, benefits and interest therein.

13.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, with effect from the Appointed Date, the entire Transferred Undertaking 2 together with all





its business and operations including all its assets and liabilities, shall be transferred by the Transferor Company to the Transferee Company on a going concern and "as-is-where-is" basis, for a lump sum consideration as mentioned in Clause 15 herein below, without assigning values to individual assets and liabilities, and in the following manner:

13.2.1 All assets (whether or not recorded in the books of accounts) pertaining to the Transferred Undertaking 2 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, on the Scheme becoming effective, shall stand vested in the Transferee Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

13.2.2 All assets pertaining to the Transferred Undertaking 2 that are movable in nature, other than those in sub-clause 13.2.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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, shall without any further act, instrument or deed, stand transferred to and vested in the Transferee Company on and from the Appointed Date and become the property of the Transferee Company, without any notice or other intimation to the debtors or obligors or any other person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

13.2.3 All lease and licence agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferred Undertaking 2 of the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

13.2.4 All immovable properties pertaining to the Transferred Undertaking 2 including land, building, offices, sites and accretions and appurtenances

and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

13.2.5 All Contracts to which the Transferor Company is a party, or to the benefit of which the Transferor Company may be entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such Contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectually as if, it were the Transferor Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such Contracts, shall be deemed to have been entered in and novated to the Transferee Company and the Transferee Company shall be deemed to be the Transferor Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company.

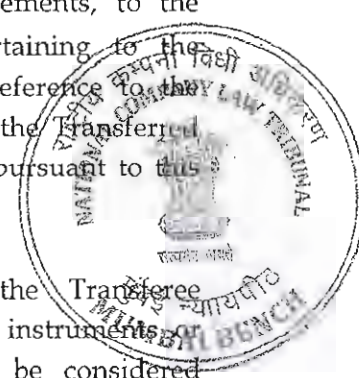
13.2.6 All guarantees provided by any bank in relation to the Transferred Undertaking 2 in favour of the Transferor Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Transferee Company and shall enure to the benefit of the Transferee Company and, all guarantees issued by the bankers of the Transferor Company in relation to the Transferred Undertaking 2 at the request of the Transferor Company favouring any third party shall be deemed to have been issued at the request of the Transferee Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

13.2.7 All Intellectual Property Rights exclusively pertaining to the Transferred Undertaking 2, if any, shall stand vested in the Transferee Company without any further act, instrument or deed, upon the Scheme becoming effective.

- 13.2.8 All Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever in relation to the Transferred Undertaking 2, or to the benefit of which the Transferred Undertaking 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Transferee Company, and shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto.
- 13.2.9 All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, pertaining to the Transferred Undertaking 2 of the Transferor Company, to the extent possible and permitted under Applicable Law, be handed over by the Transferor Company to the Transferee Company.
- 13.3 Without prejudice to the generality of Clause 13.1 above, upon the Scheme coming into effect, with effect from the Appointed Date:
- 13.3.1 All the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, provisions, duties and obligations (whether or not provided in the books of the Transferor Company) pertaining to the Transferred Undertaking 2, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Transferred Undertaking 2, as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date, the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.
- 13.3.2 All the liabilities pertaining to the Transferred Undertaking 2, and which are incurred or which arise or accrue to the Transferred Undertaking 2 of the Transferor Company, on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and all other provisions of Applicable Law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party

for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as part of the transfer of the Transferred Undertaking 2 as going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company alone shall meet, discharge and satisfy the same.

- 13.3.3 Any liabilities of the Transferred Undertaking 2 as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- 13.3.4 All loans raised and utilized, liabilities, duties and Taxes and obligations incurred or undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 230 to 232 of Act, as applicable, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a part of the Transferred Undertaking 2 as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- 13.3.5 All the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Transferred Undertaking 2 relating to the liabilities of the Transferred Undertaking 2, shall without any further act or deed continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date. Further, the Encumbrances, if any, on the assets of the Residual Business of the Transferor Company in relation to the liabilities of the Transferred Undertaking 2, shall without any further act, instrument or deed be released and discharged on such assets of the Residual Business of the Transferor Company. Further so far as assets of the Transferred Undertaking 2 is concerned, the Encumbrances over such assets relating to any loans, borrowings, liabilities or debts which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company), shall without any further act or deed be released from such Encumbrances and shall no longer be available as security in relation to such loans, borrowings, liabilities or debts.
- 13.3.6 Any reference, in any security documents or arrangements, to the Transferor Company and assets and properties pertaining to the Transferred Undertaking 2, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferred Undertaking 2 transferred to the Transferee Company pursuant to this Scheme.
- 13.3.7 Without prejudice to the foregoing provisions, the Transferee Company/the Transferor Company may execute any instruments or documents or do all such acts and deed as may be considered





appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

- 13.3.8 The provisions of this clause 13.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

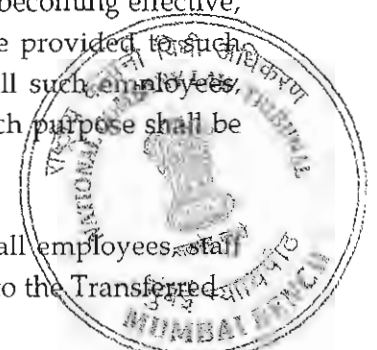
#### 13.4 Employees

- 13.4.1 All the employees, staff and workmen, pertaining to the Transferred Undertaking 2, shall become employees, staff and workmen of and be engaged by the Transferee Company, upon the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer and vesting of the Transferred Undertaking 2 and without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company.

- 13.4.2 All contributions made by the Transferor Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of the employees, staff, workmen and contract labour account with such funds, shall, upon this Scheme becoming effective, be transferred to the Transferee Company along with such of the investments made by such funds which are referable and allocable to the employees, staff, workmen and contract labour of the Transferred Undertaking 2 of the Transferor Company and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

- 13.4.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen pertaining to the Transferred Undertaking 2, upon the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Transferee Company and, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any Appropriate Authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Transferor Company for such purpose shall be treated as having been continuous.

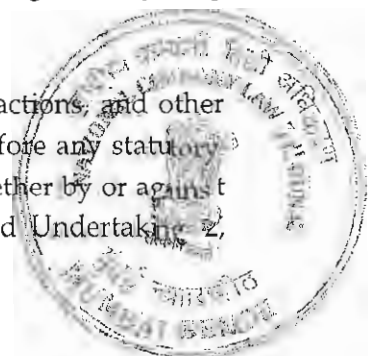
- 13.4.4 The Transferee Company agrees that the services of all employees, staff and workmen of the Transferor Company, pertaining to the Transferred



- 13.4.5 Undertaking 2 prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under Applicable Law.
- 13.4.6 The contributions made by the Transferor Company under Applicable Law in connection with the employees, staff and workmen of the Transferred Undertaking 2 of the Transferor Company, to the funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.
- 13.4.7 The Transferor Company will transfer/handover to the Transferee Company, copies of employment information of all such transferred employees, staff and workmen of the Transferred Undertaking 2, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause to the extent permitted by Applicable Law.
- 13.4.8 The Transferee Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with employees of the Transferred Undertaking 2 to the extent applicable in relation to the Transferred Undertaking 2, which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 13.4.9 Any disciplinary action initiated by the Transferor Company against any employee, staff and workmen of the Transferred Undertaking 2 shall have full force, effect and continuity as if it was initiated by the Transferee Company instead of the Transferor Company.

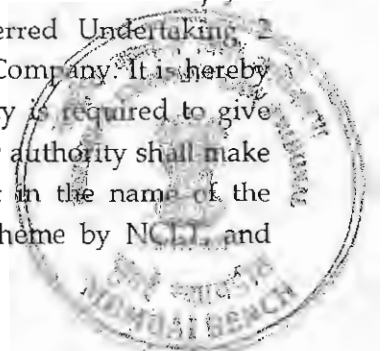
### 13.5 Legal Proceedings

- 13.5.1 All proceedings of whatsoever nature (legal, quasi judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) whether by or against the Transferor Company and pertaining to the Transferred Undertaking 2, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking 2 or anything contained in this Scheme.
- 13.5.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) whether by or against the Transferor Company pertaining to the Transferred Undertaking 2,



whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Transferee Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.

- 13.5.3 The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated pertaining to the Transferred Undertaking 2, transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 13.5.4 Notwithstanding the above, in case the proceedings referred to in Clause 13.5.1 to 13.5.3 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 13.6 The experience, track record and credentials of the Transferred Undertaking 2 in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its transfer to Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Transferred Undertaking 2 even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
- 13.7 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Transferor Company.
- 13.8 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after the Effective Date in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking 2 including its business and operations, into the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by NCEL, and



upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

**14. Conduct of business**

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

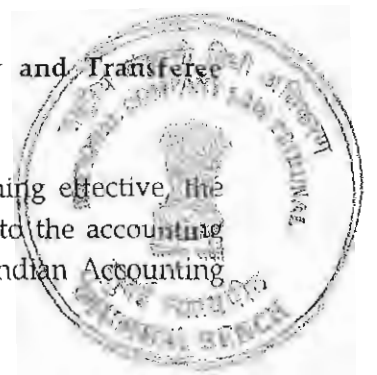
- 14.1 the Transferor Company shall carry on and shall be deemed to have carried on all its business activities pertaining to the Transferred Undertaking 2 and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;
- 14.2 all obligations, liabilities, duties and commitments attached, related or pertaining to the Transferred Undertaking 2 of the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and
- 14.3 all profits or income arising or accruing in favour of the Transferor Company in relation to the Transferred Undertaking 2 and all Taxes paid thereon or losses arising or incurred by the Transferor Company in relation to the Transferred Undertaking 2 shall, for all intent and purposes, be treated as and be deemed to be the profits or income, Taxes or losses, as the case may be, of the Transferee Company. It is hereby clarified that any Tax payable by or refundable relating to the Transferred Undertaking 2, including all or any Tax refunds or tax liabilities or Tax claims arising from pending Tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/Tax claims (whether or not recorded in the books relating to the Transferred Undertaking 2) of the Transferee Company.

**15. Consideration for Slump Sale**

- 15.1 Upon the Scheme coming into effect and upon transfer and vesting of the Transferred Undertaking 2 of the Transferor Company into the Transferee Company pursuant to the Slump Sale as stated herein, the lump sum consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be payable in cash by the Transferee Company to the Transferor Company. The consideration of Rs. 15,83,00,000/- (Rupees Fifteen Crores and Eighty Three Lakhs only) shall be discharged within 6 months from the Effective Date or such other date and terms as determined by the Board of Directors.

**16. Accounting Treatment in the books of the Transferor Company and Transferee Company**

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall give effect to the accounting treatment in their respective books of account in accordance with "Indian Accounting





Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.

**17. Validity of existing resolutions, etc.**

17.1 Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or the shareholders of the Transferor Company pertaining to the Transferred Undertaking 2, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17.2 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Transferred Undertaking 2 or whether it arises or does not arise out of the activities, business or operations of the Transferred Undertaking 2 shall be decided by mutual agreement between the respective Boards of Directors of the Transferor Company and the Transferee Company.

**18. Residual Business of the Transferor Company to continue with the Transferor Company**

18.1 All the assets, liabilities and obligations together with the business and operations, pertaining to the Residual Business of the Transferor Company, shall continue to belong to and remain vested in and be managed by the Transferor Company.

18.2 All legal and other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Residual Business of the Transferor Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferor Company in respect of the Residual Business of the Transferor Company) shall be continued and enforced solely by or against the Transferor Company.

18.3 All profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of Taxes, if any, thereon) relating to the Residual Business of the Transferor Company shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company.

18.4 All assets and properties acquired by the Transferor Company in relation to the Residual Business of the Transferor Company, on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.



PART IV AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

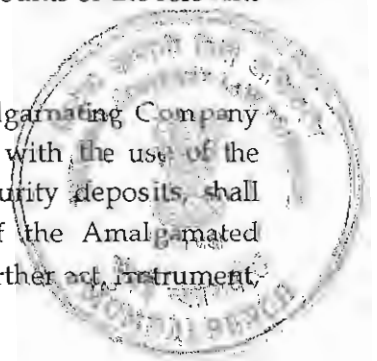
19. Upon the occurrence of the Slump Sale pursuant to Part II and Part III of this Scheme, the Transferor Company shall be referred to as the "Amalgamated Company" for the purposes of Part IV of the Scheme. With effect from the Appointed Date and upon the coming into effect of this Scheme, pursuant to the provisions of Section 230 to 232 of the Act and other applicable provisions of the Act, the Amalgamating Company shall stand merged with and be vested in the Amalgamated Company, as a going concern in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing but subject to existing Encumbrances affecting the same, so as to become, as and from the Appointed Date, the undertaking, businesses, properties and other belongings, of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

20. Without prejudice to the generality of clause 19 of the Scheme upon the coming into effect of the Scheme and with effect from the Appointed Date:

20.1 all assets (whether or not recorded in the books of accounts) of the Amalgamating Company that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery and on the Scheme becoming effective, shall stand vested in the Amalgamated Company and shall be deemed to have been physically handed over by physical delivery or by endorsement and delivery as the case may be, without the need to execute any separate instrument to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company.

20.2 all assets of Amalgamating Company that are movable in nature, other than those in sub-clause 20.1 above, investments in shares and other securities, sundry debtors, actionable claims, receivables, 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, shall without any further act, instrument or deed, stand transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme and with effect from the Appointed Date, become the property of the Amalgamated Company, without any notice or other intimation to the debtors or obligors or any other person. The Amalgamated Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other person, that pursuant to the sanction of the Scheme by NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor or any other person to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other persons to record such change.

20.3 all lease and licence agreements entered into by the Amalgamating Company with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company, together with security deposits, shall stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument



deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company.

20.4 all immovable properties of the Amalgamating Company including land, building, offices, sites and accretions and appurtenances and rights, title and interest in connection with the said immovable properties whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall upon this Scheme becoming effective, stand transferred to and vested in the Amalgamated Company, without any further act or deed done/executed or being required to be done/executed by the Amalgamating Company or the Amalgamated Company or both. The Amalgamated Company shall be entitled to exercise and enjoy all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the Appropriate Authorities pursuant to the sanction of this Scheme by NCLT and upon the Scheme becoming effective in accordance with the terms hereof.

20.5 all Contracts (including contracts for services and contracts with Antrix Corporation Ltd.) and other instruments to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Amalgamated Company, and may be enforced effectively by or against the Amalgamated Company as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor or obligee thereto or thereunder. Such contracts shall continue to be in full force and continue as effective as hitherto for in favour of or against the Amalgamated Company and shall be the legal and enforceable rights and interests of the Amalgamated Company, which can be enforced and acted upon as fully and effectually as if, it were the Amalgamating Company and shall be deemed to be its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts, shall be deemed to have been entered in and novated to the Amalgamated Company and the Amalgamated Company shall be deemed to be the Amalgamating Company's substituted party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors), shall be fulfilled by the Amalgamated Company as if it were the duly constituted attorney of the Amalgamating Company. All inter-se contracts between the Amalgamated Company and the Amalgamating Company shall stand cancelled and cease to operate upon this Part IV of the Scheme becoming effective.

20.6 all guarantees provided by any bank in favour of the Amalgamating Company outstanding as on the Effective Date, shall stand substituted in favour of and vest in the Amalgamated Company and shall enure to the benefit of the Amalgamated Company and, all guarantees issued by the bankers of the Amalgamating Company at the request of the Amalgamating Company favouring any third party shall be deemed to have been issued at the request of

the Amalgamated Company and continue to remain in full force in favour of such third party till its maturity or earlier termination.

- 20.7 all Intellectual Property Rights of the Amalgamating Company, if any, shall stand vested in the Amalgamated Company without any further act, instrument or deed, upon the Scheme becoming effective.
- 20.8 all Taxes payable by or refundable to the Amalgamating Company, including all or any refunds or claims shall be treated as the Tax liability or refunds/claims, as the case may be, of the Amalgamated Company, and any Tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, remissions, reductions, or Tax holidays, as would have been available to the Amalgamating Company, shall pursuant to the Scheme becoming effective, be available to the Amalgamated Company and following the Effective Date, the Amalgamated Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Amalgamating Company.
- 20.9 all Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates of every kind and description whatsoever of or to the benefit of the Amalgamating Company may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal pursuant to the vesting orders of NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be Government Approvals, consents, sanctions, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith) and certificates of every kind and description of whatsoever nature, of the Amalgamated Company, and shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto.
- 20.10 the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to Taxes paid by for, or on behalf of, the Amalgamating Company under Applicable Law, including but not limited to sales tax, goods and service tax, as applicable, value added tax, service tax, excise duty cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Amalgamating Company and the Amalgamated Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 20.11 all benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, shall under the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company as a going concern and the said corporate approvals and compliances shall be deemed to have originally been taken/ complied with by the Amalgamated Company.
- 20.12 all the resolutions, if any, of the Amalgamating Company, which are valid and subsisting, shall under the provisions of Sections 230 to 232 of the Act, if any,



without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

- 20.13 upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.
- 20.14 all books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients, whether in physical or electronic form, of the Amalgamating Company to the extent possible and permitted under Applicable Law, be handed over to the Amalgamated Company.
21. Without prejudice to the generality of the Clauses mentioned above, the assets of the Amalgamating Company shall also include all permits, licences including the Internet Service Provider Licence and VSAT Service Licence issued by the DOT (described in Schedule I hereto), authorisation, spectrum, bandwidth rights and any other licences, approvals, clearances, authorities, quotas, allocations granted to the Amalgamating Company, all municipal approvals, permissions for establishing towers (including cell site licences) or receiving stations or any broadband and/ or approvals for bandwidth, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), power of attorneys (given by, issued to or executed in favour of the Amalgamating Company) and benefits of all Contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all contracts, government contracts, memoranda of understanding, project service agreements, pre-qualification, applications (including applications for and new licenses / permissions issued by DOT or other regulatory authority for mobile VSAT services on aircrafts, maritime vessels, etc or any other VSAT services), bids, tenders, letters of intent, concessions, non- possessory contractual rights or any other contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Amalgamating Company on the Effective Date shall stand transferred to the Amalgamated Company in accordance with the Applicable Laws.
22. Without prejudice to the generality of clause 19 above, upon the Scheme coming into effect and with effect from the Appointed Date:
- 22.1 all the liabilities including secured and unsecured debts (whether in Indian Rupees or foreign currency), sundry creditors, contingent liabilities, reserves,

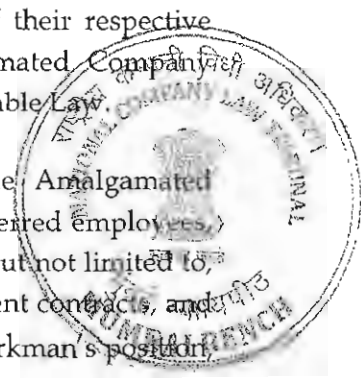
provisions and funds, duties and obligations (whether or not provided in the books of the Amalgamating Company) of the Amalgamating Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations shall, under the provisions of Sections 230 to 232 of the Act and other applicable provisions of Act, and all other provisions of Applicable Law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company, and the same shall be assumed by the Amalgamated Company, to the extent they are outstanding on the Effective Date, and shall become on and from the Appointed Date the liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company alone shall meet, discharge and satisfy the same.

- 22.2 all inter-se liabilities, between Amalgamating Company and Amalgamated Company, if any, due or outstanding or which may at any time immediately prior to the Effective Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no inter-se liability between them as of Effective Date and corresponding effect shall be given in the books of account and records of Amalgamated Company.
- 22.3 all the existing Encumbrances, if any, existing prior to the Effective Date on the assets of the Amalgamating Company which secure or relate to the liabilities of the Amalgamating Company shall without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for transfer of the same, continue to relate and attach to only such assets or any part thereof to which they are related or attached prior to the Effective Date and are transferred to the Amalgamated Company. It is clarified that the aforesaid Encumbrances shall not extend to any assets of the Amalgamating Company which were earlier not encumbered or to the existing assets of the Amalgamated Company.
- 22.4 any reference, in any security documents or arrangements (to which the Amalgamating Company is a party), to the Amalgamating Company and assets and properties of Amalgamating Company, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company pursuant to this Scheme.
- 22.5 without prejudice to the foregoing provisions, the Amalgamated Company/the Amalgamating Company may execute any instruments or documents or do all such acts and deed as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 22.6 the provisions of this clause 22 shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.



## 23. Employees

- 23.1 All the employees, staff and workmen if any, employed with the Amalgamating Company, shall become employees, staff and workmen of and be engaged by the Amalgamated Company, with effect from the Scheme coming into effect, on terms and conditions which, as a result, shall be no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of the amalgamation and transfer and without any further act, deed or instrument on the part of the Amalgamating Company or the Amalgamated Company.
- 23.2 All contributions made by the Amalgamating Company on behalf of its employees, staff and workmen and all contributions made by the employees, staff and workmen including the interests arising thereon, to the funds and standing to the credit of such employee's, staff's and workman's account with such funds, shall, upon this Scheme becoming effective, be transferred to the Amalgamated Company along with such of the investments made by such funds which are referable and allocable to the employees, staff and workmen of the Amalgamating Company and the Amalgamated Company shall stand substituted for the Amalgamating Company with regard to the obligation to make the said contributions.
- 23.3 With regards to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of employees, staff and workmen of the Amalgamating Company, upon Part IV of the Scheme becoming effective, shall be continued on no less favourable terms and conditions by the Amalgamated Company and, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Law or otherwise. It is the intent that all the rights, duties, powers and obligations of the Amalgamating Company in relation to such fund or funds shall become those of the Amalgamated Company without need of any fresh approval from any statutory authority. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees, staff and workmen and the services of all such employees, staff and workmen of the Amalgamating Company for such purpose shall be treated as having been continuous.
- 23.4 The Amalgamated Company agrees that the services of all employees, staff and workmen of the Amalgamating Company, prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees, staff and workmen may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, superannuation, provident fund and other retirement benefits and accordingly, such benefits shall be reckoned from the date of their respective appointment in the Amalgamating Company. The Amalgamated Company undertakes to pay the same, as and when payable under Applicable Law.
- 23.5 The Amalgamating Company will transfer/handover to the Amalgamated Company, copies of employment information of all such transferred employees, staff and workmen of the Amalgamating Company, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's, staff's and workman's position.





compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files and all forms, notifications, order and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 23.6 The Amalgamated Company shall continue to abide by any agreement(s)/settlement(s) entered into by the Amalgamating Company with employees, staff and workmen of the Amalgamating Company which are subsisting or having effect immediately prior to the Appointed Date and continuing from the Appointed Date till the Effective Date.
- 23.7 Any disciplinary action initiated by the Amalgamating Company against any employee, staff and workman of the Amalgamating Company shall have full force, effect and continuity as if it was initiated by the Amalgamated Company instead of the Amalgamating Company.

#### 24. Legal Proceedings

- 24.1 All proceedings of whatsoever nature (legal, quasi-judicial and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company, shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or anything contained in this Scheme, but the said proceedings shall until Effective Date, be continued, prosecuted and enforced, by or against the Amalgamating Company, as if this Scheme had not been made.
- 24.2 Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or arbitrator or tribunal) by or against, the Amalgamating Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Amalgamated Company and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.
- 24.3 The Amalgamated Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company, transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.
25. The experience, track record and credentials of the Amalgamating Company in relation to the supply of products, equipment and services to various authorities, agencies and clients prior to its amalgamation with the Amalgamated Company shall be taken into account and treated and recognised as the experience, track record and credentials of the Amalgamated Company including for the purpose of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.
26. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds and/or documents of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company is a party, including any filings with the Appropriate Authorities, in order to give formal effect to the above

provisions. The Amalgamated Company shall, for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such deeds, documents and writings for and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above or otherwise required to be carried out or performed on the part of the Amalgamating Company.

27. The Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, at any time after the Effective Date, in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for transfer/vesting of the Government Approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Amalgamating Company including its business and operations, into the Amalgamated Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company (including its successors and assigns) shall, if and as required, file, appropriate applications/documents etc. with Appropriate Authorities concerned for information and record purposes. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such applications/documents etc. for and on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

28. Upon the Scheme becoming effective, the Amalgamated Company shall be entitled to without limitation, operate the Bank accounts, including transacting in cash, cheque, NEFT, RTGS, or any other electronic mode, intra company, inter company, other settlements, availing and utilizing any limits, issuing or receiving any guarantee of the Amalgamating Company or carry out any other transaction as it deems fit.

29. **Conduct of Business**

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

29.1 The Amalgamating Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, the Amalgamated Company;

29.2 All obligations, liabilities, duties and commitments attached, shall be undertaken and shall be deemed to have been undertaken by the Amalgamating Company for and on account of and in trust for the Amalgamated Company;

29.3 All profits and income accruing or arising to or losses and expenses arising, incurred or accruing to the Amalgamating Company, for the period commencing from the Appointed Date, shall for all purposes be treated as and be deemed to be the profits, income, losses or expenses, as the case may be, of the Amalgamated Company;

29.4 Any of the rights, powers, authorities or privileges exercised by the Amalgamating Company, shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of,



the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company, shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company;

29.5 All Taxes, where applicable, payable by or refundable to the Amalgamating Company including all or any Tax refunds or Tax liabilities or Tax claims arising from pending Tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the Tax liability or Tax refunds/ Tax claims (whether or not recorded in the books of the Amalgamating Company) as the case may be, of the Amalgamated Company, and any unabsorbed Tax losses and depreciation as would have been available to the Amalgamating Company on or before the Effective Date shall be available to the Amalgamated Company upon the Scheme becoming effective.

29.6 The Amalgamating Company may raise or utilize loans from the Amalgamated Company or discharge loans or interest amounts (if any) due or payable or which may at any time prior to the Effective Date become due or payable to the Amalgamated Company.

### 30. Saving of Concluded Transactions

Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date until the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company or its predecessors as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Company.

### 31. Consideration

Upon this Scheme becoming effective and with effect from the Appointed Date, in consideration of the transfer and vesting of the undertaking, businesses, properties and other belongings of the Amalgamating Company in the Amalgamated Company in terms of the Scheme, the entire paid up share capital of the Amalgamating Company fully held by the Amalgamated Company (either held in its own name or through its nominee (s)) on the Effective Date, shall stand cancelled in its entirety, without any further act, instrument or deed. The Amalgamated Company shall not be required to issue and allot any shares as the Amalgamated Company and its nominee are themselves the only shareholders of the Amalgamating Company.

### 32. Accounting Treatment in the books of the Amalgamated Company

Notwithstanding anything to the contrary, upon the Scheme becoming effective, the Amalgamated Company shall give effect to the accounting treatment in its books of account in accordance with "Indian Accounting Standard (Ind-AS)- 103 - Business Combination" and other applicable Ind-AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles as applicable on the Effective Date.





33. **Winding Up**

Upon the Scheme becoming effective, the Amalgamating Company shall without any further act, instrument or deed stand dissolved without being wound-up.

34. **Compliance with Section 2(1B) of the Income Tax and provisions of Section 232 of the Act**

The provisions of this Scheme as they relate to the amalgamation of the Amalgamating Company into and with the Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income tax Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, shall prevail and the provisions of this Part IV of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification will, however, not affect the other parts of the Scheme.

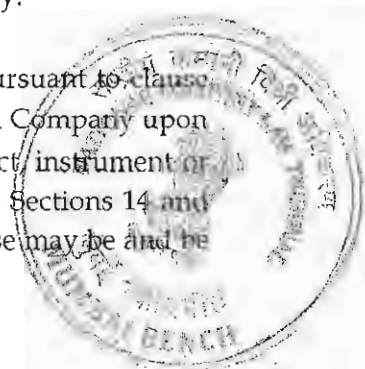
35. **Combination of Authorised Share Capital**

35.1 As an integral part of the Scheme, and upon the coming into effect of the Scheme, the authorized share capital of the Amalgamating Company shall stand transferred to and be added with the authorized share capital of the Amalgamated Company without any liability for payment of any additional registration fees and stamp duty pursuant to the provisions of Sections 13, 14, 61 and Section 232(3) of the Act and no resolutions or consent and approvals would be required to be passed by the Amalgamated Company.

35.2 Consequently upon the merger of the authorized share capital pursuant to clause 35.1, Clause V of the Memorandum of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, inodified and amended pursuant to Sections 13, 61 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"V. The Capital of the company is Rs 55,00,00,000 divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being), with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

35.3 Consequent upon the merger of the authorized share capital pursuant to clause 35.1, Article 5 of the Articles of Association of the Amalgamated Company upon the coming into effect of this Scheme and without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 14 and Section 232 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:



"V. The capital of the Company is Rs 55,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs 10/- each and 25,00,000 Redeemable Preference Shares of Rs 100/- each (with the rights privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for time being), with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

35.4 It is clarified that the approval of the members of the Amalgamated Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association and Articles of Association under the provision of Section 13, 14 and 232 of the Act and other applicable provisions of the Act.

**36. Change in object clause of the Amalgamated Company**

36.1 With effect from the Appointed Date and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Amalgamating Company, pursuant to the provisions of Section 13 of the Act and other applicable provisions of the Act and applicable rules. Accordingly the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended and the following clause shall be inserted after Clause III (1-F) of the Memorandum of Association of the Amalgamated Company.

"(1-G) To carry on in India and elsewhere, either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under strategic alliance or Joint Venture or any other arrangement the business of establishing, setting, arranging, undertaking, consulting, advising, managing, planning, designing, operating, promoting, organizing, conducting, observing, controlling, customizing, providing, selling, letting on hire, taking and giving on lease, installing, maintaining, producing, modifying, to provide communication services including VSAT based satellite and broadband communication services including Maritime and Aeronautical Communication Services and such other domestic/ international telecommunications services as are in use elsewhere or to be developed in future, to plan, establish, develop, provide, operate and maintain telecommunications systems and networks within India or outside India as are found necessary for domestic and international telecommunications, digital satellite news gathering services, internet protocol television, digital signage, domestic and international data gateway networks, data transmission, telematics, video conferencing, streaming video, digital video broadcast, distance learning, digital transmission, telemedicine, high speed internet, virtual private network services, beaming to single / multi screen cinema, up linking of TV signals, teleport services, Internet services, systems and





connectivity with telephone network using telephone, satellites and transponders, Voice-over-Internet Protocol (VOIP), Broadband internet wireless, data and hosting services, Cyber shops, cyber classrooms, internet kiosks, E-mail services and Data-storage, server & storage co-location, data analytics and data processing related activities, leased lines, Multi Protocol Label Switching (MPLS) services, cloud based services and other allied service”

- 36.2 For the purpose of amendment in the Memorandum of Association of the Amalgamated Company as provided in this Clause, the consent / approval given by the members of the Amalgamated Company to this Scheme pursuant to Section 230 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of the Amalgamated Company as required under the provisions of Sections 13 of the Act and any other applicable provisions of the Act and applicable rules shall be required to be passed for making such change / amendment in the Memorandum of Association of the Amalgamated Company and filing of the certified copy of this Scheme as sanctioned by NCLT, in terms of Section 230/232 of the Act and any other applicable provisions of the Act, together with the order of NCLT and a printed copy of the Memorandum of Association for the purpose of the said Section 13 and all other applicable provisions of the Act and applicable rules and the Registrar of Companies, shall register the same and make the necessary alteration in the Memorandum of Association of the Amalgamated Company accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and any other provisions of the Act.
- 36.3 The Amalgamated Company shall file with the Registrar of Companies, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

## PART V GENERAL TERMS AND CONDITIONS

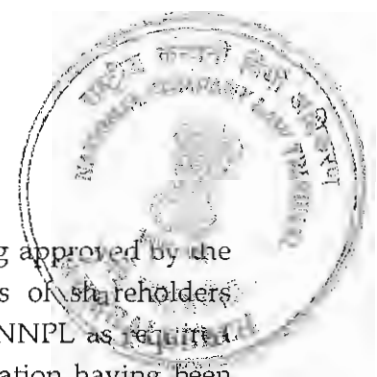
### 37. Conditions to effectiveness of the Scheme

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

37.1.1 Shareholder and Creditor approval: This Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of Nelco, TNSL and NNPL as required under the Act, and as directed by NCLT or dispensation having been received from NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;

37.1.2 Stock Exchanges Approval. The Transferor Company shall have received observation letter or no-objection letter from BSE and NSE in respect of the Scheme under the SEBI Circular which shall be in form and substance acceptable to Nelco, TNSL and NNPL, each acting reasonably and in good faith;

37.1.3 DOT Approval: The written approvals of DOT with respect to the transfer of the Internet Service Provider license and VSAT license (described in Schedule I hereto) from the Amalgamating Company to the Amalgamated Company under the Scheme shall have been received, which shall be in form and substance acceptable to Nelco and TNSL, each acting reasonably and in good faith;



37.1.4 Shareholder Approval under SEBI Circular: The Transferor Company shall seek approval of the public shareholders through postal ballot and e-voting pursuant to the provisions of paragraph 9(a) of Annexure I of the SEBI Circular and the majority of the public shareholders of the Transferor Company shall have approved the Scheme pursuant to, and in accordance with Regulation 37 of the SEBI LODR read with the SEBI Circular;

37.1.5 NCLT Sanction: NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to Nelco, TNSL and NNPL;

37.1.6 Certified copies of the Order of NCLT sanctioning the Scheme being filed with the Registrar of Companies, Mumbai; and

37.1.7 Such other approvals and sanctions of any Appropriate Authority as may be required by law in respect of the Scheme.

### 38. Applications/Petitions to NCLT

Nelco, TNSL and NNPL shall make and file all applications and petitions under Sections 230 to 232 of the Act before NCLT, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

### 39. Dividend

39.1 During the pendency of the Scheme, the Transferee Company, Amalgamating Company and Amalgamated Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

39.2 The shareholders of the Transferee Company, Amalgamating Company and Amalgamated Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

39.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferee Company, Amalgamating Company and Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the Board of Directors, subject to such approval of the members, as may be required.

### 40. Operational sequence of the Scheme

40.1 Upon the sanction of the Scheme and it becoming effective, the different transactions envisaged under the Scheme shall be operative in the following sequence:

40.1.1 Slump Sale of the Transferred Undertaking 1 and Transferred Undertaking 2 of the Transferor Company to the Transferee Company, in terms of Part II and Part III of this Scheme;



40.1.2 Amalgamation of the Amalgamating Company with the Amalgamated Company, in terms of Part IV of this Scheme.

41. Each of the Transferor Company, the Transferee Company and the Amalgamating Company by their respective Boards of Directors or any committee thereof or any Director authorised in that behalf ("Delegate") may together assent to, or make from time to time, any modifications or amendments or additions to this Scheme which NCLT or any Appropriate Authority may deem fit to approve of or impose and which the companies may in their discretion accept, or such modifications or amendments or additions as the companies or as the case may be, their respective Delegates deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out the purpose of this Scheme and as approved by NCLT, and the companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deed, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. The aforesaid powers of the companies may be exercised by the Delegate of the respective companies. It is clarified that any modification or amendment to the Scheme by the companies, after the sanction by NCLT, shall only be made with the prior consent of NCLT.

42. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the companies may give and are authorised to determine and give all such directions as are necessary including directions for settling or removing any question on 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.

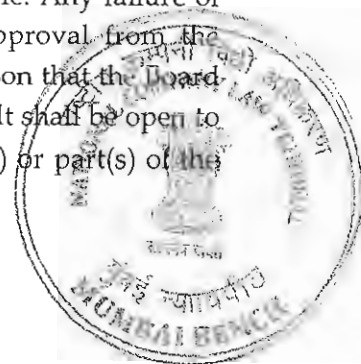
43. **Withdrawal of the Scheme**

43.1 The Transferor Company and /or the Transferee Company and /or the Amalgamating Company acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any NCLT/Appropriate Authority/person or otherwise is unacceptable to any of them or for any reason whatsoever.

43.2 In the case of withdrawal from the Scheme under clause 43.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, Transferee Company and Amalgamating Company and their respective shareholders, creditors, employees or any other person save and except in respect of any act or deed done prior thereto as contemplated in this Scheme or as to any right liability or obligation that has accrued or arisen pursuant thereto and which shall be governed, worked out and preserved as specifically provided in the Scheme or in accordance with Applicable Law.

44. **Severability**

Each provision or part of this Scheme is independent and is severable. Any failure of any one provision or part of this Scheme for lack of necessary approval from the shareholders/ creditors/ Appropriate Authorities or for any other reason that the Board of Directors may deem fit shall not result in the whole Scheme failing. It shall be open to the Board of Directors concerned to consent to sever such provision(s) or part(s) of the Scheme and implement the rest of the Scheme with such modification



45. Costs

45.1 In the event of the Scheme not being sanctioned by NCLT, the 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 the Scheme.

45.2 Subject to Clause 45.1 above, all costs, charges and expenses (including, but not limited to, any Taxes and duties, stamp duty, registration charges) payable in relation to or in connection with the Scheme and or carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Nelco.

Schedule I

Telecom Licenses held by the Amalgamating Company

Sr. No.	License Type	Effective Date	Service Area
1.	VSAT License no. 815-80/ 2001/LR dated 27 <sup>th</sup> February, 2003	27 <sup>th</sup> February, 2003	India
2.	ISP License no. 820-952/07-LR dated 16 <sup>th</sup> April, 2008	16 <sup>th</sup> April, 2008	India



Certified True Copy  
Copy Issued "free of cost"  
On 13/12/2018  
B. A. Patel  
Assistant Registrar  
National Company Law Tribunal Mumbai Bench