

# **NILA INFRASTRUCTURES LIMITED**

**COMPANY LIMITED BY SHARES**

(CIN: L45201GJ1990PLC013417)

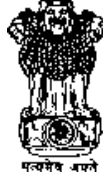
**MEMORANDUM**

**AND**

**ARTICLES**

**OF**

**ASSOCIATION**



Co. No. 04-13417

**Fresh Certificate of Incorporation Consequent On**  
**CHANGE OF NAME**

In the Office of The Registrar of Companies, Gujarat  
[ Under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF NILA HOUSING AND INFRASTRUCTURES LIMITED

I hereby certify that NILA HOUSING AND INFRASTRUCTURES LIITED

which was originally incorporated on **26<sup>TH</sup>** day of **FEBRUARY, 1990** under the Companies Act, 1956 and under the name

**NILA BUILDERS PRIVATE LIMITED**

having duly passed the necessary resolution in terms of Section 21/31/44 of the Companies Act, 1956, on **20-04-1995** and the approval of the Central Government signified in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated **04-08-1995** in terms of the Government of India, Ministry of Law, Justice and Company Affairs, (Department of Company Affairs) Notification No. GSR 507 (E) dated 24-6-1985 the name of the said Company is this day changed to :

**NILA INFRASTRUCTURES LIMITED**

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

Given under my hand at **AHMEDABAD** Dated this **4<sup>th</sup>** day of **AUGUST, 1995**. (One Thousand Nine Hundred **NINETY FIVE**).

Seal of The  
Registrar of  
Companies,  
Gujarat

Sd/-  
(M. L. SHARMA)  
Registrar of Companies  
GUJARAT  
Dadra & Nagar Haveli



Co. No. 04-13417

**Fresh Certificate of Incorporation Consequent On**  
**CHANGE OF NAME**

In the Office of The Registrar of Companies, Gujarat  
[ Under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF NILA BUILDERS PRIVATE LIMITED

I hereby certify that NILA BUILDERS PRIVATE LIMITED

which was originally incorporated on **26<sup>TH</sup>** day of **FEBRUARY, 1990** under the Companies Act, 1956 and under the name

**NILA BUILDERS PRIVATE LIMITED**

having duly passed the necessary resolution in terms of Section 21/31/44 of the Companies Act, 1956, on 07-12-1994 and the approval of the Central Government signified in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated 20-12-1994 in terms of the Government of India, Ministry of Law, Justice and Company Affairs, Department of Company Affairs Notification No. GSR 507 (E) dated 24-06-1985

The name of the said Company is this day changed to :

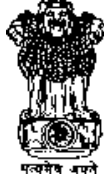
**NILA HOUSING AND INFRASTRUCTURES LIMITED**

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

Given under my hand at **AHMEDABAD** Dated this **20<sup>th</sup>** day of **DECEMBER, 1994**. (One Thousand Nine Hundred **NINETY FOUR**).

Seal of The  
Registrar of  
Companies,  
Gujarat

Sd/-  
(M. L. SHARMA)  
Registrar of Companies  
GUJARAT  
Dadra & Nagar Haveli



Co. No. 04-13417

**Fresh Certificate of Incorporation Consequent On**

**CHANGE OF NAME**

In the Office of The Registrar of Companies, Gujarat  
[ Under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF NILA BUILDERS PRIVATE LIMITED

I hereby certify that NILA BUILDERS PRIVATE LIMITED

which was originally incorporated on **26<sup>TH</sup>** day of **FEBRUARY, 1990** under the Companies Act, 1956 and under the name

**NILA BUILDERS PRIVATE LIMITED**

having duly passed the necessary resolution in terms of Section 21/31/44 of the Companies Act, 1956, on 07-12-1994 and the approval of the Central Government signified in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated \_\_\_\_ in terms of the Government of India, Ministry of Law, Justice and Company Affairs, (Department of Company Affairs) Notification No. GSR 507 (E) dated 24-06-1985

the name of the said Company is this day changed to :

**NILA BUILDERS LIMITED**

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

Given under my hand at **AHMEDABAD** Dated this **16<sup>th</sup>** day of **DECEMBER 1994**. (One Thousand Nine Hundred **NINETY FOUR**).

Seal of The  
Registrar of  
Companies,  
Gujarat

Sd/-  
(S. N. MISRA)  
Asst. Registrar of Companies  
GUJARAT  
Dadra & Nagar Haveli

FORM I.R.

**CERTIFICATE OF INCORPORATION**

No. **04-13417** of 1989-90

I hereby certify that **NILA BUILDERS PRIVATE LIMITED** is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

Given under my hand at **AHMEDABAD** this **TWENTYSIXTH** day of **FEBRUARY** one thousand nine hundred and **NINETY**.

Sd/-  
(V. K. PARMAR)  
Asst. Registrar of Companies  
GUJARAT

**MEMORANDUM  
OF  
ASSOCIATION**

COMPANY LIMITED BY SHARES

**MEMORANDUM OF ASSOCIATION OF NILA INFRASTRUCTURES LIMITED\***

- I The name of the Company is **NILA INFRASTRUCTURES LIMITED\***
- II The Registered Office of the Company will be situated in the State of Gujarat.
- III The objects for which the Company is established are:

**(A)\* THE MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS:**

- 1 To undertake and/or direct all types of construction and the maintenance of and to acquire by purchase, lease, exchange, hire or otherwise, lands, properties, buildings and estates of any tenure or any interest therein, to sell, lease, let, mortgage or otherwise dispose of the same and to purchase, construct and sell for self or for any person freehold or leasehold lands, house properties, buildings, offices, factories, workshops, godowns, farm houses. Farms and any kind of landed properties or any share/interest therein and to carry on the business of land and estate agent on commission or otherwise without commission.
- 2 To carry on the business of and act as promoters, organizers and developers of lands, estates, properties, co-operative housing societies, associations, housing schemes, shopping office complexes, townships, farms, farm houses, holiday resorts, hotels, motels and to deal with and improve such properties either as owner or as agents.
- \$3 To carry on the business of any or all of the infrastructure activities such as construction, development, maintenance and operations of all types of infrastructural projects or facilities including roads, transportation, storage and warehousing infrastructure facilities, water supply management projects and sewage management, water supply pipelines, water treatment plants, waterway projects, inland waterways, storm water treatment systems, slurry pipelines, river linking projects, logistic facilities and urban public transport, industrial and SEZ parks, commercial complex, social development and maintenance, mass housing, residential units, urban facilities including but not limited to ponds, gardens, amusement parks, theaters, malls, hospitals, restaurants, hotels and resorts of all category, colleges, schools, institutions, health clubs and centers, agricultural markets, parking facilities, laboratories, diagnostics and research centers, training institutions, cold storage facilities, tourism facilities, agricultural and fertilizer facilities, green houses, terminal markets, etc.; traffic solution infrastructure, power plants and projects, chemical, petroleum and natural gas plants and projects, oil and gas pipelines, city gas distribution facilities, oil and gas storage facilities and plants, mining and related activities, waste management projects and plants, communication and technology related infrastructure, airports, railways and bus terminals and related infrastructure and works, bridges, tunnels, viaducts, sea ports and marine structures, defense equipment plants and facilities, solar and various alternate energy plants and facilities, electricity generation, electricity transmission, electricity distribution, irrigation projects and plants, dams, channels, embankments, road toll tax collection facilities, electric and mechanical works, telecommunication and internet towers, telecommunication and internet network and services, manufacturing and supply of components and materials of above or any other activities, utilities or facilities used by and/or for infrastructure projects, construction of all kind of building, structures and infrastructural facilities and to act as developers, contractors, civil engineers, surveyors, town planners, consultants, commissioning agents, estimators and valuers for designing, engineering, erection, laying, construction, commissioning and maintenance of above infrastructure projects or facilities and to enter into any contract, agreement, memorandum of understanding, joint ventures, arrangement or such other mode of contract with Government of India, State Governments, municipal or local authorities, public and private bodies corporate, persons or such other authorities, whether in India or elsewhere, as the Company may deem fit, on such manner or methods for the purpose of carrying out the foregoing objects and to obtain from them the rights of all sorts for assistance, privileges, charters, licenses and concessions, as may be necessary or incidental in the connection.

\* *The name has been changed from Nila Housing And Infrastructures Limited with effect from 4<sup>th</sup> August, 1995.*

\$ *Added pursuant to special resolution passed on September 09, 2016 vide Postal Ballot Notice dated May 26, 2016*

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

- 1 To acquire and take over any business or undertaking carried on, upon or in connection with any land or building which the Company may desire to acquire as aforesaid 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 or remove or put an end thereto.
- 2 To acquire, purchase, start, run, erect and maintain lands, buildings, factories, foundries, workshops, mills, cold storage plants, equipments, machineries, plants and tools, industrial undertaking of any kind, warehouses, cellars, vaults, wagons, branch offices, depots and show-rooms for the business of the Company.
- 3 To form, promote, subsidize, organize and assist or aid in forming, promoting, subsidizing, organizing or aiding companies, syndicates and partnerships of all kinds for the purpose of acquiring and undertaking any properties and liabilities of this Company or for advancing directly the objects thereof which this Company may think expedient.
- 4 To acquire from and/or give to any person, firm or body corporate incorporated whether in India or elsewhere, technical information know how, processes, engineering, manufacturing and operating data plants, lay outs and blue prints useful for the design, erection and operation of plant required for any of the businesses of the Company and to acquire any grant or licenses and other rights and benefits in the foregoing matters and things.
- 5 To pay to promoters such remuneration and fees and otherwise re-compensate them for their time and for the services rendered by them.
- 6 To invest any moneys of the Company not immediately required for the purposes of its business in such investments or securities as may be thought expedient including securities issued and/or guaranteed by Central or State Government, Corporations, Trusts and Financial Institutions.

- 7 To carry out in any part of the world all or any part of the Company's objects as principal, agent, factor, trustee, contractor either alone or in conjunction with any other person firm association, body corporate, Municipal, Province, State or Government or Colony or Dependency thereof.
- 8 To secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgage, charges upon the undertaking and all or any of the assets and properties (present and future) and the uncalled capital of the Company or by the creation and issue on such terms as may be thought expedient of debentures, debenture-stock or other securities of any description or by the issue of shares credited as fully or partly paid up.
- 9 To purchase or otherwise acquire, sell, dispose off, concerns and undertakings, mortgages, charges, annuities for certain period or on deferred basis, patents, licenses, securities, concessions, policies, book debts and claims, any interest in real or personal property and any claims against such property or against any person or company.
- 10 To amalgamate, enter into partnership or into any arrangements for sharing profits or losses, union of interests, co-operation, joint ventures or reciprocal concessions with any person or company carrying on or engaged in or about to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired any shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.
- 11 To guarantee the title to or quite enjoyment of property either absolutely or subject to any qualifications or conditions and to guarantee persons interested or about to become interested in any property against any loss, actions, proceedings claims or demands in respect of any insufficiency or imperfection or deficiency of title in respect of any encumbrances, burden or outstanding rights.
- 12 To negotiate, enter into agreements and contracts or collaborate with foreign companies, firms and individuals for getting or supplying and procuring financial or technical assistance, know-how in the marketing, importing and exporting of any of the products.
- 13 To become member of and to communicate with Chamber of Commerce and other mercantile and public bodies through out the world and to advise on, concert, promote and support measures for the protection, advancement, growth of commerce and industry and for protection and welfare of persons engaged therein.
- 14 To guarantee the fidelity of persons filling or about to fill situations of trust or confidence and the due performance and discharge by such persons of all or any of the duties and obligations imposed on them by contract or otherwise.
- 15 To guarantee the due performance and discharge by receivers, liquidators, committees, guardians, executors, administrators, trustees, attorneys, brokers and agents of their respective duties and obligations.
- 16 To guarantee persons filling or about to fill situations of trust or confidence against liabilities in connection therewith and in particular against liabilities resulting from the misconduct of any particular co-trustee, co-agent, sub-agent or other persons or from the insufficiency, imperfection or deficiency of the title to property or from any insufficiency, imperfection or deficiency in any security or from any bankruptcy, insolvency, fraud or tortuous act on part of any other person or from any error of judgement or misfortune.
- 17 To take or hold mortgages, liens and charges, to secure the payment of the purchase price or any unpaid balance of the purchase price of any part of the Company's property of whatsoever kind sold by the Company or any money due to the Company from the purchaser and others.
- 18 To contract with lease holders, borrowers, lenders, annuitants and others for the establishment, accumulation, provisions and payment of sinking funds, renewal funds, redemption funds and any other special funds and that either in consideration of lump-sum or of annual premium or otherwise and generally on such terms and conditions as may be arranged.
- 19 To undertake and execute any trust or discretion the undertaking whereof may seem desirable and the distribution amongst the beneficiaries, pensioners or other persons entitled to thereof, any income, capital, annuity or other sums of moneys or other properties whether periodically or otherwise and whether in money or in specie in furtherance of any trust, discretion or other obligation or permission.
- 20 To lend money to and guarantee the performance of the obligations of and the payment of interest on any stocks, shares and securities of any company, firm or person in any case in which such loan or guarantee may be considered to give any guarantee whatsoever which may be deemed likely, directly or indirectly, to bank to benefit the Company or its members.
- 21 To train and get trained to and/or pay for training for the employees both present and future, for and in connection with the business of the Company.
- 22 To hold, administer, sell, realize, invest, dispose off the moneys and properties, both real and personal to carry on, sell, realize, dispose off and deal with any estate of which the Company is executor or administrator or in any trust of which the Company is the Trustee or of which the Company is administrator of in any trust of which the Company is trustee or administrator, receiver, liquidator or agent.
- 23 To make deposit, enter into recognized bonds and otherwise give security for the execution of the offices and performance of the duties of executors, administrators and trustees, receivers, liquidators and agents.



- 24 To take such steps as may be necessary to give the Company the same rights and privileges in any part of the world as are possessed by local companies of partnership of a similar nature.
- 25 To apply for tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or business herein mentioned of any of them and to undertake, execute, carry out, dispose off or otherwise turn to account the same.
- 26 To dedicate, present or otherwise dispose off either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of the same or on behalf of the public.
- 27 To promote, assist or take part and appear or lead evidence before any commission, investigation, inquiry, trial or hearing whether public or private relating to matters connected with any trade, business or industry.
- 28 To promote co-operation, hold conferences, organize and participate in meetings, maintain bureau, carry on correspondence, arrange discussions, symposiums and debates, prepare statements, reports and articles relating to any and all matters of interest to the Company.
- 29 To acquire by purchase, lease, assignment or otherwise lands, tenements, buildings, basements, rights and advantages of any kind whatsoever and to resell mortgage, and let on lease the same.
- 30 To sublet all or any of the works, contracts from time to time and upon such terms and conditions as may be thought expedient.
- 31 To form, manage, join or subscribe to any syndicate, pool or cartel for the business of the Company.
- 32 Subject to the provisions of the Companies Act, 1956 to distribute among the members in specie any property of the Company or any proceeds of sale or disposal of any property in the event of winding up.
- 33 To enter into any arrangement with any Government or Authority, supreme, municipal, local or otherwise or any person or company that may seem conducive to the Company's objects or any of them and to obtain from any such Government, authority, person or company rights, privileges, charters, licenses and concession which the Company may think fit and desirable to obtain and to carry out, exercise and comply therewith.
- 34 To apply for, promote and obtain any act, charter, order regulation, privilege, concession, license or authorization of any Government, State of Municipality or any Authority or any Corporation or any Public Body which may be empowered to grant for enabling the Company to carry on its objects into effect or for extending any of the powers of the Company or for affecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any bills, proceedings, applications which may seem calculated directly or indirectly to prejudice the Company's interest and to appropriate any of the Company's shares, debentures, debenture-stock or other securities and assets to defray the necessary cost, charges and expenses thereof.
- 35 To apply for, purchase or otherwise acquire, use, protect and renew in any part of the world any patents, patent rights, brevets d'invention, trade-marks, designs, licenses, copy rights, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company of acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
- 36 To establish, provide, maintain, conduct or otherwise subsidize, assist research laboratories and experimental workshops for scientific and technical researches and experiments and to undertake and carry on the scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, the remuneration of scientific or technical professors or teachers and by providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments tests and inventions of any kind that may be considered likely to assist any of the businesses which the Company is authorised to carry on.
- 37 To make donations to such persons or institutions either of cash or any other assets as may be thought directly or indirectly conducive to any of Company's objects or otherwise and in particular to remunerate any person or corporation introducing business to this Company and also to subscribe, contribute or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public, cultural, educational or other institutions or objects or for any exhibitions of any public general or other objects.

- 38 To establish aid, support or/and in the establishment and support of associations, institutions, funds, trusts, private or public, for the benefit of its employees or ex-employees, Directors, ex-Directors of the Company or its connections in business and for persons having dealings with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and grant pensions, allowances, gratuities and bonuses either by way of annual payment or lump-sum and to make payment towards insurance and to form and contribute to provident and other benefit funds for such persons and to provide for the welfare of Directors, ex-Directors and employees and ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses dwellings or chawls or by grant of moneys, pensions, allowances, bonuses or other payments and to provide or subscribe or contribute towards places of instructions and recreations, hospitals, dispensaries, holiday homes, medical and other attendance and other assistance as the Company shall think fit.
- 39 To refer or agree to refer any claims, demands, disputes or any other questions by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members of his or their representatives or between the Company and third parties to arbitration in India or any places outside India and to observe and perform awards make thereon and to do all acts, deeds, matters and thing to carry out or enforce the awards in accordance with the provisions of Indian Arbitration Act.
- 40 To pay all preliminary expenses of any company promoted by the Company or any company in which the Company is or may contemplate being interested and preliminary expenses may include all or any part of the costs and expenses of owners of any business or property acquired by the Company.
- 41 To enter into joint sector arrangements with any person, body corporate entity whether in India or abroad for the business of the Company.
- 42 To pay, out of the funds of the Company, all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or the issue of capital including brokerage and commission for obtaining applications for taking, placing or underwriting of share, debentures debenture-stocks or other securities of the Company.
- 43 To pay for any rights or properties acquired by the Company and to pay or to remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of shares in Company's capital or any debentures, debenture-stocks or other securities of the Company or in or about the formation or promotion of the Company or the acquisition of properties by the Company for the purpose of the Company whether by cash payment or by the allotment of shares, debentures, debenture-stocks or other securities of the Company credited as paid-up in full or in part or otherwise as the case may be.
- 44 To open current or fixed accounts with any bank, bankers shroff or merchants and to pay into and draw money from such accounts and to draw, make endorse, discount and execute all types of negotiable instruments.
- 45 To insure the whole or any part of the property and personnel's of the company either fully or partially, to protect and indemnify any part or portion thereof either on mutual, principal or otherwise basis.
- 46 To employ experts to investigate and examine into conditions, value, character and circumstances of any business, concerns and undertakings having similar objects and generally of any assets, property or rights.
- 47 To carry on any branch of a business whether in India or outside India which this Company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on or for finance any such subsidiary, guaranteeing its liabilities or to make any other arrangement which seem desirable with reference to any business or branch so carried on including the power and provision at any time either temporarily or permanently to close any such branch or business.
- 48 To take part in the management, supervision conduct and control of the business or operations of any company or undertaking having similar objects and for that purpose to appoint and remunerate the Directors, accountants or other experts, personnel or agents for any of such operations or purposes.
- 49 To purchase, take on lease or exchange, hire or otherwise acquire and dispose off any immovable or movable properties, real or personal of all kinds and of any rights or privileges which the Company may think necessary or convenient for the purpose of its business and either to retain the properties so acquired for the purpose of the Company's business or to turn the same to account as may seem expedient.
- 50 To accept as consideration for on in lieu of the whole or any part of the Company's properties either land or cash or Government security or securities guaranteed by Government or shares in joint stock companies or partly the one and partly the other and such other properties or securities as may be determined by the Company and to take back or acquire the

property so disposed off by repurchasing or taking lease the same at such price or price and on such terms and conditions as may be agreed upon by the Company.

- 51 To let on lease or license or on hire purchase or to lend any properties belonging to the Company and to finance for the purpose of any article or articles whether made by the Company or not by way of loans or by hire purchase system.
- 52 To sell, purchase, mortgage, grants, easements and other rights over and in any other manner deal with the undertakings, properties, assets, both movable and immovable, rights, effects of the Company or any part thereof and whether real or personal for such consideration as the Company may think fit and in particular for share, debenture, debenture-stock, securities of any other company whether or not having objects altogether or in part similar to those of the Company and to make advances upon the security of land and/or buildings and/or other properties movable and/or any interest therein.
- 53 To vest any movable or immovable properties, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- 54 To undertake and execute any contracts for works for the business of the Company.
- 55 To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or any other purpose whatsoever conducive to the interest of the Company.
- 56 To accept donations, gifts with such conditions, restrictions, obligations, stipulations and liabilities provided that such receipts are not derogative to any objects of the Company.
- 57 To alienate, transfer, gift, donate, settle any property of the Company with or without consideration to any person including any trust whether public or private, discretionary or specific either by revocable or irrevocable transfer or settlement and upon such terms and conditions as Company may deem fit.
- 58 To explore, examine, investigate, test, make, experiment, obtain report, opinion of experts, certificates, analysis, surveys, plans, descriptions and information in relation to any property or right which the Company may acquire or become interested in or may propose to acquire or with the view of discovering properties or rights which Company may acquire or become interested in and to engage, employ, pay fees to retain the services of and send to any part of the world agents, explorers technical experts, engineers, lawyers and counsels.
- 59 To adopt such means of making known the business/activities of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibitions of works of art or interest, by publications of books and periodicals and by granting prizes, rewards and donations.
- 60 To undertake, carry out, promote, sponsor, contribute or assist in any activity project for rural development including any programme for promoting the social and economic welfare of or the upliftment of the people in rural area irrespective whether the Company has any business dealings in such areas or not and to incur any expenditure or use any of the assets and facilities of the Company on any programme or project or activity of rural development and to assist execution and promotion thereof either directly or in association with any other company or person or organization or through an independent agency or in any manner as the Company may deem fit in order to implement any of the projects of programmes of activities of rural development, to transfer without consideration or at such fair or concessional value and divert the ownership of the properties of the Company to or in favour of any public or local body, authority, Central or State Government, or any public institution or trust or fund.
- 61 To raise or borrow money from time to time for any of the purposes and objects of the Company by receiving advances of any sum or sums with or without security upon such terms as the Directors may deem expedient and in particular by taking deposits from or open current accounts with any individual or firms, including the agents of the Company, whether with or without giving the security or by mortgaging or selling or receiving advances on the sale of any lands, buildings, machineries, goods or other properties of the Company or by the issue of the debentures of debenture-stocks, perpetual or otherwise, charged upon all or any of the Company's properties (both present and future) including its uncalled capital or by such other means as Directors may in their absolute discretion deem expedient.
- 62 Subject to Section 58-A of the Companies Act and Rules made thereunder and directions issued by Reserves Bank of India to borrow, raise or secure the payment of money to or receive money and deposit as time deposit or otherwise at interest for any purpose of the Company and at such time or times and in such manner as may be thought fit and in particular by the creation and issue of the debentures or debenture-stock, bonds, shares credited as fully or partly paid up obligations, mortgages, charges and securities of all kinds, either perpetual or otherwise, either redeemable annuities in as and by way of securities for any such moneys so borrowed, raised or received or of any such debenture, debenture-stock, bonds, obligations, mortgages, charges and securities of all kinds, either so issued to mortgage, pledge or charge the undertaking or whole or any part or the properties, rights, assets or revenue and profits of the Company, presents or future, including its uncalled capital

or otherwise howsoever by trust special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers as may seem expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on business of Banking as defined by the Banking Regulation Act, 1949.

**(C) OTHER OBJECTS :**

- 1 To carry on the business of manufactures, importers, exporters, assemblers, hirers and repairers, of and/or dealers in and marketing and distribution of computers and computer periphara, softwares and hardwares, computer parts, data transmission circuit, audio visual equipments and consumer electronics, radio receivers, television receivers, television picture tubes, tape recorders, record changers, professional and defense electronics, test and measuring instruments, inspection instruments, digital and analytical instruments, electronic environmental and pollution measuring instruments, photocopying machines and other office equipments, electronic desk calculators, scillioscopes and associated instruments, process control systems, industrial electronics, medical electronic equipments, electro devices audio record/play back systems, closed circuit T V., aerospace electronics, geo science electronics, broad casting electronics and for purpose of foregoing but without limiting the generality, materials, accessories, components and spare parts thereof.
- 2 To carry on the business as consultant in marketing and survey for whatsoever materials and projects from whomsoever.
- 3 To carry on all kinds of agency business and as buying and selling agents of all articles, things, commodities and products.
- 4 To carry on and undertake the business of trading, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire all kinds of plants and machineries and equipments that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transactions and to subsidize, finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable properties, including land and buildings, plants and machineries, equipments, ships, aircrafts, automobiles, computers and all consumers, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof, regardless of whether the property purchased and leased be new and/or used.
- 5 To carry on the business as refrigerating engineers and lessors of cold storage space, to erect, maintain and operate cold storage depots and to engage in cold storage trade in all its branches.
- 6 To carry on business of running nursing homes, clinics, pharmacies, indoor or out-door hospitals medical, anatomical, orthopedic, surgical and 'X' Ray units laboratories, research establishments, nature cure centres and hospitals for eye, throat and nose diseases and to acquire land, buildings, plants, equipments, accessories, instruments, gadgets, furniture and fittings and other facilities for treatment and nursing of patients of various types of diseases, ailments, sickness, illness and other body or mental troubles and to act as consultant in any and all branches of medical science.
- 7 To carry on business as producers, importers, exporters, buyers, sellers, manufacturers, stockists, agents and brokers of coal, coke, charcoal, petroleum-coke, copper, iron, ore, bauxite, kyanite, fire clay, china-clay, salt, sodium chlorides, calcium phosphate, nickel, beryllium, uranium, zinc, lead, asbestos, tin, alumina, mercury, silicon, sulphur, graphite, brass, aluminum, silicas and bentonite, quartz, dextrine, magnesite, dolomite, ferro-alloys, corundum, manganese mica, gypsum, garnet, emerald and other minerals and to act as metal founders, manufacturers, agents and dealers of metals, sheets, wires, rods, squares, plates, metal foils, pipes, tubes, ingots, billets, circles, bars, beams, circle angles, structures, coils, ferrous, non-ferrous metals, utensils, decorative and art materials.
- 8 To carry on business as agents, holders or investors in saving unit or units issued by the Unit Trust of India.
- 9 To carry on business as producers, manufacturers, processors, converters, refiners, makers, bottlers, stockists, dealers, importers, exporters, traders, retailers, agents, buyers or sellers of oxygen, acetylene, ammonia, carbon dioxide, nitrogen, hydrogen, helium and other types and kinds of gases required for or used in industries, agriculture, clinics, hospitals, refrigeration, aviation, transport vehicles, space rockets and crafts communication, objects and media, power plants, domestic or public lighting, heating, cooling or cooking purposes, lighters, plants producing water, chemicals or fuels, pesticide, defense or welfare establishment, horticulture, forest or plant protection and growth and other allied purposes and to service, repair, manufacture, market or deal in machineries, plants, spare, cylinders, containers, gadgets, appliances and accessories required for, working on, using or producing any of such gases and products.
- 10 To carry on the business of taking/giving on hire and rent all classes and kinds of plants and machineries, lands and buildings and other properties.
- 11 To receive moneys, securities and valuables of all kinds on deposit at interest or for custody and generally to carry on the business of a safe deposit company.

- 12 To carry on the business of a finance company and to finance industrial enterprises and to promote companies engaged in industrial, manufacturing and trading business whether in India or out of India and subject to provisions of law, receive and give short term/long term loans with and/or without security and interest.
- 13 To carry on business as assessors, appraisers, surveyors, actuaries valuers in respect of all classes of properties both real and personal.
- 14 To carry on business as laboratory proprietors, breeders, importers and exporters of and dealers in live or dead plants and animals, to act as analytical and consulting chemists and research work of any kind.
- 15 To carry on the business of travel agency and to act as tourist agents and contractors and to facilitate travellings and to provide for tourists and travellers such as buying, hiring, leasing buses, taxis, ships, aircrafts, hotels, rooms, motels, out houses, cafeterias or promote the provision of conveniences of tourists.
- 16 Subject to law to carry on the business of goldsmiths, silversmiths, jewelers, gem merchants, dressing bag and material makers, hirers, dealers, stockists, agents, importers and exporters of bullion, diamond, pearls and other precious stones, jewels, gold, silver, platinum and other precious or semi-precious metals, ornaments, jewelry, articles of value made partly or fully of above mentioned materials, stones or metals as the Company may consider capable of being conveniently dealt with in relation to the said business and to establish factories show-rooms, strong rooms and agencies for the above business.
- 17 To act as brokers, dealers and to carry on the business of share broking, money broking, exchange broking and bill broking, bills purchasing, bills discounting and to advise on portfolio management, investment of money, sale of properties and to act as Registrars and Managers to the issue.
- 18 To establish maintain and operate shipping air transport and road transport services and all ancillary services and for these purpose as or an independent undertaking to purchase, take in exchange, charter, hire, build construct or otherwise acquire and to own, work, manage and trade with steam, sailing, motor and other ships, trawlers, drifters, tugs and vessels, aircraft and motor and other vehicles with all necessary and convenient equipments engines, tackle, gears, furnitures and stores and to maintain, repair, fit out, refit, improve, insure, alter, sell, exchange or let out on hire or hire-purchase or charter or otherwise deal with and dispose off any of the ships, vessels aircrafts and vehicles or any of the engines, tackles, gears, furnitures, equipments and stores.
- 19 To carry on the business of warehousing in all its aspects in India and elsewhere.
- 20 To carry on business as manufacturers, dealers, importers, exporters, stockists or distributors of razors, safety razors, blades and shaving sets.
- 21 To carry on the business as producers, makers, dealers, analysts, investigators and consultants in public health and environmental engineering, water sewage and effluent treatment, water, air and land pollution control, industrial engineering and for the purpose to carry on civil, structural, mechanical, chemical, electrical metallurgical, hydraulic, ecological or any other branches of engineering and science and to develop and/or provide technical or industrial know-how, formulae, processes and applied technology and to act as engineers, architects, planners, designers technical advisers, analysts, investigators, consultants, contractors and to undertake and execute any contract in connection with the objects and to buy, self, import, export, build, process, manufacture, fabricate, alter, repair, convert, let on hire and deal in all or any of them.
- 22 To manufacture, welding products including welding torches, metal spray powers, fluxes and soldering, filling, brazing and joining metals and alloys, welding heads and accessories, job manipulators, tube and tube sheet weldings, orbital welders, girth welders, custom-designed equipment and engineering systems, welding and metal fabrication equipment systems, to suit cross country pipe line construction and laying, hard facing, surfacing equipment and products and systems used for reclamation and recycling of machinery parts in coal, mining and crushing industry mining completes, power plants, cement mills, sugar industry, transportation industries, chemical and fertilizers plants, defense workshops, earth moving equipment and other industries.
- 23 To act as trustees of any deeds constituting or securing any debentures, debenture-stock or other securities or obligations and to undertake and execute any other trusts and also to undertake the office of or exercise the powers of executor, administrator, receiver, custodian and trust corporation.
- 24 To carry on the business as manufacturers, manufacturers, representatives, dealers, retailers, whole-salers, packers, re-packers, factors, agents, consignors, consignees, shippers, distributors, stockists, buyers, sellers and indentors of all classes, kinds, types, sizes, nature and descriptions of safety equipments, made of whatever metal and/or substances by any devices such as mechanical, engineering, electrical and electronic to safe guard, protect, preserve and maintain all sorts of assets, valuables monies, money's worth, machines men and livestock.

- 25 To carry on the business of electricians, electrical engineers and manufacturers of all kinds of electrical machineries and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply, law down, establish, fix, carry out and deal in accumulators, lamps, meters, cables, wires, lines, pots, engines, dynamos of any kind and accessories thereof and manufacturers of and dealers in scientific instruments of any kind.
- 26 To carry on the business as manufacturers, moulders, producers, extruders, weavers, refiners, fabricators, assemblers, suppliers, processors, stitchers, laminators, sealers, stockists and dealers in al classes, kinds, types and nature of :
  - (i) Plastic materials, plastic articles including but without limiting the generality of the foregoing polymer sun films, polymer production line, LDPE-HDPE-HM-HD-PPE-multi air, monolair, plastic films.
  - (ii) Packing materials and packages made of whatever materials/substances and compounds including paper, jute, cotton, rubber, plastic, glass, board and wood.
  - (iii) Intermediates, derivatives, bye-products and substitutes of all or any of them.
- 27 To carry on any where in the world, the business of running hotel in all its aspects, lodging and boarding and to run, manage, acquire, control, own, purchase, hire the same including restaurant, café, tavern, beerhouse, refreshment-room, lodging-house keepers, licensed victuallers, subject to law, wine, beer and spirit merchants, importers and dealers of aerated, mineral and artificial waters and other drinks purveyors, caterers for public, amusements, ice merchants importers and workers of food, live and dead stock and colonial and foreign produces of all descriptions, hair dressers, perfumers, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement, recreation, sports, dances and entertainments of all kinds and cigar merchants, agents for railway, shipping and airplane companies, carries, theatrical and opera box office proprietors, entrepreneurs and general agents of things which can be conveniently carried on in connection therewith.
- 28 To carry on the business of advertising contractors and agents, to acquire and dispose off advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites.
- 29 To carry on the business of printers, stationers, lithographers, type founders, stereotypes, photographic printers, photo-lithographers, chrome-lithographers, engravers, die-sinkers, book-binders, designers, draughtsman and ink manufacturers, book-sellers, publishers, engineers and dealers in or manufacturers of above articles of things or any of them or concerned therewith.
- 30 To carry on the business of management consultants and for that purpose to take part in the formation, management, supervision or control of the business or operations of any company or undertaking and to act as administrators, receivers and to appoint and remunerate any Directors, administrators managers or accountants or other experts or agents.
- 31 To carry on the business of water-proofers of all kinds.
- 32 To carry on the business of manufacturers and suppliers of all classes, kinds, types, natures and descriptions of engineering goods including but without limiting the generality of the foregoing, D.C. variable, speed drive controllers, A. C. D. C. current couplings, meters, counters made of whatever metals and substances.
- 33 To carry on all or any of the business of guaranteeing the performance of any contract or obligation of any company, firm or person and of guaranteeing the payment and repayment of the capital and principal, interest or premium payable on any stock, shares and securities, debenture stock, mortgage, loan and other securities issued by any company, corporation, firm or persons, including (without prejudice to the said generality) bank overdrafts, bills of exchange and promissory notes and generally of giving guarantees and indemnities and guaranteeing the fidelity of persons filling situations of trust or confidence or due performance of duties.
- 34 To carry on research and development work for industrial, agricultural and materials, productivity and methods of productions, maters and problems relating to accountancy, business management, distribution, marketing and selling and to collect, analyze, examine, prepare, formulate, publish, distribute and circulate data, statistics, reports, journals, books, magazines, newspapers, literatures and information relating to any type of business, trade, industry, sports, education, society, cinema or real estates and to promote or propose such methods procedures and measures as may be considered desirable or beneficial for all or any of the objects of the Company and for extending, developing and/or improving any type of business, trade, estate, industry, commerce, organization, methods, techniques, technical know-how, patents, trade marks and procedures to consider and evaluate problems relating to administration, management, manufacture, production, storage, distribution, finance, marketing and sale and/or relating to the rendering of any services.

- 35 To manufacture, produce, install, commission, operate, prepare, pay, import, buy, sell, supply, distribute or otherwise deal in diesel generating set and all energy production and conversion activities in all its forms inclusive of but not restricted to various renewable sources like solar energy, wind energy, all forms of biomass, geothermal energy, hydel energy, tidal and wave energy as also effective and efficient utilization of conventional energy forms like coal, oil, gas, electricity and all equipments that may be associated with such energy related activities.
- 36 To refine, treat and render merchantable and fit for use, natural deposit of salt, brine, natron, soda, kieselguhr nitrates and derivatives.
- 37 To provide a leasing advisory/counseling services to other entities and/or from the leasing arm of other entities.
- 38 To investigate, search, survey, prospect, explore, extract, drill, dig, raise, pump produce, refine, purify, separate, treat, process, blend, store transport, distribute, market, sell, pack and otherwise deal in mineral oils, whether on shore on off-shore and their derivatives, by-products, mixtures in gaseous, liquid or solid forms and to fabricate, purchase, construct take on lease/rent, erect, maintain machineries plants, equipments, carriages, structures, platform towers, (jackets) pies, decks, module frames and ancillary parts of complete off-shore and on-shore installations and pipe lines related to the above activities, to take on lease purchase or otherwise acquire lands and other places, including off-shore areas which seem capable of affording a supply of natural gas and minerals oils for conducting above activities.
- 39 To carry on the business of an investment Company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company or private Industrial Enterprises or Government and in diamonds, jewelry, pearls, silver, gold, ornaments, akiks, paintings and antiques subject to provisions of law applicable.
- 40 To carry on business as producers, distributors, importers, exporters, exhibitors and financiers of cinematograph films and to manufacture, own, acquire, provide, secure, arrange or deal in films and photographic, sound recording, lighting, appliances, instruments equipments and machines and to construct, establish, own, hire or otherwise acquire and to manager, let out for rent, fee, monetary gain or otherwise studios, laboratories, theatres, buildings, halls, open air theatres and other buildings or work required for the purposes of production, distribution or exhibition of the films, operas, stage plays, dances, operettas, burlesques, vaudeville, revues, ballets, pantomimes, spectacular pieces, promenade concerts, circus or other performances and entertainments and to act as dealers, importers, exporters of entertainment instruments and records, cinema and film projectors and cameras, wigs or materials related or connected with the aforesaid objects and businesses and to acquire exclusive or limited rights to any play, story, script, musical song and lyric, book article or any technique by producing, purchasing or otherwise acquiring and to use, exercise, develop or exploit or turn to account such right for the business of the Company and to act as agents for training, retaining arranging and supplying artists, stars, art director, script or story writers technicians, extras and other personnel required by the Company or others for film, cinema or show business.
- 41 To carry on the business in India and elsewhere as manufacturers, producers, buyers, sellers, dealers, traders, suppliers, exporters, importers, factors, agents, consignors, consignees, distributors, advertisers, marketing agents, stockists, suppliers of any brand and of all classes, kinds and types of galies, detergent cakes, toilet soaps, laundry soaps, marine soaps, industrial soaps, detergent powder, detergent liquid, cleaning power, washing power, neal, whitener, slury benzyne, washing materials toilets, requisites and preparation.
- 42 To carry on the business as manufacturers, suppliers, stockists, manufacturers' representatives, traders, dealers, importers, exporters, factors and agents of all classes and kinds of medicinal apparatuses, instruments, appliances, injections and tools required by physicians, surgeons, doctors, consultants, dentists and orthopedicians in their respective professions.
- 43 To produce, manufacture, purchase, refine, prepare, process, import, export, sell and generally deal in cement, portland cement, white cement, alumine cement, limes and lime-stones and bye-products thereof, cement pipes/sheets, refractories, bricks and minerals.
- 44 To carry on the business as manufacturers, processors, importers, exporters, dealers, sellers, buyers, consignors, consignees, agents, stockiest, suppliers of all classes, kinds, types and nature of chemical, dyes, pigments and auxiliaries, intermediates including but without limiting the generality of the foregoing, heavy chemicals, fire chemicals, organic and inorganic chemicals, pharmaceuticals, drug and medicinal chemicals, gum, allied chemicals and boiling agents for textiles, paints, cosmetics, pharmaceuticals, paper, processing, leather, metals, food pigments and other industries made from whatever substances including minerals.
- 45 To work mines or quarries and to find, win get, work, crush, smelt, manufacture or otherwise deal with chalk, clay, ores and generally to carry on the business of mining of all branches.
- 46 To carry on the business of manufacturers, dealers, traders, exporters, importers, consignors, consignees, agents, factors, brokers, whole-salers, retailers of all kinds, types, sizes of wood and plywood with and/or without lamination of any type and kind thereon including other types of wood such as teak wood, flush door, plywood, figure wood, fibrous boards, duplex boards,

triplex boards, colour boards, black boards, laminated boards, press boards, masonite boards, pulp boards, paste boards, glazed boards, life boards, gypartition boards, packing wood and articles/ products, furnitures made therefrom whether for industrial, commercial and domestic purposes/uses.

IV The liability of the members is limited.

V The Authorized Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 500000000 (Fifty Crores) Equity Shares of Re. 1/- (Rupee One only) each.

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

Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	No of Equity Shares taken by each Subscriber	Name/s and Signature/s of the Witness/es and their Address/es Description/s Occupation/s
<p>MANOJ B VADODARIA S/o Bhupat Chhotalal Vadodaria 10, satellite Plaza, Opp. Akar Society, Premchand Nagar Road, Ahmedabad 380 014 Business</p> <p style="text-align: right;">Sd/-</p>	<p style="text-align: center;">10 (Ten)</p>	<p style="text-align: center;">Common Witness to all the three Signatories Sd/- Omprakash Bhandari S/o Ugamraj Bhandari G-5, Trupti Apartment Navrangpura, Ahmedabad 380 009 Chartered Accountant</p>
<p>NILESH N PANCHAL S/o Natvarlal T Panchal 491/3, Danapith, Navo Vas, Last Lane, Opp. Muni. Corpn. Ahmedabad Service</p> <p style="text-align: right;">Sd/-</p>	<p style="text-align: center;">10 (Ten)</p>	
<p style="text-align: right;">TOTAL</p>	<p style="text-align: center;">20 (Twenty)</p>	

Place Ahmedabad Dated this 5<sup>th</sup> day of January 1990.

XXXXXXXXXXXXX



# **ARTICLES OF ASSOCIATION**

**(Adopted in terms of Special Resolution passed on April 13, 2016 by way of Postal Ballot)**

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
**ARTICLE OF ASSOCIATION**  
**OF**  
**NILA INFRASTRUCTURES LIMITED**

**1. PRELIMINARY**

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

The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance by the Members thereof and their representative shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to its regulations by Special Resolution, as prescribed by the said Companies Act, 2013, be such as are contained in these Articles unless the same are repugnant or contrary to the provision of the Companies Act, 2013.

**2. INTERPRETATION**

**2.1 Interpretation Clause**

In the interpretation of these Articles, the following words and expression shall have the following meanings, unless repugnant to the subject or context:

**2.2 “The Act or the Said Act”**

“The Act” or “The said Act” means the Companies Act, 2013 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.

**2.3. The Board “ or “The Board of Directors”**

“The Board” or “The Board of Directors” means Board of Directors of Nila Infrastructures Ltd from time to time.

**2.4 “The Company”**

“The Company” or “This Company” means Nila Infrastructures Limited.

**2.5 “Alter”**

“Alter” and “Alteration” shall include the making of additions, omissions, insertion, deletion and substitutions.

**2.6 “Auditors”**

“Auditors” means and includes those persons appointed as such for the time being by the Company.

## **2.7 “Beneficial Owner”**

“Beneficial Owner” means a person whose name is recorded as such with a depository.

## **2.8 “Books and Record”**

“Books and Record” includes the records maintained in the form as may be determined by Regulations; whether in physical or electronic forms.

## **2.9 “Bye-Laws”**

“Bye-Laws” means bye-laws made by a depository under Section 26 of the Depositories Act, 1996.

## **2.10 “Capital”**

“Capital” means the share capital for the time being, raised or authorized to be raised, for the purpose of the Company.

## **2.11 “Depository”**

“Depository” means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

## **2.12 “Depositories Act”**

“Depositories Act” means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force.

## **2.13 “Debenture”**

“Debenture” shall have the same meaning as given under Section 2(30) of the Act;

## **2.14 “Directors”**

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

## **2.15 “Dividend”**

“Dividend” includes bonus.

## **2.16 “Gender”**

Words importing the masculine gender also include the feminine gender.

## **2.17 “In Writing” and “Written”**

“In Writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

## **2.18 “Legal Representative”**

“Legal Representative” means a person who in law represents the estate of a deceased Member.

## **2.19 “Member”**

“Member” means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum and Articles of Association of the Company and Person(s) whose name(s) is/are entered as beneficial owner in the records of the Depository.

## **2.20 “Meeting” or “General Meeting”**

“Meeting” or “General Meeting” means a meeting of members.

## **2.21 “Annual General meeting”**

“Annual General meeting” means a general meeting of the members held in accordance with the provisions of Section 96 of the Act.

## **2.22 “Extra Ordinary General meeting”**

“Extra Ordinary General meeting” means an Extra Ordinary General meeting of the member duly called and constituted and any adjournment thereof.

## **2.23 “Month” and “Calendar month”**

“Month” means a period of thirty days and a “Calendar month” means an English Calendar Month.

## **2.24 Independent Director**

“Independent Directors” shall have the meaning assigned thereto by Section 149 (6) of the Act.

## **2.25 “Office”**

“Office” means the registered office for the time being of the Company.

## **2.26 “Ordinary Resolution” & “Special Resolution”**

“Ordinary Resolution” and “Special Resolution” shall have the meaning assigned thereto by Section 114 of the Act.

## **2.27 “Paid Up capital”**

“Paid Up capital” means such aggregate amount of money credited as paid up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.

## **2.28 “Person”**

“Person” includes an individual, an association of persons or body of individuals, whether incorporated or not and a firm.

## **2.29 “Promoter”**

“Promoter” means a person:-

- (a) who has been named as such in the prospectus or is identified by the Company in the annual return referred to in Section 92 of the Act; or
- (b) who has control over the affairs of the Company, directly or indirectly whether as Shareholder, Director or otherwise; or
- (c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:

Provided that nothing in sub clause (c) shall apply to a person who is merely acting in a professional capacity.

## **2.30 “Register of Members”**

“Register of Members” means the Register of Member to be kept in pursuant to the provisions of the Act.

## **2.31 “Register and Index of beneficial owners”**

“Register and Index of beneficial owners” maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles.

## **2.32 “Registrar”**

“The Registrar” means the Registrar of Companies of the state in which the registered office of the Company is for the time being situated.

## **2.33 “Related Party”**

“Related Party” shall have the meaning assigned thereto by Section 2 (76) of the Act.

## **2.34 “Relative”**

“Relative” shall have the same meaning as prescribed under the Act;

## **2.35 “Financial Statements”**

“Financial Statements” shall have the same meaning as prescribed under the Act.

## **2.36 “These Presents” or “Regulations” or “Articles” or “Articles of Association”**

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

**2.37 “Seal”**

“Seal” means the Common Seal for the time being of the Company.

**2.38 “SEBI”**

“SEBI” means the Securities and Exchange Board of India.

**2.39 “Secretary”**

“Secretary” means a company secretary as defined in clause (c) of Sub Section (1) of Section (2) of the Companies Secretaries Act, 1980 who is appointed by the Company to perform the functions of a company secretary under the Act.

**2.40 “Securities”**

“Securities” means share, debenture and such other security as may be specified by the SEBI from time to time.

**2.41 “Share”**

“Share” means share in the share capital of the Company and includes stock.

**2.42 “Singular Number”**

Words imparting the singular number include the plural number.

**2.43 “Year” and “Financial Year”**

“Year” means the “Calendar year” and “Financial year” shall have the same meaning assigned thereto by Section 2(41) of the Act.

**2.44 “Words and Expressions defined in the Act”**

Subject aforesaid, any words and expressions defined in the said Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise require, bear the same meanings in these Articles.

**2.45 “Marginal Notes”**

The Marginal notes hereto shall not effect the construction thereof.

**3. SHARE CAPITAL**

**3.1** The Authorised Share Capital of the Company is Rs. 50, 00, 00,000 divided into 500000000 equity shares of Re. 1/- each with the rights, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being. The Company has

power from time to time to increase or reduce its capital and to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

- 3.2 Subject to the provisions of the Act and these Articles, the Board shall have power to issue warrants or other instruments which may entitle the holders thereof to subscribe to equity shares or any other convertible instruments at a price and on such terms and conditions as the Board may deem fit.

3.3 **Shares under the Control of Directors**

Subject to the provisions of the Act and in accordance with the other articles of this Articles of Association, 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 allot or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and such time as they may from time to time think fit and proper, and with full power to give to any person the option to be allotted shares of the Company either at par or at premium, such option being exercisable at such time and for such consideration as the Directors think fit provided that the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in Board meeting.

- 3.4 Subject to Section 62 and 42 of the Act, and without derogating from the power for that purpose conferred on the Directors by this Articles of Association, the Company in general meeting, may by special resolution, determine to issue further shares out of the authorized but unissued capital of the Company and may determine that any shares (whether forming part of the original capital or of increased capital of the Company) shall be offered to such persons (whether members or holders of such terms and conditions and either at premium or at par, as such general meeting shall determine and with full power to give any person (whether a member or holder of debenture of the Company or not) option to be allotted shares of any class of the Company either at a premium or at par, Such option is exercisable at such general meeting of the Company and the Company may make any other provision whatsoever for the issue, allotment or disposal of any shares, subject to any direction given by the general meeting as aforesaid and the provision of this Articles hereof shall apply to any issue of new Shares.

3.5 **Directors may allot shares as fully paid up**

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company in payment or part payment for any part payment for any property or assets of any kind whatsoever (including the goodwill of any business) sold

or transferred or goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than for cash, and if so issued shall be deemed to be fully paid up or partly paid up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by Section 39 of the Act.

### **3.6      Unclassified shares**

Any unclassified shares of the Company for the time being (whether forming part of the original capital or of any increased capital of the Company), may be issued either with the sanction of the Company in General Meeting or by the Board, with such rights and privileges annexed thereto and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct, and if no such direction shall 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 an preference shares may be issued on the terms that they are at the opinion of the Company are liable to redeemed.

### **3.7      Acceptance of Shares**

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

### **3.8      Company not bound to recognize any interests in shares other than that of the registered holder**

Except when required by law and in particular by Section 89 of the Act, or ordered by a Court of competent jurisdiction, the Company shall not be bound to recognize any person as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (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.

### **3.9      Shareholder**

The Company shall be entitled to treat the person whose name appears on the register of members as the holder of any Shares or other securities or whose name appear as the Beneficial owner of shares or other securities in the records of Depository, as the absolute owner thereof. The Company shall send all statutory notices, intimation required to be served under the law to its shareholders to those persons whose names appear on the register of members or records of Depository as the case may be only irrespective of the fact that some other person is in possession of the share certificate(s) along with duly signed



instrument of transfer and has yet not lodged documents for registration of transfer of shares.

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

The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposits, 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 holders of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**3.11 Installments on shares to be duly paid**

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

**3.12 Funds of Company shall not be applied in purchase of shares of the Company**

None of the funds of the Company shall be applied in the purchase of any shares of the Company and itself not give any financial assistance for or in connection with the purchase of subscription of any shares in the Company or its holding Company save as provided by Section 67 of the Act.

The Company shall have a power, subject to and in accordance with all applicable provisions of the Act to acquire/purchase and hold or resell any of its, fully or partly paid Shares on such terms and conditions and upto such limits as may be determined by the Board or prescribed by law from time to time and make a payment out of capital in respect of such acquisition/purchase.

**3.13 INCREASE, REDUCTION AND ALTERATION OF CAPITAL**

**(a) Increase of Capital**

The Company may from time to time by ordinary resolution in General Meetings increase its share capital by the creation and issue of new shares either by fresh issue of Equity Shares or increase in terms of / by conversion or otherwise of any instruments including warrants, convertible Debentures issued or to be issued in such manner, and 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 direct and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.

**(b) Right of Equity Shareholders to further issue of capital**

Where, at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on these shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act. Provided that notwithstanding anything herein before contained the further shares aforesaid may be offered to any persons whether or those persons include the persons who at the date of offer, are holder of equity shares of the Company in any manner whatsoever, if a special resolution to that effect is passed by the Company in General Meetings.

- (c) Subject to the provisions of Section 62 and pursuant to the approval of the shareholders granted by way of a special resolution, the Company may issue Warrants or other instruments which may entitle the holders thereof to subscribe Equity Shares and Convertible Debentures on such terms and conditions as the Board may think fit.
- (d) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loan into shares in the Company or to subscribe for shares in the Company (whether such option is conferred by this Articles or otherwise) provided that the terms of the issue of such debentures or of such loans include a term providing for such option and such terms have been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans as the case may be.

**3.14 Further issue of Capital to be governed by same rules.**

- (a) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting or otherwise.
- (b) The Company shall not issue any preference shares which are irredeemable.
- (c) The Company may issue preference shares which are liable to be redeemed within a period not exceeding twenty years from the date of their issue subject to following conditions:
  - (i) the issue of such shares has been authorized by passing a special resolution in the general meeting of the Company;
  - (ii) the Company at the time of such issue of preference shares has no subsisting default in the redemption of preference shares or in payment of dividend due on any preference shares.

Provided further that:

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

- (iii) The premium if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share Premium Account before the shares are redeemed.
- (iv) 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 fund, to be called the 'Capital Redemption Reserve Account' a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were the paid up share capital of the Company.

### **3.15 Reduction of Capital**

The Company may, subject to the provisions of the Act, from time to time by special Resolution reduce its share capital and any Capital Redemption Reserve Account or other Premium Account in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted.

### **3.16 Consolidation division and sub-division**

The Company in General Meeting may alter the conditions of its Memorandum as follows:

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

### **3.17 Issue of further *pari-passu* shares not to affect the rights of shares already issued**

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

## **4. UNDERWRITING AND BROKERAGE**

The Company may, subject to the provisions of Section 40(6) and other applicable provisions (if any ) of the Act and rules made there under, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debenture of the Company so that the amount or rate of commission does not exceed in

the case of shares, 5% of the price at which the shares are issued and in the case of debentures 2 ½ % of the price at which the debentures are issued. The Commission may be satisfied by the payment of cash or 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 issue of shares or debentures pay such brokerage as may be lawful.

## **5. CERTIFICATES**

- 5.1 The certificates of title to the shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors duly authorized by the Board of the Company for the purpose or the committee of the Board, if so authorized by the Board (provided that if the composition of the Board permits one of the aforesaid two directors shall be a person other than the managing or whole-time Director) and ii) the Secretary or some other person appointed by the Board for the purpose. Particulars of share certificate issued shall be entered in the Register of Members against the said person to whom it has been issued indicating the date of issue. A Director shall be deemed to have signed the share certificate if his signature is printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, or digitally signed, but not by means of a rubber stamp, provided that the Directors shall be personally responsible for permitting the affixation of his signature thus and the safe custody of such machine equipment or other material used, for the purpose. Provided always that notwithstanding anything contained in the Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act, or the rules made there under as may in force for the time being and from time to time.
- 5.2 The certificates, issued pursuant to sub division of the share capital of the Company from Rs. 10/- to Rs. 1/- per share vide special resolution passed at the annual general meeting held on 30<sup>th</sup> August, 2005, are provided to the shareholders on surrender of old certificate bearing face value of Rs. 10/- per share.

The company shall not issue and provide to the shareholder new share certificate bearing face value of Re. 1/- per share without surrender of old share certificate bearing face value of Rs. 10/- per share except in circumstances of lost, misplaced or steal of old share certificate, upon necessary submission of indemnity bond, affidavit, and sureties and such other documents as may be required by the company.

## **6. DEMATERIALISATION OF SECURITIES**

- 6.1 Notwithstanding anything contained in these Articles and as provided under Section 29 of the Act, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to Depositories Act, 1996 and the rules framed there under.
- 6.2 Securities in depositories to be in fungible form :

- (i) All securities held by a depository shall be dematerialized and shall be in fungible

- form.
- (ii) Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### 6.3 Section 45 of Act not to apply :

Notwithstanding anything to contrary contained in the Articles-

- (i) Section 45 of the Act shall not apply to securities held with a depository.
- (ii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held in a depository.

### 6.4 **Member's right to certificates**

Subject to the compliance of the relevant provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014 every member or allottee of share(s) shall be entitled without payment to receive at least one or more certificate in the marketable lot under the seal of the Company for all the shares of each class or denomination registered in his name in such form as the Directors shall prescribe or approve, specifying the number of share or shares allotted to him and the amount paid thereon. Such certificate shall be issued only in a pursuance of resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite values, save in case of issues against letters of acceptance or of renunciation, or in case of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to seek supporting evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating such evidence, as it may think fit.

### 6.5 **OPTION TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITOR**

- (a) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- (b) Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.
- (c) Rights of Depositories and Beneficial Owners:
  - (i) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner.

- (ii) Save as otherwise provided in clause (i) above, the depository as registered owner shall not have any voting rights or any other rights in respect of securities held by it.
  - (iii) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.
- (d) Depository to furnish information:**
- Every depository shall, furnish information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- (e)** Notwithstanding anything to the contrary contained in the Articles, where securities are held in a depository, the records of beneficial ownership may be served by such depository on the Company or its Registrar and Transfer Agent by means of electronic mode or by delivery of floppies or discs.
- (f) Option to opt out in respect of any security:**
- (i) If a beneficial owner seeks to opt out of a depository in respect of any security, he shall inform the depository accordingly.
  - (ii) The depository shall on receipt of such intimation make appropriate entries in its records and shall inform the Company.
  - (iii) The Company shall, within thirty (30) days of the receipt of intimation from a depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner of the transferee, as the case may be.
- (g) Limitation of time for issue of certificates**
- The company shall within two months after the allotment of any of its shares, or within six months after allotment of any of its debentures or within one month from the date of receipt of the instrument of transfer or intimation of transmission 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 shares or debentures otherwise provide and the Company shall otherwise comply with the requirements of Section 56(4) and other applicable provisions (if any) of the Act.
- (h) As to issue of new certificate in place of those defaced, lost or destroyed**
- (i) No Certificate(s) of any share or shares or debenture or debentures shall be issued either in exchange for those which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless from any cause whatsoever, or where the cases on the reverse for recording transfers have been fully utilized, unless the certificate in lieu of which they are issued are surrendered to the Company and the Company may charge such fee as the Board thinks fit, not exceeding rupees fifty per certificate.

- (ii) No duplicate certificates shall be issued in lieu of those that are lost or destroyed without the prior consent of the Board and without payment of such fees as the Board thinks fit, not exceeding rupees fifty per certificate and on such reasonable terms, if any, as to evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board thinks fit.
- (iii) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and be recorded in the Register maintained for the purpose that it is

“Issued in lieu of Share certificate No.\_\_\_\_subdivided/replaced on consolidation”

- (iv) Where a new share certificate has been issued in pursuance of these Articles, it shall be stated prominently on the face of it and be recorded in the Register maintained for the purpose, that it is “Duplicate issued in lieu of Share Certificate No. \_”. The word “Duplicate” shall be stamped or printed prominently on the face of the share certificates. The duplicate share certificates shall be issued within a period of fifteen days, from the date of submission of complete documents with the Company.
- (v) Where a new share certificate has been issued in pursuance of these Articles, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate including against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members of suitable cross reference in the “Remarks” column. All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the Company Secretary or such other person as may be authorized by the Board for the purposes of sealing and signing the share certificate.
- (vi) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank form shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose, and the Secretary or other persons aforesaid shall be responsible for rendering an account of these forms to the Board.
- (vii) The following persons shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates, including the blank forms of share certificates referred to in these Articles:

**(a)** the committee of the Board, if so authorized by the Board or where the Company has a Company Secretary, the Company secretary; or

**(b)** where the Company has no Company Secretary, a Director specifically authorized by the Board for such purpose.

- (viii) All the books referred to in these Articles shall be preserved in good order not less than thirty years and in case of disputed cases, shall be preserved permanently and documents.

## **6.6 Endorsement of certificate**

Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorized by the Directors in that behalf.

**6.7 Directors to comply with rule**

The Board shall comply with requirements prescribed by any rules made pursuant to the said Act relating to the issue and execution of share certificates.

**7 CALLS**

**7.1 Board may make calls**

The Board of Directors may from time to time, (by a Resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the conditions hereinafter mentioned, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable at fixed times and each members shall pay the amount of every call so made on him to the persons and at the times appointed by Directors. A call may be made payable by installment. The call may be revoked or postponed at the discretion of the Board.

**7.2 Calls on shares of same class to be made on uniform basis**

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

**7.3 Notice of Calls**

At least thirty days' notice of every call, otherwise than an allotment, shall be given specifying the time of payment, provided that before the time for payment of such call the Directors may, by notice in writing to the members, revoke the same.

**7.4 Call to date from Resolution**

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

**7.5 Directors may extend time.**

The Directors may from time to time, at their discretion extend the time for the payment of any call and may extend such time as to payment of call for any of the members the directors may deem entitled to such extension save as a matter of grace and favour.

**7.6 Amount payable at fixed time or by installments as calls**

If by the terms of issue of any shares, any amounts are made payable at any fixed time or by installment at fixed times (whether on account of the nominal account of the share



or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

**7.7 When interest on call or installment payable**

If the sum payable in respect of any call or installments be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share(s) in respect of which a call shall have been made or the installments shall be due shall pay interest on the same at such rate as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

**7.8 Judgment decree of partial payment not to preclude forfeiture**

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 there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principle or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.

**7.9 Evidence of forfeiture**

Subject to the provisions of the Act and these Articles on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares, it shall be sufficient to prove that the name of the member in respect of whose shares money is sought to be recovered that the resolution making the calls duly recorded in the minute book, and that notice of such calls was duly posted to the members or his representative in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call not that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

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

The Directors may, if they think, 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 do paid in advance or so much thereof as from time to time the amount of calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate as the member paying such sum in advance and the directors agree upon and the Company may at any time repay the amount so advanced either by agreement with a member or otherwise upon giving to such member three months' notice in writing. No member paying any sum in advance shall be entitled to participate in profits or dividend or dividend or to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

**8. FORFEITURE, SURRENDER, LIEN**

**8.1 If call or installment not paid notice may be given**

If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principle 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 of other money as aforesaid remain unpaid or a judgment or a 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 shares 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.

## **8.2 Terms of notice**

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

## **8.3 Shares to be forfeited in default of payment**

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

## **8.4 Entry of forfeiture in register of members**

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

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

Any shares so forfeited shall be deemed to be the property of the Company 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.

## **8.6 Directors may annul forfeiture**

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

**8.7 Shareholders still liable to pay money owing at the time of forfeiture and interest**

Any person whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interests, expenses and other moneys owing upon or in respect of such shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment at such rates as the Director 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 forfeiture but shall not be under any obligation to do so.

**8.8 Effect of forfeiture**

The forfeiture of a share involve the extinction at the time of forfeiture of all interests and claims and demands against the Company in respect of the shares forfeited and all other rights incidental to the share, except only such of those right as by these presents are expressly saved.

**8.9 Surrender of shares**

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

**8.10 Company's lien on shares**

The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien on such shares registered in the name of the each member , whether solely or jointly with others and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and whether held solely or jointly with any other person and whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing, and condition that these Articles are to have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

**8.11 As to enforcement of lien on sale**

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his Committee, or other legal representatives as the case may be, and default shall have been made by him or them in the payment of the sum payable as aforesaid for fourteen days after the date of such notice. To give effect to any such sale, the Board may authorize some person to transfer the share and sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares compromised in any such transfer. Upon any such sale as aforesaid, the certificate in respect of 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.

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

The net proceeds of any such sale, after payment of the costs of such sale, shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such member and the residue, (if any) shall, subject to a lien for sums not presently payable as existed upon the shares before the sale, be paid to such member or the person (if any) entitled by transmission to the shares so sold.

#### **8.13 Certificate of forfeiture**

A certificate in writing under the hand of a Director, manager or the secretary of the Company that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share.

#### **8.14 Title of purchaser and allottee of forfeited shares of shares sold in exercise of lien**

Upon any sale after forfeiture or for enforcing a lien in the exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share and he shall not be bound to sell 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, re-sale, re-allotment or other disposal of the share and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

#### **8.15 Cancellation of Share Certification in respect of forfeited shares**

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

### **9 TRANSFER AND TRANSMISSIONS OF SHARES**

#### **9.1 Form of Transfer**

The instrument of transfer of any shares shall be in writing and all the provisions of Section 56 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.

#### **9.2 Nothing contained in Section 56 of the Act, shall apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owner in the**

record of the Company.

**9.3 Instrument of transfer to be executed by the transferor and transferee**

Every such instrument of transfer shall be signed by or on behalf of the transferor and by or on behalf of 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.

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

The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor and the transferee within the prescribed period along with the certificate relating to the shares, or if no such share certificate is in existence along with the letter of allotment of the shares. Provided that, where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

**9.5 Directors may refuse to register transfer**

Subject to the provisions of Section 58 of the Act, 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. In particular the Company may so decline in respect of shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except as stated hereinabove. The registration of the transfer shall be conclusive evidence of the approval by the Directors of the transferee.

**9.6 The Company may refuse to register the transfer of any of its securities in the name of the transferee on any one or more of the following grounds and on no other ground namely;**

- (a)** that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the security has not been delivered to the Company or that any other requirement under the law relating to the registration of such transfer has not been complied with;
- (b)** that the transfer of the security is in contravention of any law;
- (c)** that the transfer of the security is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interest or in the interest of the Company or to the public interest;
- (d)** that the transfer of the security is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

- (e) that the transferor has submitted written objection for registration of transfer without his or her written consent.

The transfer of shares, in whatever lot, would not be refused, though there could be no objection to the Company refusing to split a share certificate into several scrip's of small denominations or to consider a proposal for transfer of share comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be reasonable or with a genuine need.

Except as above, the Company would not refuse transfer in violation of the Stock Exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

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

If the Company refuses to register the Transfer of any share or transmission of any right therein the Company shall, within one month from the date of which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor, to the person giving intimation of transmission along with reasons for such refusal, as the case may be, and thereupon the provisions of Section 58 of the Act, or any statutory modification thereof for the time being in force shall apply.

**9.8 Transfer by legal representative**

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

**9.9 Custody of Instrument of transfer**

The instrument of transfer after registration shall be retained by the company and shall remain in the custody. All instruments of transfer which the Directors may decline to register shall on demand returned to the person depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

**9.10 Closure of transfer books**

The Director shall have the power, on giving not less than seven day's previous notice by advertisement as required by Section 91 of the Act or such lesser time as required by Section 91 of the Act or such lesser time as may be prescribed by Securities Exchange Board of India, to close the transfer books of the Company, the Register of Members or the Register of Debentures holders as the case may be at such time or times and for such period or periods of time not exceeding in the whole 45 days in each year and not exceeding 30 days at a time, as to them may seem fit. The minimum time gap between two book closure date and / or record dates would be at least 30 days.

**9.11 Title of shares of deceased holder.**

The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member, not being one of two or more joint holders shall be the only

persons recognized by the Company as having any title to the shares registered in the name of such deceased member and the Company shall not be bound to recognize such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or Succession Certificate and under the provisions of these Articles register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

#### **9.12 Transmission Clause**

Subject to the provisions contained in these Articles hereof, any person becoming entitled to a share in consequence of the death, lunacy or insolvency of any member, upon producing proper evidence of the grant of Probate or Letter of Administrations or Succession Certificates or such other evidence that he sustains the character in respect of which he purports to act under this Article or of his title to the Shares as the Board think sufficient may, with the consent of the Board (which it shall not be under any obligation to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is herein referred to as the transmission Article.

- 9.13. (a) Notwithstanding anything contained herein above, every shareholder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company, shall vest in the event of his death
- (b) Where the shares in the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company, shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholder or as the case may be, on the death of the joint holders become entitled to all the rights in such shares, of the holder or, as the case may be, of all the joint holders, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

#### **9.14 Transmission of shares by Nominee**

- (a) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner, any person to become entitled to shares in the Company, in the event of his death, during the minority.

- (b) A nominee may upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the share; or to make such transfer of the share as the deceased shareholder, could have made.
- (c) If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
- (d) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of Company.

Provider further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share, until the requirements of the notice have been complied with.

**9.15 Refusal to register in case of transmission**

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 for registration.

**9.16 Persons entitled may receive dividend without being registered as member**

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

**9.17 Board may require evidence for transmission**

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

**9.18 No fee on transfer or transmission**

The Company shall not charge any fee for registration for transfer or transmission in respect of shares or debentures of the Company.

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



The Company shall incur no liability or responsibility whatsoever in consequences 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 do such shares notwithstanding that the Company may not have notice of such equitable right, title or interest) or may have received a notice prohibiting registration of such transfer and may have such notice as referred thereto in any book of the Company, and save as provided by Section 89 of the Act, the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered and 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 so think fit.

#### **9.20 Register of Transfers.**

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

### **10. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every member within 7 days of his request and on payment of such sum as may be determined by the Board of Directors.

### **11 CONVERSION OF SHARES INTO STOCK**

11.1 The Company, by ordinary resolution in General Meeting may:

- (a)** Convert any fully paid-up shares into stock; and
- (b)** Re-convert any stock into fully paid-up shares of any denomination.

#### **11.2 Transfer of Stock**

The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that, the Board may from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose.

#### **11.3 Rights of Stockholders**

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

#### **11.4 Regulations to apply to stocks**

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

### **12 MODIFICATION OF RIGHTS**

If at any time the share capital is divided into different classes, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holder of that class of shares and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting.

### **13 JOINT HOLDERS**

Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as Joint holders with benefits of survivorship subject to the following and other provisions in the Articles:

- 13.1 The Company may be entitled to decline to register more than three persons as the joint holders of any shares.
- 13.2 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.
- 13.3 On the death of any such joint holder the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of deceased joint holders from any liability in respect of the shares held by him jointly with any other person.
- 13.4 Only the person whose name stands first in the Register of Members may give effectual receipts for any dividends or other money payable in respect of such share.
- 13.5 Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to the service of the notice and/or delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in these Articles) from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.

- 13.6 Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy then that one of such persons so present whose name stand first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in 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 clause be deemed joint.

#### **14. DECLARATION BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARE**

- 14.1 Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in Section 89 of the Act.
- 14.2 A person who holds or acquires a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the shares stand in the Register of members of the Company and such other particulars as may be prescribed as provided in Section 89 of the Act;
- 14.3 Whenever there is a change in the beneficial interest in share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in Section 89 of the Act;
- 14.4 Where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within 30 days from the date of receipt of the declaration by it, a return in the prescribed form with the Registrar with regard to such declaration along with such fees or additional fees as may be prescribed.

#### **15 BORROWING POWER**

##### **15.1 Power to Borrow**

Subject to the provisions of the Act and these articles and without prejudice to the other powers conferred by the Articles, the Directors shall have the power from time to time at their discretion, by a resolution passed at meeting of the Board and not by Circular Resolution to borrow money from Banks, financial institutions, bodies corporate, individuals or such persons or secure the payment of any sum or sums of moneys for the purposes of the Company. Provided that where 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) exceeds the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, the consent of the Company by way of a special resolution required.

Such special resolution shall specify the total amount up to which moneys may be borrowed by the Board. The expression “temporary loans” in this Article means loans repayable on demand or within six months from the date of the loans such as short term loans, cash credit arrangements, discounting of bill and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.

#### **15.2 Delegation of borrowing powers**

The Board of Directors may delegate their power to borrow to any committee of directors, the managing director, any other principle officer, or any person by passing a Board Resolution at the meeting of Board of Directors.

#### **15.3 Conditions on which moneys may be borrowed**

Subject to the provisions of Act and these Articles, the Directors may, by a resolution passed at a meeting of the Board and not by circular resolution, raise or secure the payment of such sum or sums in such manner and upon such 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.

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

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

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

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.

#### **15.6 Condition on which bonds debentures etc. may be issued**

Subject to the provisions of the Act and these Articles any bonds, debentures, debenture-stock or other securities may be issued at a , premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meeting, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or Conversion into shares, either wholly or partly shall not be issued except with the sanction of the Company in General Meeting by way of a special resolution.

#### **15.7 Mortgage of uncalled capital**

If any uncalled capital of the Company is included in or charged by way of mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the persons in whose favour such mortgage or security is executed or any other person in trust for him to receive moneys on call from the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority may be made exercisable either conditionally or

unconditionally and either presently or contingently and either to the exclusion of the Director's powers or otherwise and shall be assignable if expressed so to be.

#### **15.8 Indemnity may be given**

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute 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.

#### **15.9 Register of mortgages etc. to be kept**

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company including all floating charges on the undertaking or any property of the Company, and shall cause the requirements of Sections 71, 77, 79, 81 to 87 (both inclusive) of the Act in that behalf to be duly complied with, within the time prescribed by the said Sections or such extensions thereof as may be permitted by the Applicable Authority or the Registrar as may be applicable so far as they are to be complied with by the Board. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act.

### **16 DEBENTURES**

The Company shall have power to issue debentures whether convertible or non-convertible, and whether linked to issue of equity shares or not, among members, but in exercising, this power, provisions of Sections 56, 71, 78, 88, 113 and 117 of the Act or any statutory modifications thereof shall be complied with.

### **17 REGISTRATION OF CHARGES**

- 17.1 The provisions of the Act relating to registration of charges which expression shall include mortgages shall be complied with.
- 17.2 In the case of a charge created within or out of India on the Company's property or assets or any of its undertaking, whether tangible or otherwise, and situated in or outside India, the provision of Section 77 of the Act shall be complied with.
- 17.3 Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein, shall be deemed to have notice of the charge as from the date of such registration.
- 17.4 In respect of registration of charges on properties acquired subject to charge, the provisions of Section 79 of the Act shall be complied with.

### **18. GENERAL MEETINGS**

#### **18.1 Annual General Meeting**

Subject to the provisions of Section 96 and 129 of the Act the Company shall, in addition to any other meetings, hold a general meeting (hereinafter called as ' Annual General Meeting') at the intervals and in accordance with the provisions contained in Section 96 of the Act.

**18.2 Extra- Ordinary General Meeting**

All General Meetings other than Annual General Meetings shall be called Extra Ordinary General Meeting.

**18.3 Directors may call Extra-Ordinary General Meeting**

The Board of Directors may call an Extra-Ordinary General Meeting whenever they think fit.

**18.4 Directors to call Extra-Ordinary General Meeting on requisition**

- (a)** The Board of Directors shall, on the requisition of such number of members of the Company who hold, in regard to any matter at the date of receipt of the requisitions, not less than one tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due shall have been paid as at that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100 of the Act and the provisions herein below contained shall be applicable to such meeting.
- (b)** The requisition shall set out the matters for the 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.
- (c)** The requisition may consist of several documents of the like from each signed by one or more requisitionists.
- (d)** Where two or more distinct matters are specified in the requisition, the provisions of clause (a) 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 conditions specified in that clause is fulfilled.
- (e)** If the Board of Directors do not, within twenty one days from the date of the receipt of valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matter on a day not later than forty five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either majority in value of the paid up capital held by all of them or not less than one-tenth of such of the paid up capital of the Company is as referred to in clause (a) above whichever is less.
- (f)** A meeting called under clause (e) above by the requisitionists or any of them shall be called and held in the same manner, as nearly as possible, as that in which meetings are called and held by the Board., but shall not be held after the expiration of three months from the date of the deposit of the requisition.

- (g)** Any reasonable expenses incurred by the requisitionist in calling a meeting under clause (e) above shall be reimbursed to the requisitionists by the Company, and any sum so paid 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.

#### **18.5 Notice of Meeting**

- (a)** A General Meeting of the Company may be called by giving not less than twenty one days clear notice either in writing or in electronic mode in such manner as may be prescribed.
- (b)** However a General Meeting may be called after giving a shorter notice, if the consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.

#### **18.6 Contents of Notice**

- (a)** Every notice of a meeting of the Company shall specify the place, the date, the day and the hour of the meetings, and shall contain a statement of the business to be transacted thereat.
- (b)** 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.

#### **18.7 Special Business**

- (a)** In case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception relating to:
  - (i)** the consideration of the Financial Statements and the report of the Board of Directors and auditors;
  - (ii)** the declaration of any dividend;
  - (iii)** the appointment of Directors in the place of those retiring;
  - (iv)** the appointment of and the fixing of remuneration of the Auditors;
- (b)** In the case of any other meeting all business shall be deemed special
- (c)** 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 (i) every Director and of the Manager if any; (ii) every other key managerial personnel; and relatives of the persons mentioned in sub clauses (i) and (ii) and any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decisions thereon. Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to or affects any other company, the extent

of shareholding interest in that other company of every promoter, Director, the Manager, if any and of every other key managerial personnel of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 2 per cent of the paid-up share capital of that other company.

- (d) Where any item of business to be transacted at the meeting refers to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

#### **18.8 Service of Notice**

Notice of every meeting shall be given to every member of the Company in any manner authorized by sub-section (2) of Section 20 of the Act and by these Articles.

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

Notice of every meeting of the Company and every other communication relating to any general meeting of the Company which any member of the Company is entitled to have sent to him, shall be given to the Auditor or Auditors for the time being of the Company in the manner authorized by Section 20 of the Act, as in the case of any member or members of the Company.

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

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

#### **18.11 Resolutions requiring Special Notice**

- (a) Whereby any provision contained in the Act or in these, Special Notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding Rs. 5 lakhs, not earlier than three months but not less than fourteen days before the meeting at which it is to be moved exclusive of the days on which the notice is served and the day of the meeting
- (b) 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 at least seven days before the meeting exclusive of the day of dispatch of the notice and the day of the meeting, in the same manner as it give its notice of any general meeting. If that is not practicable, the notice shall be published in English language in English newspaper and in vernacular language in a vernacular newspaper, both having wide circulation in the State where the registered office of the Company is situated and such notice shall also be posted on the website, if any, of the Company. Such notice shall be published not less than seven days before the meeting exclusive of the day of publication of the notice and day of the meeting.

#### **18.12 Circulation of member's resolution**

Upon a requisition of members complying with Section 111 of the said Act, the Directors



shall duly comply with the obligation of the Company under the said Act relating to circulation of members resolutions and statements.

**18.13 Certificate conclusive as to Meeting have been duly called**

A certificate in writing, signed by the Secretary or by a Director or some officer appointed by the Directors for the purpose, to the effect that according to the best of his belief the notice convening the meeting have been duly given shall be conclusive evidence thereof.

**18.14 Business which may not be transacted at the meeting**

No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business or statement of which has not been specified in the notice covering the meeting, except as provided in the said Act.

**19 PROCEEDING AT GENERAL MEETINGS**

**19.1 Quorum at General meeting**

The quorum for the General Meeting shall be as follows:

- (a)** Five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (b)** Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand.
- (c)** Thirty members personally present if the number of members as on the date of meeting exceeds five thousand.

**19.2 Proceedings when quorum not present**

No business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the meeting.

If within half an hour after the time appointed for the holding of a General Meeting 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 even at such adjourned meeting the requisite quorum is not present within half an hour from the time appointed for holding the meeting, those members present shall be the quorum and may transact the business for which the meeting was called.

**19.3 Business of adjourned meetings**

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

**19.4 Chairman**

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

**19.5 Business continued to decision of Chairman whilst chair vacant**

- (a)** No business shall be discussed at any General Meeting except the election of Chairman whilst the Chair is vacant.
- (b)** If a poll is demanded on the election of the Chairman, be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman so elected pursuant to these Articles, shall continue to exercise all the powers of the Chairman under the Act and these Articles. Where some other person is elected as a Chairman as a result of the poll, he shall then be the Chairman for the rest of the meeting.

**19.6 Chairman with consent may adjourn meeting**

The Chairman with the consent of members in any meeting at which a quorum is present can adjourn any meeting from time to time and from place to place in the city or town or village where the registered office of the Company is situated.

**19.7 Notice to be given where a meeting is adjourned for thirty days or more**

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjourned or of the business to be transacted at an adjourned meeting.

**19.8 Evidence of the passing of a resolution where poll not demanded**

At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is (before or on the declaration of the result on a show of hands) demanded be decided on a show of hands and unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, 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.

**19.9 Demand for poll**

Before or on declaration of the result of the voting on a show of hands, the Chairman may on his own motion, order a poll to be taken. Poll shall also be ordered by Chairman if it is demanded by one or more members present at the meeting in person or by proxy and holding shares or being entitled to votes at least to the extent stipulated by Section 109 of the Act. The demand for a poll may be withdrawn at any time by the person or persons who

made the demand.

- 19.10 A poll demanded on any question (other than the election of the Chairman or on question of adjournment, which shall be taken forthwith) shall be taken at such place in the city/town or village in which the Registered Office of the Company is situated and at such time not being later than forty eight hours from the time when the demand was made as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken including the power to take the poll by open voting or by secret ballot either at once or after the interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- 19.11 When a poll is to be taken, the Chairman of the meeting shall appoint such number of Scrutinizers, as he deems necessary to scrutinize the votes given on the poll and to report, thereon to him in the manner as may be prescribed. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of scrutinizers arising from such removal or from any other cause of the Scrutinizers 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.
- 19.12 The demand for a poll shall not prevent the continuance of a meeting for transaction of any business other than question on which the poll has been demanded.
- 19.13 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 has taken place, or at which the poll is demanded, shall be entitled to second or casting vote in addition to the vote or votes to which he may be entitled as a member.
- 19.14 At every annual general meeting there shall be laid on the tables the Director's Report and audited statement of Accounts Auditor's Report (if not already incorporated in the statement of accounts), the Proxy Register with proxies and the Register of Directors Key Managerial Personnel and their shareholding maintained under Section 170 of the Act. The Auditors Report shall be read before the Company in General Meeting and shall be open for inspection by any member of the Company. Where a Company has one or more subsidiaries, it shall prepare a Consolidated Financial Statement of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its Financial Statement as mentioned above. The Company shall also attach along with its audited statement of accounts, a separate statement containing the salient features of the audited accounts.

**19.15 Registration of certain Resolution and Agreements**

A copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 102 of the Act to the notice of the meeting in which such resolution has been passed) and agreements shall, within such period as may be prescribed 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 resolutions;
- (c) Resolutions of the Board of agreements relating to the appointment or reappointment or the renewal of the appointment or variation of the terms of appointment of a Managing Director;
- (d) Resolutions or agreements which have been agreed to by all the members of any class of shareholders but which if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner, and all resolutions or agreements which effectively bind all the members or any class of shareholders though not agreed to by all those members;
- (e) Resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Act;
- (f) Resolution passed in accordance with sub-section 3 of Section 179 of the Act;
- (g) Any other resolution or agreement as may be prescribed and placed in the public domain.

A copy of every resolution of the Company which has the effect of altering the Articles of the Company and a copy of every agreement referred to in the above clause (c) and (d) and (g) shall be embodied in or annexed to every copy of the Articles of the Company issued after the passing of the resolution or the making of the agreement.

#### **19.16 Minutes of General Meeting**

The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 118 of the Act by making, within thirty days of the conclusion of each such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period, by a Director duly authorized by the Board for that purpose, in no case the minutes of the proceedings or a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

#### **19.17 Inspection of Minutes Book of General Meetings**

The books containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Section 119 of the Act. Any member shall be entitled to be furnished, within seven days after he had made a request in that behalf to the Company with a copy of the minutes on payment of Rs.10 per page or part of any page. Provided that a member who has made a request for provision of soft copy in respect of minutes of any previous general meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same

free of cost.

**19.18 Votes may be given by proxy or attorney**

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 119 of the Act to be contained in the Minutes of the proceedings of such meeting.

**20. VOTE OF MEMBERS**

**20.1 Votes may be given by proxy or attorney**

Subject to the provisions of the Act and these Articles, votes may be given either personally or by proxy (only on poll) or in the case of body corporate also by a representative duly authorized under Section 113 of the Act.

**20.2 Subject to the provisions of the Act:**

- (a)** On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and upon a poll every holder of equity shares entitled to vote and present in person or by proxy shall have voting rights in proportion to his share in the paid-up equity Capital of the Company.
- (b)** Every holder of a preference share in the capital of Company shall be entitled to vote at a General Meeting of Company only in accordance with the limitations and provisions laid down in Section 47(2) of the Act.
- (c)** A member may exercise his vote at a meeting by electronic means and shall vote only once.

**20.3 Voting by members of unsound mind and minors**

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

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

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

**20.5 Members entitled to cast his vote differently**

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.

#### **20.6 Joint holders voting**

Where there are joint registered holder of any shares, any one of such persons may vote at any meeting in respect of shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting then one of the said person so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any shares stand, any one of such executors or administrators may vote in respect of such shares unless any other of such executors is present at the meeting at which such vote is tendered and object to the votes in which case no such vote shall be exercised except with the unanimous consent of all the executors or administrators present.

#### **20.7 Votes of a person entitled to a share on transmission**

Any person entitled under the transmission Article to transfer any share shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless at least forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be, at which he proposes to be present and to vote, he shall have satisfied the Directors of his right to transfer such shares (as to which the opinion of the Directors shall be final) or unless the Directors shall have previously admitted his right to vote in respect thereof.

#### **20.8 Appointment of proxy**

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 and shall not be entitled to vote except on a poll.

#### **20.9 Deposit of instrument of proxy**

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

#### **20.10 Timing of deposit of proxy**

- (a)** The instrument of the proxy shall be deposited at the office of the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instruments of proxy shall not be treated as valid. No instrument appointing 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.
- (b)** Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled, during the period

beginning twenty four hours before the time fixed for the commencement of the meeting, 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.

#### **20.11 Form of proxy**

An instrument appointing a proxy shall be in such form as may be prescribed by the Act from time to time.

#### **20.12 Custody of the instrument of proxy**

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

#### **20.13 Validity of votes given by proxy notwithstanding death of members etc**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or subsequent insanity of the principal or revocation of the proxy under such proxy was, signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, insanity revocation or transfer shall have been received at the office of the Company before the meeting.

#### **20.14 Times for objection to votes**

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 is tendered and every vote whether given personally or by proxy or by any means hereby authorized, and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

#### **20.15 Chairman of any meeting to be the judge of validity of any vote**

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

### **21. DIRECTORS**

#### **21.1 Number of Directors**

Subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three, and unless otherwise determined by the Company in General Meeting, not more than as stipulated under the Act. The Promoters shall have the right to nominate eight persons on the Board (the Promoter Directors).

### **21.2. Independent Director**

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act or as defined in the definition clause of these Articles. Notwithstanding anything contained in these Articles, the terms of appointment, manner of selection, remuneration, tenure of office, etc. of an Independent Director shall be subject to the provisions of the Act.

Independent Director shall not be liable to retire by rotation.

### **21.3 Nominee Directors**

The Company may agree with any financial institution or any authority or person or State Government that in consideration of any loan or financial assistance of any kind whatsoever, which may be rendered by it to the Company, it shall till such time as the loans or financial assistance is outstanding have power to nominate one or more Directors on the Board of the Company and from time to time remove and re-appoint such Directors and to fill in any vacancy caused by the death or resignation of such Directors otherwise ceasing to hold office. Such Nominee Directors shall not be required to hold any qualification shares nor shall they be liable to retire by rotation.

### **21.4 Debenture Director**

Any trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the Trustees therefore or by the holders, of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holder of debentures or debenture-stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or, subject to the provision 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.

### **21.5 Appointment of Alternate Directors**

The Board of Directors of the Company may appoint an alternate Director (not being a person holding any alternate directorship for any other director in the Company) to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an independent director under the Act. Such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to receive notice of meetings of the Board and to attend and vote thereat accordingly. An Alternate Director appointed under this Article should 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 India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re- appointment of a retiring director in default of any other appointment shall apply to the Original Director and not to the Alternate Director. Such Alternate Director shall not be required to hold any qualification shares.

#### **21.6 Casual Vacancy**

Subject to the provisions of Section 161(4), 169(7) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director before the term of office of such Director expires, may be filled up by the Directors at a meeting of the Board. Any person so appointed would have held office, if the vacancy had not occurred and shall hold office only upto the date upto which the Director in whose place he is so appointed would have held the office if it had not been vacated. Provided that, where a vacancy is created by removal of a director, the director who was removed from office shall not be re- appointed as the director by the Board.

#### **21.7 Appointment of Additional Directors**

Subject to the provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have power at any time and from time to time to appoint a person or persons, other than a person who fails to get appointed as a director in a general meeting, as Additional Director or Directors. Such Additional Director shall hold office only up to the date of the next Annual General Meeting of the Company or the date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re- election at that meeting as a Director, provided that the number of Directors and the Additional Director together, shall not exceed the maximum strength fixed by the Board by these Articles hereof.

#### **21.8 Qualification of Directors**

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

#### **21.9 Remuneration of Directors**

Subject to the provisions of Section 197 of the Act and other applicable provisions, if any, the remuneration payable to the Director of the Company shall be as hereinafter provided.

- (a)** The fees payable to a Director for attending a meeting of the Board or a Committee of the Board of Directors from time to time shall be within the maximum limits of such fees that may be prescribed under Section 197 of the Act, or if, not so prescribed in such a manner as the Directors may determine from time to time in conformity with the provisions of law. The Directors shall be paid such further remuneration if any, either on the basis of percentage of the net profits of the Company or otherwise, as the Company in General Meeting shall from time to time determine, and such additional remuneration and further remuneration shall be divided amongst the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination, shall be divided amongst the Directors equally.

- (b) The Board of Directors may in addition allow and pay to any Director who is not a bonafide resident of the place where a meeting of the Board or Committee or a general meeting of the Company is held, and who shall come to the place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for his traveling, hotel, boarding, lodging and other expenses incurred in attending or returning from meetings of the Board of Directors, or any Committee thereof or general meetings of the Company.
- (c) Subject to the limitations provided by the Act and this Article, if any Director shall be called upon to go or reside out of his usual place or residence on the Company's business or otherwise perform extra service outside the scope of his ordinary duties, the Board may arrange with such Director for such special, remuneration for such service either by way of salary, commission, or the payment of stated sum of money as they shall think fit, in addition to or in substitution of his remuneration above provided, and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling, hotel and other expenses incurred or to be incurred in connection with the business of the Company and also to be reimbursed all fees for filing all document which they may be required to file under the provisions of the Act.
- (d) Subject to the provisions of Section 197 and 198 of the Act, an Independent Director shall not be entitled to any stock options.
- (e) The Company shall in accordance with Section 197(12) of the Act, disclose in its Board's report, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for every financial year.

#### **21.10 Directors may act notwithstanding vacancy**

The Continuing Directors may notwithstanding any vacancy in their body but 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 filing up vacancies or for summoning a General Meeting of the Company.

#### **21.11 When office of Director to become vacant**

- (a) Subject to the provisions of the Section 167 of the Act, the office of Director shall become vacant if:
  - (i) he is found to be of unsound mind by a court of competent jurisdiction, or
  - (ii) he applies to be adjudicated an insolvent; and the application is pending or
  - (iii) he is an undischarged insolvent or
  - (iv) he absents himself from all the meetings of the Board of Directors during a period of twelve months, with or without obtaining leave of absence from the Board of Directors; or
  - (v) he becomes disqualified by an order of the Court or the Tribunal;

- (vi) he is removed in pursuance of the Act; or
  - (vii) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or
  - (viii) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act, or
  - (ix) he is convicted by a court of an offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
  - (x) he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of call;
  - (xi) he has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding five years;
  - (xii) he, having been appointed a Director by virtue of his holding any Office or other employment in the Company, ceases to hold such office or other employment in the Company.
- (b) 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. The Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar. The Board shall also place the fact of such resignation in its report laid in the immediately following Annual General Meeting of the Company. Also, the Director shall forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within the prescribed time.

#### **21.12 Directors may contract with the Company**

- (a) Subject to the provisions of clause (b), (c), (d) and (e) of this Article hereof and the restriction imposed by these Articles and the other Articles hereof and the Act and the observance and fulfillment thereof save and except as stated in Section 188, no director shall be disqualified by his office from contracting with the Company for any purpose and in any capacity whatsoever including either as Vendor, purchase, agent, broker, underwriter of shares and debentures of the Company 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 void, 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 relationship thereby established, but it is hereby declared that nature of his interest must be disclosed by him as provided by clauses (b), (c) and (d) hereof.
- (b) Every Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such

change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.

**(c)** Every Director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract or arrangement entered into or to be entered into:

- (i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be,

shall disclose the nature of his concern or interest at a meeting of the Board of Directors in which such contract or arrangement is discussed and shall not participate in such meeting.

Provided that where a Director was not concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

**(d) Notice of Interest**

For the purpose of this Article, the disclosure to be made by a Director, shall be made by way of a notice.

**(e)** Nothing contained in clause (b) (c) and (d) 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 two percent of the paid up share capital in the other company.

**21.13 Register of contracts in which Directors are interested**

**(a)** The Company shall keep one or more Registers in accordance with Section 189 of the Act in which shall be entered separately particulars of all contracts or arrangements to which Sub-Section (2) of Section 184 or Section 188 of the Act applies.

**(b)** The entries in such Registers shall be made at once whenever there is a cause to make the entry, in chronological order and shall be authenticated by the Company Secretary of the Company or by any other person authorized by the Board for this purpose. The Registers shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting. The Registers shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting;

**(c)** The Registers aforesaid shall also specify, in relation to each Director of the Company, the particulars of the firms or bodies corporate or other association of individuals, in which

such Director has any concern or interest, of which notice has been given by him under sub-Section (1) of Section 184 of the Act.

- (d) Nothing in the foregoing clause (a) (b) and (c) 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 materials or the cost of such services does not exceed five lakh rupees in the aggregate in any year.
- (e) The Registers as aforesaid shall be kept at Office of the Company and they shall be open to inspection at such office and extracts may be taken from any of them and copies thereof may be required by any member of the Company on payment of fees of Rs.10 per page.

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

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

#### **21.15 Disclosure of holdings**

A Director or Manager shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 170 of the Act. If such notice be not given at a meeting of the Board, the Director or Manager shall take all reasonable steps to secure that it is brought up and read at the meeting of the Board next after it is given. The Company shall enter the particulars of the Director's and Manager's holding of the shares and debentures as aforesaid in a Register kept for their purpose in conformity with Section 170 of the Act.

#### **21.16 Loans to Directors**

The Company shall observe the restrictions imposed on the Company in regard to grant of loan to Directors and other persons as provided in Section 185 and other applicable provisions, if any, of the Act.

#### **21.17 Related Party Transactions**

Except as provided in and subject to the limitations and restrictions contained in Section 188 of the Act, the Company shall not enter into any contract or arrangement with a Related Party with respect to:

- (a) for the sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;

- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company
- (g) for underwriting the subscription of any securities or derivatives thereof, of the Company.

#### **21.18 Increase or reduction in number of Directors**

Subject to the provisions of the Act and these Articles, the Company may from time to time increase or reduce within the maximum limit permissible the number of Directors. Provided that the Company may increase the number of Directors beyond the number permissible maximum limit only after

### **22. RETIREMENT AND ROTATION OF DIRECTORS**

22.1 Subject to Section 152 of the Act all the Directors of the Company, other than non-retiring Directors, Independent Directors and the Managing Director or Managing Directors shall be liable to retire by rotation. However when the total number of non-retiring Directors, inclusive of Managing Director/s and Nominee Directors exceeds one-third of the total number of Directors or number permissible under the provisions of the Act for non-rotation of the Directors, as the case may be, the Board shall decide as to out of them whose period of office shall be liable to determination by retirement by rotation from time to time as and when a situation arises.

22.2 At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or multiple of three the number nearest to one third shall retire from office. The Managing Director, if any, and any Director appointed under Article shall not be subject to retirement under this Article.

22.3 Save and except as provided under the Act, the expression "Retiring Director" means a director retiring by rotation.

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

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

#### **22.5 Eligibly of re-appointment**

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

**22.6 Company to fill up vacancy**

The Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

**22.7 Provision in default of appointment**

- (a)** If the place of the retiring Director or Directors is not so filled up and the meeting has not expressly resolved not fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday till the next succeeding day which is not a national holiday, at the same time and place.
- (b)** If at the adjourned meeting also the place of the retiring Director or Directors is not filled up and the meeting also has not expressly resolved not to fill the vacancy the retiring Director or Directors shall be deemed to have been re-appointed at the adjourned meeting unless:
  - (i)** at the meeting or at the previous meeting a resolution for the re-appointment of such Director or Directors has been put to the meeting and lost;
  - (ii)** the retiring Director or Directors has or have by a notice in writing addressed to the Company Board of Directors expressed his or their unwillingness to be so re-appointed;
  - (iii)** he is or they are not qualified or is disqualified for appointment;
  - (iv)** a resolution whether special or ordinary, is required for their appointment or re-appointment by virtue of any provisions of the Act;
  - (v)** These Articles or Section 162 is applicable to the case.

**22.8 Notice of candidature for office of Directors**

- (a)** Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of the 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 Registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be along with a deposit of Rs. 1,00,000 (Rupees One Lakh only) or such higher amount as may be prescribed which shall be refundable only if the candidate in respect of whom such deposit is made has duly been elected as Director or if he gets more than 25% of total valid votes cast either on show of hands or on poll on such resolution.

- (b) A person appointed as a director shall not act as a director unless he gives his consent to the Company to hold the office as director and files the same with the Registrar within the prescribed time.
- (c) On receipt of the notice referred to in this Article the Company shall at least seven days before the general meeting inform its members of the candidature of that person for the office of a Director or of the intention of member to propose such person as a candidate for that office (1) by serving individual notices on members through electronic mode to such members who have provided their email addresses to the Company for communication purposes, and in writing to all other members; and (2) by placing notice of such candidature or intention on the website of the Company, if any. Provided that it shall not be necessary for the Company to serve individual notices upon the members if the Company advertises such candidature or intention not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the Registered Office of the Company is situated, and circulating in that district, and at least once in English Language in an English newspaper circulating in that district.

#### **22.9 Individual Resolution for Directors Appointment**

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 single resolution that it shall be so made has first been agreed to by the meeting without any vote given against it. A resolution moved in contravention of this Article shall be void whether or not objection so moved is passed. No provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

- 22.10 Nila Infrastructures Limited or its successors or assignees of its business (hereinafter referred to as "Nila Infrastructures Limited"), shall have the right by a notice in writing signed by a Director or Secretary of Nila Infrastructures Limited addressed to the Board, to appoint such number of person or persons as shall, together with the Managing Director or Managing Directors not exceeding one-third of the total number of retiring Directors for the time being of the Company, as Directors of the Company and to remove such persons from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise of any person so appointed, to appoint others in the vacant places. The Directors appointed under this Article are herein referred to as "non-retiring Directors" and the term "non-retiring Directors" means the Directors for the time being in office under this Article. The non-retiring Directors shall not be liable to retire by rotation. The non-retiring Directors shall not be bound to hold any qualification shares.
- 22.11 Nila Infrastructures Limited shall also be entitled to designate out of the Directors of the Company, such number of Directors, as shall together with the Managing Director or Managing Directors or any other non-retiring Director appointed pursuant to these Articles sub-Article (a) hereof, not exceeding one-third of the total number of retiring Directors of the Company who shall be deemed to be "non-retiring Directors" for the purposes of sub-Article (a) hereof and the provisions of sub-Article (a) hereof, to the extent applicable shall apply to such non-retiring Directors.
- 22.12 Any appointment, removal and designation of a non-retiring Director under this Article, shall be by a notice in writing signed by a Director or Secretary of Nila Infrastructures



Limited addressed to the Board and shall take effect forthwith upon such notice being delivered to the Board. All Directors other than the non-retiring Directors shall be elected by the shareholders of the Company in General Meeting and shall be liable to retirement by rotation as hereinafter provided.

#### **22.13 Departmental Directors**

The Directors may from time to time designate any person to be a Departmental, Divisional or Local Director and define, limit or restrict his powers and duties and determine his remuneration and the designation of his office and may at any time remove any such persons from such office. A Departmental, Divisional or Local Director (notwithstanding that the designation of his office may include the word "Director") shall not by virtue of such office be or have power in any respect to act as a Director of the Company not be entitled to receive notice of or attend or vote at Meetings of the Directors not be deemed to be a Director for any of the purposes of these presents.

#### **22.14 Removal of Directors**

- (a)** The Company may, subject to the provisions of Section 169 and other applicable provisions Act and these Articles remove any Director before the expiry of his period of office.
- (b)** Special notice as provided by these Articles and Section 115 of the Act shall be given, of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c)** On receipt of notice of any such resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director 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.
- (d)** Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto, representation in writing to the Company and requests its notification to members of the Company, the Company shall unless the representation is received by it too late for it to do (a) in the notice of the resolution given to the members of the Company state the fact of the representation having been made and (b) send a copy of the representation to every member of the Company to whom the notice of the meeting has been sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting. Provided that copies of the representation shall not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.

- (e) 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, be filled by the appointment of another Director in his place by the meeting at which he is removed provided Special Notice of the intended appointment has been given under clause (b) 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.
- (f) If the vacancy is not filled under clause (e) it may be filled as Casual Vacancy in accordance with the provisions (in so far they are applicable) of the Act.
- (g) A Director who was removed from office under this Article shall not be re-appointed as Director by the Board of Directors.
- (h) Nothing contained in this Article shall be taken:
  - (i) 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 other appointment terminating with that as Director, or
  - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

## **23. MEETING OF BOARD OF DIRECTORS AND THEIR COMMITTEES**

### **23.1 Meetings of Directors**

The Directors may meet together as a Board from time to time and at least four Board meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit. Provided that not more than 120 days shall intervene between two consecutive Board meetings. 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 quorum.

### **23.2 When meetings to be convened and notice thereof**

A Director or the Managing Director may at any time and the Secretary upon the request of a Director shall convene a meeting of the Directors. Not less than 7 days notice along with agenda of every Board Meeting shall be given to all the Directors and their Alternate at their address registered with the Company in accordance with Section 173 of the Act.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, shall be present at the meeting.

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

### **23.3 Quorum**

Subject to the provisions of Section 174 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 places may be vacant at the time, and any fraction contained in that one- third being rounded off as one) or two Directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum, 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 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 meeting.

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

If a meeting of the Board of Directors cannot be held for want of quorum, then the meeting shall stand adjourned by three (3) days and at such time and place as the Chairman may decide. If that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place or to such day, time and place as the Directors present may determine

### **23.5 Chairman of each meeting**

The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. The Vice-Chairman of the Board shall act as Chairman of the Board in the absence of the Chairman. If no Chairman or Vice-Chairman is appointed by Promoter in pursuance of these Articles or if at any meeting of the Board the Chairman and Vice-Chairman shall not be present or if he or they shall be unable or unwilling to take the chair, then the Board may elect one of their members to be the Chairman of the Meeting.

### **23.6 Chairman shall have casting vote**

In case of an equality of votes, the Chairman shall have a second or casting vote.

### **23.7 Directors may appoint committees**

- (a)** Subject to the provisions of Section 179 of the Act and Article, the Directors may delegate any of their powers to committee consisting of such member or members of their body, as they think fit and they may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes, but every committee so formed shall, in the exercise of the power so delegated to it conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the likeforce 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.

- (b)** The Board of Directors shall, if applicable, constitute an Audit Committee as per Section 177 of the Act, a Nomination and Remuneration Committee of the Board as per Section 178 of the Act and a Stakeholders Relationship Committee as per Section 178 of the Act.

#### **23.8 (a) Committees of Board of Directors**

- (i)** The Board of Directors shall constitute Audit committee, Nomination and Remuneration Committee, Investor Grievance Committee and such other committee comprising of such number of members and in such manner as may be prescribed under the provisions of the Companies Act, 2013 and other applicable laws from time to time. The Board of Directors may appoint an alternate member to act in place of any member of any such committees during the absence of such member from India.
- (ii)** The meeting of the committees shall be held in such manner as may be prescribed under Companies Act, 2013 and other applicable laws. The quorum for the meeting of the committee shall be minimum two members or 1/3<sup>rd</sup> of the total strength of the committee whichever is higher.
- (iii)** In case of the absence of the Chairman of any such committees in any meeting, the members present shall elect any one amongst themselves as the Chairman for that meeting.

#### **(b) Resolution by circulation**

The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time. Where a Board meeting is to be conducted through video or audio/video mode, the same shall be conducted in accordance with the Act.

**23.9 (a)** A resolution passed by circulation without a meeting of the Board or a committee of the Board appointed under this Articles shall subject to the provisions of clause (b) hereof and the Act be as valid and effectual as resolution duly passed at a meeting of the Board or of a committee duly called and held.

- (b)** 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 at their address registered with the Company in India by hand delivery or by post or by courier or through electronic means as per the Act and has been approved by a majority of the Directors or members, who are entitled to vote on the Resolution.
- (c)** Provided that where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

- (d) Subject to the provisions of the Act, a statement signed by the Managing Director or other person authorized in that behalf by the Directors certifying the absence from India or any Director shall for the purpose of this Article be conclusive.
- (e) A resolution under clause (a) shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **23.10 Act of Board or committee valid notwithstanding defect in appointment**

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

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

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 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings of the meeting including the following:

- (a) The names of the Directors present at the meeting of the Board of Directors or any Committee thereof;
- (b) All orders made by the Board of Directors;
- (c) All resolutions and proceedings of meetings of the Board of Directors and Committees thereof;
- (d) In the case of each Resolution passed at a meeting of the Board of Directors or Committee thereof the name of Directors, if any, dissenting from or not concurring in the Resolution;
- (e) All appointments made at the meeting of the Board of Directors.

#### **23.12 By whom the minutes to be signed and the effect of minutes recorded**

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

### **23.13 General Powers of Directors**

- (a)** Subject to the provisions of Section 179, 180 and 182 and all other applicable provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise, and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required or otherwise to be exercised or done by the Company in General Meeting. Provided further that in exercising any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made there under including regulations made by the Company in General Meeting.
- (b)** 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.

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

Subject to the Provisions of Section 180 and 181 of the Act the Board of Directors shall not, except with the consent of the Company by a special resolution:

- (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 as a result of any merger or amalgamation;
- (d)** Borrow moneys where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

### **23.15 Bona fide contribution to charitable funds etc**

The Board of Directors with the prior permission of the the company in general meeting may contribute to bona fide charitable and other funds, any amounts the aggregate of which will in any financial year, exceed five percent of its average net profits during the three financial years immediately preceding.

### **23.16 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 it shall do so by means of resolutions passed at meetings of the Board or by means of resolution by circulation wherever permitted by the Act:**

- (i)** To make calls on shareholders in respect of moneys unpaid on their shares;
- (ii)** To authorize buy-back of securities under Section 68 of the Act;
- (iii)** To issue securities including debentures, whether in or outside India;
- (iv)** To borrow moneys;

- (v) To invest the funds of the Company;
  - (vi) To make loans or give guarantee or provide security in respect of loans;
  - (vii) To approve Financial Statement and the Board's report;
  - (viii) To diversify the business of the Company;
  - (ix) To approve amalgamation, merger or reconstruction;
  - (x) To take over a company or acquire a controlling or substantial stake in another company;
  - (xi) To make political contributions subject to Section 182 of the Act;
  - (xii) To appoint or remove Key Managerial Personnel;
  - (xiii) To take note of appointment(s) or removal (s) of one level below the Key Managerial Personnel;
  - (xiv) To appoint internal auditors and secretarial auditor;
  - (xv) To take note of the disclosure of director's interest and shareholding;
  - (xvi) To buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - (xvii) To invite or accept or renew public deposits and related matters;
  - (xviii) To review or change the terms and conditions of public deposit;
  - (xix) To approve quarterly, half yearly, and annual Financial Statements or the financial results as the case may be
- (a) Provided that the Board may, by a resolution at a meeting delegate to any Committee of Directors or the Managing Director or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified below on such conditions as the Board may prescribe
  - (b) Where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit, or other accounts, the day to day operation on overdraft, cash credit or other account, by means of which the arrangement as made is actually availed of shall not require the sanction of the Board.

#### 23.17 **Certain powers of the Board**

Without prejudice to the powers conferred by these Articles 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 these Articles and subject to the provisions of the Act it is hereby declared that the Directors shall have the following powers that is to say power:

##### **(a) To pay preliminary and promotional costs and charges**

To pay all costs, charge and expenses preliminary and incidental to the promotion, establishment and registration of the Company.

##### **(b) To pay Commission and Interest**

To pay and charge to the capital of the Company any commission or interest lawfully payable thereabout under the provisions of Section 40 of the Act and these Articles.

##### **(c) To acquire property**

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 authorized 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.

**(d) To pay for property in cash, debentures or otherwise**

At their discretion and subject to the provisions rendered of the Act to pay for any property or rights acquired, by, or services rendered to the Company, either wholly or partly in cash, or in shares, 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 bond, debentures, debenture- stock, mortgage or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled or not so charged.

**(e) To insure property of the Company**

To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, separately or conjointly; also 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 assurances effected in pursuance of this power.

**(f) To open accounts with banks**

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

**(g) To secure contracts by mortgage etc.**

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

**(h) To attach conditions as to transfer of any shares**

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 the transfer thereof as they think fit.

**(i) To accept surrender of shares**

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

**(j) To appoint trustee**



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

**(k) To bring and defend suits and legal proceedings**

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

**(l) To refer to arbitration**

To refer any claims or demand by or against the Company or any dispute or difference to arbitration and observe, perform and execute any awards made thereon.

**(m) To act in all insolvency matters**

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

**(n) To give receipts**

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

**(o) To authorize acceptance**

To open and operate upon bank accounts and to determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrant, releases, contract and documents and to give the necessary authority for such purposes.

**(p) To invest money**

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 securities and other investments (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realize such investments provided that save as permitted by Section 187 of the Act all investments shall be made and held by the Company in its own name.

**(q) To execute mortgage**

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

**(r) To distribute bonus**

To distribute by way of bonus amongst the staff of the Company a part of the profits of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.

**(s) Sharing Profits**

Subject to the provisions of the Act, to give to any officer or other person employed by the Company an interest in any particular business or transaction by way of a share in the general profits of the Company, and such share of profits shall be treated as part of the working expenses of the Company.

**(t) To provide for welfare of employees and to subscribe to charitable and other funds**

Subject to the provisions of the Act, to provide for the welfare of the employees or ex-employees of the Company and its Directors or Ex-Directors and the wives, widows, and families and the dependants of such persons, by building or contributing to the building of houses, dwelling or quarters or by grant of money, pensions, gratuities, allowances, bonuses, profit sharing bonuses or benefits or any other payments or by creating and from time to time subscribing or contributing to provident and other funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals, and dispensaries, medical and other attendances and other form of assistance, welfare or relief as the Directors shall think fit, and to subscribe or contribute or otherwise to assist to or guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions objects or purposes or for any exhibition.

**(u) To create depreciation and other funds**

Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to create a Depreciation Fund, Insurance Fund General Reserve, Reserve Fund, Sinking Fund or any special or other funds or funds or account or accounts to meet contingencies, or to pay Redeemable Preference Shares, debentures or debentures-stock or special dividends, or for equalising dividends, or for repairing, improving, extending and maintaining any part of the property of the Company and/or for such other purposes (including the purposes referred to in the last two preceding clauses) as the Directors may, in their absolute discretion think conducive to the interests of the Company and to invest the several sums so set aside or as much thereof as are required to be invested upon such investments (subject to the restrictions imposed by the Act and these Articles) as the Directors may think fit and from time to time to deal with and vary any 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 extend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or extended and to divide the Reserve, General Reserve, or the Reserve Fund into such special funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds or accounts, including the Depreciation Fund appropriated out of the net profits in the business of the

Company or in the purchase or repayment of Redeemable preference Shares, debentures or debenture-stock and that without being bound to keep the same separately from the other assets and without being bound to pay or allow interests, on the same with power however to the Director at their discretion to pay, allow to the credit of such fund interest at such rate as the Directors may think proper.

**(v) To appoint or remove employees**

Subject to the provisions of the Act, to appoint and at their discretion remove or suspend 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 provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in clause (x) (y) (z) and (aa) following shall be without prejudice to the general powers conferred by this clause.

- (w)** To comply with the requirements of any law which the Company is not bound to comply with but which in their opinion it shall be in the interests of the Company necessary or expedient to comply with.
- (x)** To sell from time to time any articles, materials, machinery, plant, stores and other articles and things belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.
- (y)** From time to time to extend the business and undertaking of the company by adding to, altering or enlarging all or any of the buildings, factories, workshops, premises plant and machinery, for the time being of the property or in the possession of the Company, or by erecting new or additional buildings, and to expend such sums of money for the purposes aforesaid or any of them as may be thought necessary or expedient.
- (z)** To undertake on behalf of the Company the payment of all rents and performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the free-hold-fee-simple of all or any of the lands of the Company for the time being held under lease, or for an estate less than freehold estate.
- (aa)** To improve, manage, develop, exchange, lease, sell, re-sell and re-purchase, dispose of, deal with or otherwise turn to account, any property, (moveable or immovable), or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.
- (bb)** From time to time and at any time to establish any Local Board for managing any of the Company in any specified locality in India or elsewhere and to appoint any person to be members of any Local Board, or any managers or agents and to fix their remuneration.
- (cc)** Subject to the provisions of Section 179 of the Act and this Articles from time to time, and at any time to delegate to any such Local Board, or any member or members thereof or any

managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorize the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding such vacancies therein and any such appointment or delegating under clause (x) or this Article may be made on such conditions as the Board of Directors may think fit. The Board of Directors may at any time remove any persons so appointed and may annul or vary any such delegation.

**(dd)** At any time and from time to time by Power of Attorney to appoint any person or persons to be the managers of any Company or firm or otherwise in favour of any 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 the persons dealing with such attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in them

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

**(ff) To enter into contracts, agreements, deeds, Memorandum of Understanding etc.**

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

**(gg) To erect and build**

To erect, construct, and build any factories, warehouses, godowns, engine house, tanks, wells or other constructions, adapted to the objects of the Company as may be considered expedient or desirable for the objects or purposes of the Company or any of them.

## **24. MANGING DIRECTOR OR MANAGING DIRECTORS OR WHOLE TIME DIRECTOR OR WHOLE TIME DIRECTORS**

### **24.1 Managing Director or Managing Directors**

**(a)** Subject to the applicable provisions of the Act, promoters shall have the right, by writing collectively and addressed to the Board to designate one or more members of the Board as Managing Director or Managing Directors of the Company and the Board shall, within 14 days of the date of receipt of such writing, appoint such designate or designates as the Managing Director or Managing Directors of the Company. Promoters shall have the right by similar writing collectively addressed to the Board to require the Board to terminate the services of any Managing Director or Managing Directors of the Company and the Board shall, within 14 days of the receipt of such writing, terminate the services of any such Managing Director or Managing Directors. On a vacancy being caused in the office of the

Managing Director from any cause whether by resignation, death, removal or otherwise, Promoters shall have the right to designate by writing collectively another or other Directors of the Board for such appointment or appointments and the Board shall proceed to appoint such designate/s in the same manner as hereinabove provided. The terms of appointment of the Managing Director or Managing Directors shall, subject to any approvals or consents that may be required under the Act from time to time, be such as are specified (with the power to vary such terms) by Promoters from time to time and the terms so specified shall be the terms on which the Managing Director or Managing Directors shall be appointed by the Board. The Managing Director or Managing Directors so applied shall have such powers exercisable upon such conditions and subject to such restrictions as the Board may, from time to time, determine.

- (b) The rights conferred on Promoters by the foregoing sub-clause of this Article shall be exercisable by Promoters only so long as Promoters hold not less than 15 per cent of the paid up equity Share Capital of the company for the time being in the Manner specified in the these Articles.
- (c) If no person is designated as Managing Director by Promoters in exercise of the right conferred on them under clause (a) of this Article, the Board may, subject to the provisions of the Act and these Articles from time to time, appoint any of its members as the Managing Director or Managing Directors of the Company upon such terms and conditions as the Board may think fit, and subject to the provisions of the Act and these Articles, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine provided that the Managing Director or Managing Directors so appointed by the Board shall cease forthwith to be the Managing Director or Managing Directors of the Company upon Promoters designating a Managing Director or Managing Directors in exercise of the right conferred on it under clause (a) of this Article.
- (d) The remuneration of the Managing Director or Managing Directors may be, by way of monthly payment, fee for each meeting or participation in profits, or by any or all of these modes or in any other mode not expressly prohibited by the

#### **24.2 Managing directors not liable to retire by rotation**

Subject to the provisions of the Act, the Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation save and except otherwise decided pursuant to these Articles. If he or they cease to hold the office of Director, he or they shall *ipso facto* and immediately cease to be the Managing Director or Managing Directors.

#### **24.3 Appointment of Manager**

- (a) Subject to the provisions of the Act, the Directors may in the alternative, from time to time after obtaining such sanction and approvals as may be necessary, appoint any individual or individuals as Manager or Managers for the Company and fix the terms of his remuneration subject to the provisions of the Act.

- (b) A Manager so appointed shall exercise the powers and authorities conferred upon him by an Agreement entered into between him and the Company and/or by a resolution of the Board or General Meeting and shall be subject to the obligations and restriction imposed in that behalf by the Act.

#### **24.4 Remuneration of Managing Director and Whole time Director**

The remuneration of the Managing Director or Managing Directors or wholetime Director or wholetime Directors (Subject to provisions of Section 197 and other applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall be in accordance with the terms of his or their contract with the Company.

#### **24.5 Powers and Duties of Managing Director**

Subject to the provisions of the Act and to the terms of any Resolution of the Company in General Meeting or of any Resolution of the Board and to the term of any contract with him or them, the Managing Director or Managing Directors shall have substantial powers of management subject to the superintendence, control and direction of the Board of Directors.

### **25 WORKING OR EXECUTIVE DIRECTORS**

- 25.1 The Board may invite and appoint any expert person whose knowledge, experience, skill is useful to or where such appointment is in the interests of the Company.
- 25.2 A person appointed as Executive or Working Director shall not be deemed to be a member of the Board of Directors or any Committee thereof and shall not attend the Board Meetings except on invitation of the Board. On such invitation and advice he may participate in the deliberations but he shall have no right to vote.
- 25.3 A Working or Executive Director need not hold any qualification shares.
- 25.4 Subject to such terms and conditions as may be agreed upon a Working or Executive Director may be remunerated for his services.
- 25.5 Subject to the superintendence, control and direction of the Board of Directors, the Managing Director, an Executive or Working Director may carry on such work, functions and assignments as are allotted to him.

### **26 KEY MANAGERIAL PERSONNEL**

- 26.1 Subject to Section 203 of the Act and any other provisions of the Act, the Company shall appoint by resolution of the Board, the following Key managerial Personnel:
- (i) Managing Director, or Chief Executive Officer or Manager and in their absence;
  - (ii) a whole-time Director;
  - (iii) Company Secretary and
  - (iv) Chief Financial Officer.
- 26.2 Every whole-time key managerial personnel of a company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including

the remuneration.

- 26.3 A whole time key managerial Personnel shall not hold office in more than one company except in its subsidiary company at the same time.

Provided that nothing contained in this Article shall disentitle a Key Managerial Personnel from being a director of any company with the permission of the Board.

Provided also that the Company may appoint or employ a person as its Managing Director, if he is the Managing Director or Manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the Directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the Directors then in India.

If the office of any whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

## **27 SECRETARY**

The Directors shall appoint a whole-time Secretary of the Company possessing the prescribed qualification for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. The main functions of the Secretary shall be the responsibility for maintaining Registers required to be kept under the Act and these Articles for making the necessary returns to the Registrar of Companies under the Act and these Articles and for getting the necessary documents registered with the Registrar and for carrying out all other administrative and ministerial acts, duties and functions which a Secretary of a Company is normally supposed to carry out, such as giving the necessary notices to the members, preparing the agenda of meetings, issuing notices to Directors, preparing minutes of meetings of members and of Directors and of any Committees of Directors and maintaining minute books and other statutory documents, and he shall carry out and discharge such other functions and duties as the Directors or the Managing Directors may from time to time required him to do.

### **27.1 The Functions of the Company Secretary shall include**

- (i)** to report to the Board about compliance with the provisions of the Act, the rules made thereunder and other laws applicable to the company.
- (ii)** to ensure that the company complies with the applicable secretarial standards.
- (iii)** to discharge such other duties as may be prescribed.

### **27.2 The duties of Company Secretary shall also discharge, the following duties, namely**

- (i)** to provide to the directors of the Company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- (ii)** to facilitate the convening of meetings and attend Board, committee and general meetings and maintain the minutes of these meetings;

- (iii) to obtain approvals from the Board, general meeting, the government and such other authorities as required under the provisions of the Act.
- (iv) to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act.
- (v) to assist the Board in the conduction of the affairs of the company.
- (vi) to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices and
- (vii) to discharge such other duties as have been specified under the Act or rules and
- (viii) such other duties as may be assigned by the Board from time to time.

## **28 REGISTERS, BOOKS AND DOCUMENTS**

28.1 Company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following; namely:

- (i) Register of investments not held in the Company's name according to Section 187 of the Act;
- (ii) Register of Mortgages, Debentures and charges according to Section 85 of the Act;
- (iii) Register of Members according to Section 88 of the Act;
- (iv) Register of debenture holders according to Section 88 of the Act;
- (v) Register of other security holders according to Section 88 of the Act;
- (vi) Register of Contracts, Companies and Firms in which Directors are interested according to Section 189 of the Act;
- (vii) Register of directors and Key managerial Personnel and their shareholding according to Section 170 of the Act;
- (viii) Books of Account in accordance with the provisions of Section 128 of the Act;
- (ix) Copies of instruments creating any charge requiring registration according to Section 85 of the Act;
- (x) Copies of Annual Returns prepared under Section 92 of the Act ;
- (xi) Register of Renewed and Duplicate Certificates according to Rule 6 of the Companies (Share Capital and Debenture) Rules, 2014.

28.2 The said registers, books and documents shall be maintained in conformity with the applicable provisions of the Act and these presents and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act and these present on



such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act and these Articles and extracts therefrom shall be supplied to those persons entitled thereto in accordance with the provisions of the Act and these Articles.

- 28.3 The Company may keep a Foreign Register of Members, Debenture holders, other security holders or beneficial owners residing outside India in accordance with Section 88(4) of the Act.

## **29. THE SEAL**

### **29.1 Seal of the Company**

The Directors shall provide a Seal for the purpose of the Company, and shall have power from time to time to destroy the 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 Director or a Committee of Directors previously given.

### **29.2 Deeds how executed**

The Common Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf, and except in the presence of at least two Director and Secretary or such other person as the Board may appoint for the purpose and who shall sign every instrument to which the seal of the Company is so affixed in their presence. In absence of the Director of the Company, the common seal of the Company shall be affixed by at least two Authorised Officers of the Company authorized in that behalf and such Authorised Officers shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **29.3 Seal Abroad**

The Directors and the Company shall also be at liberty to use an official seal in any territory, district or place outside India.

## **30. DIVIDENDS**

### **30.1 Division of Profits**

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

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

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

**30.3 Dividends in proportion to amount paid up**

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.

**30.4 The Company in General Meeting may declare dividend**

The Company in General Meeting may, subject to the provisions of of Section 123 of the Act, declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. When dividend has been so declared, subject to the provisions of Section 127 of the Act, either the dividend shall be paid or the warrant in respect thereof shall be posted within 30 days of the date of declaration to the shareholders entitled to the payment of the same.

**30.5 Powers of General Meeting to limit Dividend**

No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of 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.

**30.6 Interim Dividends**

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

**30.7 Right to dividend etc pending registration of transfer**

Wherein an instrument of transfer of shares of the Company has been delivered to the Company for the registration and transfer of such shares has not been registered by the Company, it shall comply with the provisions of Section 126 of the Act in respect of the dividend, right shares and bonus shares in relation to such shares.

**30.8 No member to receive dividend whilst indebted to the Company and Company's right of reimbursement there out.**

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.

**30.9 Right to dividend pending registration of shares**

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

**30.10 Dividends how remitted.**

No unclaimed or unpaid dividend shall be forfeited by the Board and unless otherwise directed any dividend may be paid by cheque or warrant sent through post or in any electronic mode to the Registered address of the member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or other person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

**30.11 Unpaid Dividend Remitted**

The Company shall duly comply with the provisions of the Act in respect of a dividend declared by it but which has not been paid or claimed within thirty days from the day of declaration to any shareholder entitled to the payment of Dividend. And no unpaid dividend shall bear interest as against the Company.

**30.12 Dividend and Call together**

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call to each 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 warranted between the Company and members, be set off against the call.

**31. RESERVES AND CAPITALISATION**

**31.1 Reserves**

The Board may, before recommending any dividend in any financial year set aside out of the profits of the Company for that financial year such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit.

### 31.2 Capitalisation

**(a)** Any General Meeting may resolve that any amounts standing to the credit of the Share Premium Account, the Capital Redemption Reserve Account, or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and where permitted by the law, from the appreciation in value of any General Reserve, or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalized.

**(i)** By the issue and distribution as fully paid up shares or debentures of the Company; or

**(ii)** By crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of the 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.

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

**(c)** The Directors shall give effect to any such resolution and apply such portion of the profits General Reserve or Reserve Fund or any other fund or Account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under clause (a) (ii) above or (as the case may be) or 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 sub-clause (a) (ii) 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.

**(d)** 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 the distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance allotment and sale of such shares and fractional certificates or otherwise as they may think fit.

**(e)** 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 affected 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 sum so applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

- (f) 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.

## **32. ACCOUNTS**

### **32.1 Books of Accounts to be kept.**

- (a) As required by Section 128 of the Act, the Company shall keep at its Registered Office proper Books of Account and other relevant books and papers and Financial Statement for every financial year.

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.

Provided further that the Company may keep such books of account or other relevant papers in electronic mode in accordance with the Act.

- (b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns, made periodically shall be sent by the branch office of the Company to its Registered Office or other place as referred hereinabove.
- (c) All the aforesaid books shall give a true and fair view of the state of affairs of the Company or its branch office, if any, and explain its transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (d) The Books of Account and other books and papers shall be open to inspection at the Registered Office of the Company or at such other place in India by any Director during business hours and in case of financial information, if any, maintained outside India, copies of such financial information shall be maintained and produced for inspection by any director as per the Act. Provided that inspection in respect of any subsidiary of the Company shall be done only by the person authorized in this behalf by a resolution of the Board.

### **32.2 Books of Accounts to be preserved**

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

### **32.3 Inspection by members of accounts and books of the Company**

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

### **32.4 Accounts to be furnished at General Meetings**

At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 129 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 129, 134, 137 and Schedule III and any other relevant provisions of the Act so far as they are applicable to the Company.

### **32.5 Directors Report**

There shall be attached to every Financial Statement laid before the Company a Report by the Board of Directors complying with the provisions of Section 134 of the Act.

### **32.6 Right of members to copies of Balance Sheet**

The Company shall comply with the requirements of Section 136 of the Act.

## **33. ANNUAL RETURNS**

### **33.1 Annual Returns**

The Company shall make and file the requisite Annual Returns in accordance with the provisions of Sections 92 and 93 of the Act.

### **33.2 Accounts to be audited**

Once at least in every year the Books of Account of the Company shall be examined by one or more auditors in accordance with the relevant provisions contained in that behalf in the Act.

### **33.3 Appointment, powers etc of Auditors**

The appointment, qualifications, removal, powers, rights, duties and remuneration of the Auditors shall be regulated by and in accordance with Section 139 to 146 (both inclusive) and any other applicable provisions of the Act.

### **33.4 Accounts when audited and approved to be conclusive except as to errors discovered within three months**

Save and except as provided in Section 130 and 131, Every Account when audited and approved by a General Meeting shall be conclusive.

## **34. DOCUMENTS AND SERVICE OF DOCUMENTS**

### **34.1 Manner of Service**

**(a)** A document (which expression for this purpose shall be deemed to include and shall include any summons, notice requisition, order, declaration, form, and register maintained on paper or in electronic form) may be served or sent by the Company on or to any member either personally or sending it by post or speed post or registered post or courier service to him at his registered address or by electronic mode or ( if he has no registered address in India ) at the address, if any supplied by him to the Company.

#### **(b) Where a document is sent by Post:**

**(i)** service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that a member may request to the Company in advance that documents should be sent to him in a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting; and

**(ii)** such service shall be deemed to have been effected;

- in the case of a notice of meeting, at the expiration of forty eight hours after the letter containing the notice is posted; and
- in any other case, at the time at which the letter would be delivered in the ordinary course of post.

### **34.2 Service on member having no registered address**

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

### **34.3 Service on person acquiring shares on death or insolvency of member**

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

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

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

- (i) to members of the Company, legal representative of any deceased member or the assignee of an insolvent member;
- (ii) to the Auditor or Auditors of the Company; and
- (iii) every director of the Company.

#### **34.5 Advertisement**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these presents shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the district in which the Registered Office of the Company is situated.

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

Every person who by operation of law, transfer, or other names whatsoever, shall become entitled to any share shall be bound by every document in respect of such shares which previous to his name and address being entered on the Register, has been served on or sent to the person from whom he derives his title to such share.

#### **34.7 Notice by Company and signature thereto**

Any document or notice to be given by the Company shall be signed by the Managing Director or Secretary or by such Director or Officer as the Directors may appoint and such signature may be written or printed or lithographed or may be in electronic form.

#### **34.8 Service of Notices by Members**

All documents or notices to be given and on the part of the members to the Company shall be sent by post or speed post or courier service or by registered post to the Registered Office of the Company or by electronic mode.

### **35. AUTHENTICATION OF DOCUMENTS**

#### **35.1 Authentication of document and proceedings**

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company or contracts made by or on behalf of the Company may be signed by any Key Managerial Personnel or an Officer of the Company duly authorized by the Board in this behalf.

### **36. RECONSTRUCTION**

#### **36.1 Reconstruction**



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

### **37. WINDING UP**

#### **37.1 Distribution of Assets**

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 members 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 the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to rights of the holders of shares issued upon special terms and conditions.

#### **37.2 Distribution of assets in specie or kind**

- (a)** If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of special Resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or any of them, as the liquidators, with the like sanction shall think fit.
- (b)** If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part in case any such

division shall be determined, any contributory who would be prejudiced thereby shall have right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to the provisions of the Act.

- (c) 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, intimate to the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

### **37.3 Right of shareholders incase of sale**

A special Resolution sanctioning a sale to any other Company duly passed pursuant to the provisions 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 liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the member subject to the rights of dissent and consequential rights conferred by the Act.

## **38. SECRECY CLAUSE**

### **38.1 Secrecy Clause**

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

## **39. INDEMNITY AND RESPONSIBILITY**

### **39.1 Directors and others right to indemnity**

- (a) Subject to the provisions of the Act every Director of the Company or the Managing Director, Manager, Secretary and other officer or employee of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company

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

- (b) Provided that every Director, Managing Director, Manager, Secretary or other Officer or Employee of the Company or the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is given to him by the Court.

### **39.2 Directors and other not responsible for acts of others**

Subject to the provisions of the Act no Director, the Managing Director or other officer of the Company shall be liable for the acts, omissions, neglect or default of any Director or Officer or for jointly in any omission or other act for conformity or for any loss or expenses suffered by 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 for any loss or damage arising from bankruptcy, insolvency, or tortuous act of any person Company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damages or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonestly.

### **39.3 Special Objective**

The Company shall have among its objective the promotion and growth of the national economy through increased productivity, effective productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the customers, employees, shareholders, society and the local community.

### **39.4 General Power**

Whenever in the Act, it has been provided that the Company shall have any right, privileges or authority or that the Company could carry out any transaction only if the Company is authorized by its Articles, then and in that case this regulation hereto authorizes and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

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

Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	No of Equity Shares taken by each Subscriber	Name/s and Signature/s of the Witness/es and their Address/es Description/s Occupation/s
<p>MANOJ B VADODARIA S/o Bhupat Chhotalal Vadodaria 10, satellite Plaza, Opp. Akar Society, Premchand Nagar Road, Ahmedabad 380 014 Business</p> <p style="text-align: right;">Sd/-</p>	10 (Ten)	<p style="text-align: center;">Common Witness to all the three Signatories Sd/- Omprakash Bhandari S/o Ugamraj Bhandari G-5, Trupti Apartment Navrangpura, Ahmedabad 380 009 Chartered Accountant</p>
<p>NILESH N PANCHAL S/o Natvarlal T Panchal 491/3, Danapith, Navo Vas, Last Lane, Opp. Muni. Corpn. Ahmedabad Service</p> <p style="text-align: right;">Sd/-</p>	10 (Ten)	
TOTAL	20 (Twenty)	

Place Ahmedabad Dated this 5<sup>th</sup> day of January 1990.

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## SCHEDULE

Scheme of Compromise or Arrangement as sanctioned by the Court  
Dated this 29<sup>th</sup> Day of June, 2010

SCHEME OF ARRANGEMENT  
IN THE NATURE OF AMALGAMATION OF  
PEARL STOCKHOLDINGS PRIVATE LIMITED  
WITH  
NILA INFRASTRUCTURES LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS

### 1. DEFINITIONS

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

- 1.1. **"The Transferor Company"** means Pearl Stock Holdings Private Limited (PSHPL), a private limited company incorporated under the Indian Companies Act, 1956 and having its Registered Office at Sambhav House, Opp. Chief Justice Bunglow, Bodakdev, Ahmedabad 380 015 in the state of Gujarat.
- 1.2. **"The Transferee Company"** means Nila Infrastructures Limited (NIL), a public limited company incorporated under the Indian Companies Act, 1956 and having its Registered Office at 1<sup>st</sup> Floor, Sambhav House, Opp. Chief Justice Bunglow, Bodakdev, Ahmedabad 380 015 in the state of Gujarat.
- 1.3. **"The Act" or "The said Act"** means the Companies Act, 1956.
- 1.4. **"The Appointed Date"** means 1<sup>st</sup> April 2009 or such other date as the Gujarat High Court at Ahmedabad or the National Company Law Tribunal may direct.
- 1.5. **"The Effective Date"** means the date on which certified copies of the Order of Gujarat High Court at Ahmedabad or the National Company Law Tribunal, are filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.
- 1.6. **"Undertaking"** shall mean
  - (c) all the assets and properties of the Transferor Company as on the Appointed Date.
  - (b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said Liabilities").
  - (c) Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company's Reserves, movable and immovable properties, assets including but not limited to lease-hold rights, tenancy rights, industrial and other licenses, permits, permissions, registrations authorizations, quota rights, trade marks, patents, Brand names and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, electrical connections, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, including any tax benefits direct or indirect including advance tax paid or any tax deducted in respect of any income received.
- 1.7. **"The Scheme"** means this Scheme of Amalgamation in its present form as submitted to the High Court of Gujarat at Ahmedabad for sanction or with any modification(s), approved or imposed or directed by the said High Court or made under Clause 15 of this Scheme.
- 1.8. **"The Record Date"** means the date to be fixed by the Board of Directors of NIL for the purpose of issue of equity Shares to the Equity Shareholders of PSHPL.

### 2. CAPITAL STRUCTURE OF THE COMPANIES :

- (4) The share Capital of the Transferor Company as on the latest audited Balance Sheet dated 31.3.2009 was as under :

Authorized	Rupees
20,00,000 Equity Shares of Rs 10/- each	2,00,00,000
TOTAL	2,00,00,000
Issued, Subscribed & Paid Up	
20,00,000 Equity Shares of Rs 10/- each fully paid-up	2,00,00,000
TOTAL	2,00,00,000

However, pursuant to the Ordinary Resolution passed at the General Body meeting of the shareholders dated 20<sup>th</sup> August, 2009 duly convened for the purpose, the company has converted the face value of shares from Rs. 10/- each to Re. 1/- each and hence the share capital now stands as under:

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Issued, Subscribed & Paid Up  
2,00,00,000 Equity Shares of Re. 1/-  
each fully paid-up

2,00,00,000

TOTAL	2,00,00,000
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2.2 The share Capital of the Transferee Company as on the latest audited Balance Sheet dated 31.3.2009 was as under:

Authorized 13,00,00,000 Equity Shares of Re. 1/- each	Rupees 13,00,00,000
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TOTAL	13,00,00,000
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Issued, Subscribed & Paid-up  
12,32,26,200 Equity Shares of Re. 1/-  
each fully paid-up

12,32,26,200

TOTAL	12,32,26,200
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There has been no change in the capital structure of the company since the above referred date.

### 3. TRANSFER OF UNDERTAKING :

- 3.1 With effect from the opening of business as on the Appointed Date, the undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act. This will also include any entitlement, benefit, right or claim including export benefits due and accrued or accruable/ claimable by the transferor company.
- 3.2 With effect from the Appointed Date, all the Liabilities, obligations including the charges or encumbrances on assets/undertaking, guarantees given, of the Transferor Company, shall, without any further act or deed, be and stand transferred, to the Transferee Company, pursuant to the applicable provisions of the said Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the transferee Company. Provided however that this shall not mean or result into enhancing the security for any loan, deposit or obligation created by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security therefore.
- 3.3 The transfer and vesting of the assets and investments of the Transferor Company as aforesaid, shall be subject to the existing securities, charges etc., if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided, however, that any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the assets of the Transferee Company.

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

### 4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company is party subsisting or having effect immediately before the effective date shall remain in full force and effect against or in favour of transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 4.2 It is clarified that in case of any such instruments including contracts, deeds, bonds, debentures etc, wherever required, the Transferee Company shall amend or modify such instrument etc, as may be appropriate, by appending, attaching or affixing thereto such addendum, stickers, papers, supplementary modification deeds etc with or without affixing the Common Seal of the Company, to denote and signify the Transferee Company as a party thereto stepping instead and in place of the Transferor Company. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or
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confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## **5. LEGAL PROCEEDINGS**

- 5.1 If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against any of the Transferor Company as if the Scheme had not been made. On and from the effective date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.
- 5.2 Provided that where a contravention of any of the provisions of any Act or of any rule, regulation, direction or order made there under has been committed by, or any proceeding for a criminal offence has been instituted against, a director or secretary, manager, officer or other employee of the Transferor Company before the effective date, such director, secretary, manager, officer or other employee shall, without prejudice to the application of section 6 of the General Clauses Act, 1897, be liable to be proceeded against under such law and punished accordingly as if the Transferor Company had not been dissolved.

## **6. OPERATIVE DATE OF THE SCHEME**

The Scheme, although operative from the Appointed Date, shall become effective from the Effective date.

## **7. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES**

All the staff, workmen and other employees in the service of the Transferor company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that –

- 7.1 Their service shall be continuous and shall not be interrupted by reason of the transfer of the Undertaking;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and
- 7.3 It is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other Fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees of the Transferor Company under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the Transferor Company will also be treated as having been continuous for the purpose of the aforesaid Funds or provisions.

## **8. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY TILL EFFECTIVE DATE**

With effect from the Appointed Date and up to the Effective Date, the Transferor Company:

- 8.1 shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits and incomes accruing or arising to the Transferor Company or losses or expenditure arising or incurred by it shall, for all purposes and intents, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company as the case may be;
- 8.2 hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;
- 8.3 shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business; and
- 8.4 shall not, without the written consent of the Transferee Company, undertake any new business.

## **9. ISSUE OF SHARES BY THE TRANSFEE COMPANY**

- 9.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot at premium, the Equity Shares of Re. 1/- (Rupee One Only) each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor Company whose names appear in the Register of Members of the Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company and approved by them to be placed on its register of names in the following proportion :
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***86 (Eighty Six) Equity Shares of Re.1/- each credited as fully Paid up of the Transferee Company viz. NIL shall be issued and allotted at premium of Rs. 1.20 per share against 10 (Ten) Equity Shares of Re. 1/-each held in the Equity Shares of the Transferor Company viz. PSHPL.. The said new Equity Shares shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Transferee Company.***

- 9.2 The Transferee Company will endeavor that the Equity Shares of the Transferee Company issued in terms of the Clause 9.1 above be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad, where the equity shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter in such arrangement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchange shall list and/or admit the said new shares also for the purpose of trading. All the statutory and Government authorities shall give necessary approvals and permissions forthwith in this regard.
- 9.3 The issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(IA) and other applicable provisions of the Act.
- 9.4 Upon issuance and allotment of the Equity Shares by the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled/ extinguished.
- (5) For the purpose as aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of the SEBI, Reserve Bank of India and other concerned authorities, for the issue and allotment by the Transferee Company to the Members of the Transferor Company, the Equity Shares in the share capital of the Transferee Company in the ratio as aforesaid.

#### **10. ACCOUNTING TREATMENT IN BOOKS OF TRANSFEE COMPANY FOR TRANSFER OF ASSETS, LIABILITIES & RESERVES OF TRANSFEROR COMPANY**

- 10.1 The transfer of assets and liabilities of the Transferor Company is proposed under the Purchase Method and hence, for the purpose of this Scheme, the assets and liabilities of the Transferor Company shall be recorded at their fair market values.
- 10.2 The balance standing in the Profit and Loss account as well as General Reserve Account in the books of the Transferor Company shall be credited to the respective accounts in the books of the Transferee Company.
- 10.3 The premium generated by the issue of shares of the Transferee Company to the shareholders of the Transferor Company in terms of clause 9.1 hereinabove, shall be transferred to the Share Premium Account.
- 10.4 Any excess of the amount of the consideration (including share premium on issue of shares) over the value of the net assets of the Transferor company acquired by the Transferee Company shall be recognized in the Transferee Company's financial statements as goodwill arising on amalgamation. If the amount of the consideration is lower than the value of the net assets acquired, the difference shall be treated as the General Reserve and the same shall be treated as the Free Reserve of the Transferee Company available for the distribution of dividend.
- 10.5 In case of any difference in accounting policy between the Transferor company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistency in the accounting policy.
- 10.6 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors of the company may give suitable Accounting treatment to assets, liabilities, surplus, reserves or any transactions of the Transferor Companies arising out of the Scheme.

#### **11. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY:**

##### **11.1 Capital Clause:**

Upon the scheme being effective, the Authorised Share Capital of the Transferor Company of Rs. 2,00,00,000/- as mentioned in Clause 2.1 above, or such amount as may be on the effective date, shall be added to the Authorised Share Capital of the Transferee Company, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees. Consequently, clause V of the Memorandum of association of the transferee company shall be substituted and replaced accordingly.

- 11.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred change, viz. Change in the Capital Clause shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 17, 94, 97, 81(1A) and 149 (2-A) of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.
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**12. DISSOLUTION OF THE TRANSFEROR COMPANY:**

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Gujarat at Ahmedabad / National Company Law Tribunal under Section 394 of the Companies Act.

**13. APPLICATIONS TO HIGH COURT**

The Transferor and the Transferee Company shall, with all reasonable dispatch, make application under Sections 391 to and for an order under Section 394 of the said Act to the Gujarat High Court at Ahmedabad/National Company Law Tribunal, for sanctioning the Scheme and for dissolution of the Transferor Company without winding up under the said Act.

**14. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 14.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 14.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferor Company and the Directors of the Transferee Company are hereby authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

**15. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

The Scheme is conditional on and subject to:

- 15.1 The approval to the Scheme by the requisite majorities of the members and creditors of the Transferor Company and of the members of the Transferee Company.
- 15.2 The sanction of the High Court of Gujarat at Ahmedabad/ National Company Law Tribunal under Section 391 and 394 of the said Act, in favour of the Transferee Company and the Transferor Company respectively and to the necessary Orders under Section 394 of the said Act, being obtained.
- 15.3 Any other sanction or approval of the appropriate Authorities concerned, as may be considered necessary and appropriate by the Boards of Directors of the respective Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

**16. EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Company in pursuance of the Scheme shall be borne and paid by the Transferee Company.

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**SCHEME OF ARRANGEMENT**  
*among*  
**NILA INFRASTRUCTURES LIMITED**  
*and*  
**NILA SPACES LIMITED**  
*and*  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**  
**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)**

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**PREAMBLE**

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 of the Act (*as defined hereinafter*), together with Sections 13, 52, 61, 62 and 66 and other applicable provisions of the Act for demerger of the Real Estate Undertaking (*as defined hereinafter*) of the Demerged Company (*as defined hereinafter*) and vesting of the same to the Resulting Company (*as defined hereinafter*); sub-division of the equity share capital of the Resulting Company and increase in the authorised share capital of the Resulting Company; issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company; reduction of paid-up equity share capital of the Resulting Company pursuant to cancellation of equity shares held by the Demerged Company in the Resulting Company; reduction of Securities Premium Account of the Demerged Company; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

**A. BACKGROUND**

- (i) The Demerged Company was incorporated on 26<sup>th</sup> day of February 1990 as Nila Builders Private Limited, a private limited company, with the Registrar of Companies, Gujarat under the provisions of the Companies Act, 1956. Its name was then changed to: (a) Nila Builders Limited on 16<sup>th</sup> day of December 1994, (b) Nila Housing and Infrastructures Limited on 20<sup>th</sup> day of December 1994, and (c) Nila Infrastructures Limited on 4<sup>th</sup> day of August 1995. The Corporate Identification Number of the Demerged Company is L45201GJ1990PLC013417. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited.

- (ii) The Demerged Company along with its nominees hold 100% of the paid-up equity share capital of the Resulting Company.

The Demerged Company is carrying on the activities of Infrastructure Business and the Real Estate Business. Under the Infrastructure Business, the Demerged Company is engaged in the construction of affordable housing units through Engineering, Procurement and Construction (EPC) and Public Private Partnership (PPP) model and leasing of properties. Further, the Demerged Company is also carrying on the business of Civic Urban Infra Projects through EPC and PPP model and is also engaged in the development of Industrial Parks

The Demerged Company through its Real Estate Business has completed various residential projects in the State of Gujarat. Under the Real Estate Business, the Demerged Company is also in the process of execution of/ contemplating several residential/commercial projects.

- (iii) The Resulting Company was incorporated on 3<sup>rd</sup> day of May 2000 as Gee Tele Network Limited, a public limited company, with the Registrar of Companies, Mumbai, under the provisions of the Companies Act, 1956. Its registered office was shifted from the State of Maharashtra to the State of Gujarat on 29 day of December 2014. Its name was then changed to: (a) Parmannaday Consultancy Limited on 3<sup>rd</sup> day of March 2017, (b) Parmananday

Superstructure Limited on 12th day of October 2017 and (c) Nila Spaces Limited on 27th day of November 2017. The Corporate Identification Number of the Resulting Company is U45100GJ2000PLC083204. The Resulting Company is a wholly-owned subsidiary of the Demerged Company. The Demerged Company and its nominees holds 100% of the paid-up share capital of the Resulting Company. The Resulting Company is incorporated to carry on the business, inter alia, of construction and development of buildings, offices, etc.

- (iv) This Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act, for the transfer by way of a demerger of the Real Estate Undertaking of The Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company ("**Demerger**") in accordance with the relevant provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961.

## **B. RATIONALE AND PURPOSE OF THE SCHEME**

- (a) The Demerged Company has, over a period of time, become an Infrastructure Company with specific focus on Civic Urban Infrastructure. It has been one of the first participants in Affordable Housing projects under the Pradhan Mantri Awas Yojana ('PMAY') and, over-a-period of time, has become a specialist with already satisfactory delivery of substantial units and/or built up area. The proposed demerger of Real Estate Business is expected to provide an absolute focus on Infrastructure business and make it a pure-play Infrastructure Company. It shall provide an impetus to the financials and make a strong case of improved credit profile. The leaner capital structure and commensurate assets shall boost the business prospects of the Demerged Company and provide for value unlocking/wealth creation of the investors in the long-run
- (b) The Demerged Company is carrying on the activities of Infrastructure Business and the Real Estate Business. Under the Infrastructure Business, the Demerged Company is engaged in the construction of affordable housing units through Engineering, Procurement and Construction (EPC) and Public Private Partnership (PPP) model and leasing of various properties. Further, the Demerged Company is also carrying on the business of Civic Urban Infra Projects through EPC and PPP model. The said Infrastructure Business has been the major contributor to the overall revenue of the Demerged Company as on date.
- (c) The Demerged Company, as a private developer, has completed various real estate projects in the State of Gujarat, while it is also in the process, through the Resulting Company, to leverage the skills, resources, and experience in development and marketing of real estate projects.
- (d) The proposed demerger of Real Estate Business of the Demerged Company into the Resulting Company shall result into an asset light business model for the Demerged Company and is expected to result into the improvement of the credit ratings and financial ratios. Thus, it should in turn boost the growth of the Demerged Company in future which shall be in the best interest of all the stakeholders of the aforesaid Companies.
- (e) Further, while working with the Government / Semi Government on various projects in past under EPC, EPC + PPP, PPP model, the Demerged Company has gathered an inherent potential of carrying out its own real estate projects. Further, initiatives of the Government such as "Housing for All by 2022" and "Smart Cities" projects clearly indicate that the Government recognizes urbanization as a feature of modernity. The mammoth and ambitious goal of Government of India of providing affordable housing to all its citizen by 2022 coupled with overall growth in economy and path-breaking regulatory developments such as The Real Estate (Regulation and Development) Act, 2016 ('RERA') and Goods and Service Tax Act, 2017 ('GST') will provide much needed impetus to the real estate industry in India.
- (f) Hence, keeping in mind the favorable regulatory developments for the real estate industry, the management of the Demerged Company believes that the proposed demerger of the Real Estate Business would also ensure a focused strategy and specialization for sustainable

growth of the Real Estate Business while it would also support the initiatives taken by the Government to provide affordable housing. Thus, with the proposed scheme, the stakeholders may look forward to the benefits of unlocking and maximizing value

- (g) Thus, segregating the business would enable independent business opportunities, attracting different sets of investors, strategic partners, lenders and other stakeholders and would bring about synergy of operations and greater internal control on business processes / ease in decision making

#### **C. PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. **PART-I** deals with definitions, date of taking effect and share capital of the Demerged Company and the Resulting Company;
2. **PART-II** deals with demerger of the Real Estate Undertaking of the Demerged Company and its vesting in the Resulting Company;
4. **PART-III** deals with the sub-division of the equity share capital of the Resulting Company and increase in the authorised share capital of the Resulting Company, consideration, reduction of paid-up share capital of the Resulting Company, accounting treatment, and reduction in the securities premium account of the Demerged Company;
5. **PART-IV** deals with the Remaining Business of the Demerged Company; and
6. **PART-V** deals with the general terms and conditions that would be applicable to the Scheme.

#### **D. TREATMENT OF THE SCHEME FOR THE PURPOSES OF THE INCOME-TAX ACT, 1961**

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, including as a result of an amendment of law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification(s) will, however, not affect the other provisions of the Scheme.

### **PART - I**

#### **DEFINITIONS, DATE OF TAKING EFFECT AND SHARE CAPITAL**

##### **1 DEFINITIONS**

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 1.1 **"Act"** means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified.
- 1.2 **"Appointed Date"** means 1<sup>st</sup> April 2017.
- 1.3 **"Board"** or **"Board of Directors"** in relation to each of the Companies, as the case may be, means the board of directors of such company and, unless it be repugnant to the context, includes a duly authorised committee of directors.
- 1.4 **"Companies"** means together the Demerged Company and the Resulting Company.

- 1.5 **“Demerged Company”** means Nila Infrastructures Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its registered office at First Floor, Sambhaav House, Opp. Chief Justice’s Bungalow, Bodakdev, Ahmedabad – 380 015, Gujarat, India.
- 1.6 **“Effective Date”** means the last of the dates on which the conditions and matters referred to in Clause 20 hereof occur or have been fulfilled or waived and references in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme being effective”** shall mean the Effective Date.
- 1.7 **“LODR”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.8 **“NCLT”** means National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction in relation to the Demerged Company and the Resulting Company.
- 1.9 **“Nila Infra ESOPs”** means Nila Infrastructures Limited ESOP – 2014, established as per the Employee Stock Option Scheme by the Demerged Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.
- 1.10 **“Real Estate Undertaking”** means all the businesses, undertakings, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Real Estate Business, including specifically the following:
- (a) all immovable properties, i.e. land together with the buildings and structures standing thereon, if any, (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including the lands awarded by the Government/ Semi-Government Authorities in lieu of the execution of various PPP real estate projects, benefits of and rights under the agreements for sale, Floor Space Index (FSI) rights, in relation to the Real Estate Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
  - (b) all assets, as are movable in nature pertaining to and in relation to the Real Estate Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, strategic investments of the Demerged Company in Megacity Cinemall Private Limited, Nilsan Realty LLP, Fangdi Land Developers LLP and Nila Projects LLP pertaining or relating to the Real Estate Business, outstanding loans and advances including advances given for purchase of immovable properties, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Governmental Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, tax deducted at source and tax refunds;
  - (c) all permits, licenses, permissions including municipal permissions, right of way, approvals including application seeking approvals under Real Estate (Regulation and Development) Act, 2016, plans including building plans, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates including commencement certificates issued by any local authorities, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description

of whatsoever nature and the benefits thereto that pertain exclusively to the Real Estate Business;

- (d) all contracts, agreements including development agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Real Estate Business;
- (e) all applications (including hardware, software, licenses, source codes, parameterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Real Estate Business;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company pertaining to or in connection with or relating to the Demerged Company in respect of the Real Estate Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and pertaining to the Real Estate Business;
- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, advertisements, brochures, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Real Estate Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Real Estate Business and/or arising out of and/or relatable to the Real Estate Business including:
  - i. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the Real Estate Business;
  - ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Real Estate Business;
  - iii. in cases other than those referred to in Sub-Clause i. or Sub-Clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of the

Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date;

- (i) all employees of the Demerged Company employed/engaged in the Real Estate Business as on the Effective Date; and
- (j) all legal or other proceedings of whatsoever nature that pertain to the Real Estate Business.

*Explanation:*

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Real Estate Business or whether it arises out of the activities or operations of the Real Estate Business, the same shall be decided by mutual agreement between Board of Directors of the Demerged Company and the Resulting Company.

- 1.11 **“Record date”** means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the equity shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to Demerger under this Scheme.
- 1.12 **“Remaining Business”** shall mean all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than those comprised in the Real Estate Undertaking.
- 1.13 **“Resulting Company”** means Nila Spaces Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its registered office at First Floor, Sambhaav House, Opp. Chief Justice’s Bungalow, Bodakdev, Ahmedabad – 380 015, Gujarat, India.
- 1.14 **“RoC”** means the Registrar of Companies, Gujarat.
- 1.15 **“Scheme”** means this scheme of arrangement including any modification or amendment hereto, made in accordance with the terms hereof.
- 1.16 **“SEBI”** shall mean Securities and Exchange Board of India.
- 1.17 **“SEBI Circular”** means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> day of March 2017, the circular no. CFD/DIL3/CIR/2017/26 dated 23<sup>rd</sup> day of March 2017 and the circular no. CFD/DIL3/CIR/2017/105 dated 21<sup>st</sup> day of September 2017, each issued by SEBI.
- 1.18 **“Stock Exchanges”** means BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), collectively.

## **2 DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or directed by the NCLT be effective from the Appointed Date, but shall be operative from the Effective Date.

## **3 SHARE CAPITAL**

- 3.1 The share capital structure of the Demerged Company as on 30<sup>th</sup> day of September 2017 was as follows:

Particulars	Amount (INR)
<b><u>Authorised Capital:</u></b>	
50,00,00,000 equity shares of INR 1/- each	50,00,00,000
<b>Total</b>	<b>50,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up Capital:</u></b>	
39,38,89,200 equity shares of INR 1/- each fully paid up	39,38,89,200
<b>Total</b>	<b>39,38,89,200</b>

- 3.2 The share capital structure of the Resulting Company as on 30<sup>th</sup> day of September 2017 was as follows:

Particulars	Amount (INR)
<b><u>Authorised Capital:</u></b>	
1,50,000 equity shares of INR 10/- each	15,00,000
<b>Total</b>	<b>15,00,000</b>
<b><u>Issued, Subscribed and Paid-up Capital:</u></b>	
79,000 equity shares of INR 10/- each fully paid-up	7,90,000
<b>Total</b>	<b>7,90,000</b>

**PART – II**  
**DEMERGER OF THE REAL ESTATE UNDERTAKING OF THE DEMERGED COMPANY AND ITS**  
**VESTING IN THE RESULTING COMPANY**

**4 TRANSFER AND VESTING OF THE REAL ESTATE UNDERTAKING**

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Real Estate Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Real Estate Undertaking) shall, without any further act, instrument, deed, matter or thing, be demerged from the Demerged Company and transferred to and vested in the Resulting Company or be deemed to have been demerged from the Demerged Company, and transferred to and vested in the Resulting Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Resulting Company, pursuant to Sections 230 to 232 of the Act.
- 4.2 In respect of such of the assets of the Real Estate Undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by the Demerged Company to the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company as an integral part of the Real Estate Undertaking.
- 4.3 In respect of the movable assets other than those dealt with in clause 4.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local or other authority or body or with any company or other person, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in



pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to each person, debtor or depositor, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

- 4.4 In respect of such of the assets belonging to the Real Estate Undertaking other than those referred to in clause 4.2 and 4.3 above, the same shall, as more particularly provided in clause 4.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of the Scheme, the Resulting Company shall be entitled to exercise all the rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the NCLT and upon the Scheme being effective in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date and until the owned properties, leasehold properties and related rights thereto, license/right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected, in the record of the appropriate authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorised to carry on the business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

- 4.5 All assets, rights, title, interests and investments of the Demerged Company in relation to the Real Estate Undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 4.6 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold/leave and licence/right of way properties of the Demerged Company in relation to the Real Estate Undertaking, shall, pursuant to Section 230 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company automatically and on the same terms and conditions.
- 4.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, lease hold rights and tenancies, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Demerged Company, and the rights and benefits under the same, in so far as they relate to the Real Estate Undertaking and all quality certifications and approvals, trademarks, trade names, copy rights, domain names, designs and all other interests relating to the goods or services being dealt with by the Real Estate Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Demerged Company in

relation to the Real Estate Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensors and granters of such approvals, clearances, permissions, etc, shall endorse, where necessary, and record, in accordance with applicable laws, the Resulting Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Real Estate Undertaking of the Demerged Company in the Resulting Company and continuation of operations pertaining to the Real Estate Undertaking of the Demerged Company in the Resulting Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

- 4.8 In so far as various incentives, subsidies, exemptions, special status, experience, service tax benefits, goods and service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Real Estate Undertaking, vest with and be available to the Resulting Company on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.
- 4.9 Any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the Real Estate Undertaking, shall also belong to and be received by the Resulting Company.
- 4.10 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Real Estate Undertaking shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- 4.11 Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of the Demerged Company relating to the Real Estate Undertaking shall without any further act, instrument or deed be and stand transferred to the Resulting Company and shall thereupon become the debts, duties, obligations and liabilities of the Resulting Company which it undertakes to meet, discharge and satisfy to the exclusion of the Demerged Company and to keep the Demerged Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 4.12 In so far as loans and borrowings of the Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general and multipurpose loans and borrowings, and liabilities, if any, which are to be transferred to the Resulting Company in terms of clause 4.11 above, being a part of the Real Estate Undertaking shall, without any further act or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company, as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Resulting Company. However, without prejudice to such transfer of proportionate liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Resulting Company may discharge such liability (including accretions) by making payments on the respective due dates to the Demerged Company, which in turn shall make payments to the respective creditors.
- 4.13 Subject to clause 4.12 above, from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities of the Real Estate Undertaking as the borrower/issuer thereof, and the Demerged Company shall not have any obligations in respect of the said liabilities.

- 4.14 Where any of the liabilities and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company and all liabilities and obligations incurred by the Demerged Company for the operations of the Real Estate Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company, which shall meet, discharge and satisfy the same.
- 4.15 Any claims, liabilities or demands arising on account of the Real Estate Undertaking of the Demerged Company which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Resulting Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company, then the Resulting Company shall indemnify the Demerged Company for any payments made in relation to the same.
- 4.16 Subject to the other provisions of this Scheme, in so far as the assets of the Real Estate Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of the Demerged Company shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of the Demerged Company which are not transferred to the Resulting Company.
- 4.17 In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Real Estate Undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 4.17.1 In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company only on the assets which are remaining with the Demerged Company.
- 4.18 Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, the Demerged Company and the Resulting Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the RoC to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 4.19 Upon the coming into effect of this Scheme, the Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of the Demerged Company and the Resulting Company shall not have any obligations in respect of the Remaining Business of the Demerged Company.
- 4.20 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 4.21 On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company in relation to or in connection with the Real Estate Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company in relation to or in connection with the Real Estate Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Real Estate Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

- 4.22 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of the Demerged Company in relation to or in connection with the Real Estate Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Real Estate Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Demerged Company, in relation to or in connection with the Real Estate Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. the Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Real Estate Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Real Estate Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the coming into effect of this Scheme.
- 4.23 It is hereby clarified that all assets and liabilities of the Real Estate Undertaking, which are set forth in the closing balance sheet of the Demerged Company as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of the Demerged Company as on the Appointed Date.

## **5 LEGAL PROCEEDINGS**

- 5.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Real Estate Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date. In the event that the legal proceedings referred to herein require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Real Estate Undertaking or not, a decision jointly taken by the Board of Directors of the Demerged Company and the Resulting Company in this regard, shall be conclusive evidence of the matter.
- 5.2 If proceedings are taken against the Demerged Company in respect of the matters referred to in clause 5.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all the liabilities and obligations incurred by the Demerged Company in respect thereof.
- 5.3 The Resulting Company shall have all legal or other proceedings initiated by or against the Demerged Company with respect to the Real Estate Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

## **6 CONTRACTS, DEEDS, ETC.**

- 6.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Real Estate Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

- 6.2 Notwithstanding the fact that vesting of the Real Estate Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 6.3 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Real Estate Undertaking which the Demerged Company own or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

## **7 SAVING OF CONCLUDED TRANSACTIONS**

- 7.1 The transfer and the vesting of the assets, liabilities and obligations of the Real Estate Undertaking under clause 4 hereof and the continuance of proceedings by or against the Resulting Company under clause 5 hereof shall not affect any transaction or proceedings already completed by the Demerged Company on or after the Appointed Date, to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

## **8 STAFF, EMPLOYEES & WORKMEN**

- 8.1 Upon the coming into effect of this Scheme, all the employees relating to the Real Estate Undertaking that were employed by the Demerged Company immediately before the Effective Date, shall become the employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Real Estate Undertaking of the Demerged Company immediately prior to the demerger of the Real Estate Undertaking.
- 8.2 The Resulting Company agrees that the service of all employees pertaining to the Real Estate Undertaking with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in the Demerged Company up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with the Demerged Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 8.3 Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees relating to the Real Estate Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations in respect of the Real Estate Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for the Demerged Company.
- 8.4 In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by the Demerged Company for employees of the Real Estate Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made

into the funds relatable to the employees pertaining to the Real Estate Undertaking as on the Effective Date, who are being transferred along with the Real Estate Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Resulting Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of the Demerged Company.

## **9 EMPLOYEE STOCK BENEFITS**

- 9.1 Upon Part II of the Scheme becoming effective, employees of the Demerged Company holding options, (whether vested or unvested) under the Nila Infra ESOPs as on the Effective Date, shall continue to hold such Nila Infra ESOPs on the existing terms and conditions, except for such modifications as may be required to give effect to this Clause 9.
- 9.2 Immediately upon Part II of the Scheme becoming effective, Nila Infra ESOPs shall continue, subject to such adjustments towards the demerger of the Real Estate Undertaking, as may be deemed appropriate by the relevant committee of the Board of the Demerged Company in accordance with the provisions of the Nila Infra ESOPs and in compliance with the applicable laws. The Board of the Demerged Company shall form a committee in order to decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Real Estate Undertaking is to be compensated to the Nila Infra ESOPs holders in compliance with the applicable laws and SEBI regulations.
- 9.3 The Boards of the Demerged Company and the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 9.

## **10 BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF REAL ESTATE UNDERTAKING FOR THE RESULTING COMPANY**

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

- 10.1 The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Real Estate Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Real Estate Undertaking for and on account of, and in trust for the Resulting Company;
- 10.2 all profits and income accruing or arising to the Demerged Company from the Real Estate Undertaking, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Real Estate Undertaking shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Resulting Company;
- 10.3 Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Real Estate Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Real Estate Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company;
- 10.4 The Demerged Company undertakes that it will preserve and carry on the business of the Real Estate Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber the Real Estate Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees or undertake substantial expansion or change the general character or nature of the business of the Real Estate Undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
  - (b) if the same is expressly permitted by this Scheme; or

- (c) if the prior written consent of the Board of Directors of the Resulting Company has been obtained.
- 10.5 The Demerged Company and/or the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government(s), regulatory/local/ administrative bodies and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Resulting Company may require to carry on the business of the Real Estate Undertaking.
- 11 TAX CREDITS**
- 11.1 The Resulting Company will be the successor of the Demerged Company vis-à-vis the Real Estate Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-à-vis the Real Estate Undertaking and the obligations, if any, for payment of taxes on any assets of the Real Estate Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by the Resulting Company, or as the case may be deemed to be the obligation of the Resulting Company.
- 11.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/payables by the Demerged Company relating to the Real Estate Undertaking including all or any refunds/credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of the Resulting Company.
- 11.3 The Demerged Company and the Resulting Company are expressly permitted to revise their tax returns including tax deducted at source ("TDS") certificates/returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the Real Estate Undertaking as vested with the Resulting Company upon coming into effect of this Scheme.

### **PART – III**

#### **SUB-DIVISION OF THE EQUITY SHARE CAPITAL OF THE RESULTING COMPANY AND INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY, CONSIDERATION, REDUCTION OF PAID-UP SHARE CAPITAL OF THE RESULTING COMPANY AND ACCOUNTING TREATMENT**

- 12 SUB-DIVISION OF THE EQUITY SHARE CAPITAL AND INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY**
- 12.1 As an integral part of the Scheme, and, upon the coming into effect of the Scheme, (i) the face value per equity share of the Resulting Company shall be sub-divided from INR 10/- to INR 1/-; and (ii) the authorised share capital of the Resulting Company shall automatically stand increased, without any further act, instrument or deed on the part of the Resulting Company, such that upon the coming into effect of this Scheme, the authorised share capital of the Resulting Company shall be INR 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 45,00,00,000 (Forty Five Crore) equity shares of INR 1/- (Rupee One Only). Consequently, Clause V of the Memorandum of Association of the Resulting Company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
- "V. The Authorised Share Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 45,00,00,000 (Forty Five Crores) Equity Shares of Rs. 1/- (Rupees one Only) each."*
- 12.2 It is hereby clarified that the approval of the shareholders of the Resulting Company to the Scheme shall be deemed to be their consent/approval also to the sub-division of the equity share capital of the Resulting Company and consequential alteration of the Memorandum of Association of the Resulting Company and the Resulting Company shall not be required to

seek separate consent/approval of its shareholders for such alteration of the Memorandum of Association of the Resulting Company as required under Sections 13 and 61 of the Act.

- 12.3 Upon the coming into effect of this Scheme, the Resulting Company shall file the requisite form(s) with the RoC for sub-division of its equity share capital and for alteration of its authorised share capital. The Resulting Company shall pay necessary fees as may be required to be paid in accordance with law.

### **13 CONSIDERATION**

- 13.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Real Estate Undertaking of the Demerged Company in the Resulting Company in terms of Part II of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depositories as members of the Demerged Company, on the Record Date, 1 (one) equity share of INR 1/- (Rupee One only) each of the Resulting Company credited as fully paid-up for every 1 (one) equity share of INR 1/- (Rupee One only) each held by such shareholder of the Demerged Company ("**New Equity Shares**"). The ratio in which equity shares of the Resulting Company are to be issued and allotted to the shareholders of the Demerged Company is referred to as the "**Share Entitlement Ratio**". It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company or its shareholders.
- 13.2 The New Equity Shares to be issued and allotted as provided in Clause 13.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Resulting Company after the Record Date including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 13.3 The New Equity Shares to be issued pursuant to Clause 13.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereon and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that the New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue New Equity Shares in physical form to such shareholder or shareholders.
- 13.4 The New Equity Shares issued and/or allotted pursuant to Clause 13.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 13.5 The New Equity Shares issued pursuant to Clause 13.1, which the Resulting Company is unable to allot due to applicable laws (including, without limitation, the non receipt of approvals of governmental authority as required under applicable law) or any regulations or otherwise shall, pending allotment, be held in abeyance by the Resulting Company and shall be dealt with in the manner as may be permissible under the applicable law and deemed fit by the Board of Directors of the Resulting Company including to enable allotment and sale of such New Equity Shares to a trustee nominated by the Board of Directors of the Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, and thereafter the Resulting Company shall make



distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under applicable laws. The Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

- 13.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 13.7 The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 13.8 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the governmental authorities including Reserve Bank of India, for the issue and allotment of New Equity Shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company.
- 13.9 The New Equity Shares issued pursuant to Clause 13 shall, in compliance with the applicable regulations, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and applicable law and take all steps to procure the listing of the New Equity Shares issued by it pursuant to Clause 13.1 above.
- 13.10 The New Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges.

#### **14 REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY**

- 14.1 Simultaneously, with the issue and allotment of the New Equity Shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with Clause 13.1 of the Scheme, in the books of the Resulting Company, all the equity shares issued by the Resulting Company to the Demerged Company and held by it shall stand cancelled, extinguished and annulled on and from the Effective Date, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary.

#### **15 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- 15.1 The assets and liabilities pertaining to the Real Estate Undertaking of the Demerged Company being transferred to the Resulting Company, shall be, at values appearing in the books of account of the Demerged Company as on the Appointed Date which are set forth in the closing balance sheet of the Demerged Company as of the close of business hours on the date immediately preceding the Appointed Date since the shareholders before and after the scheme remain unchanged

- 15.2 Upon the Scheme being effective, the inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to the Real Estate Undertaking and the Resulting Company shall stand cancelled.
- 15.3 The aggregate of excess assets over the liabilities of the Real Estate Undertaking transferred to the Resulting Company and the cancellation of the equity shares held by the Demerged Company in the paid-up share capital of the Resulting Company as per clause 14 above, shall be debited to equity. The amount of equity debited will be appropriated as follows:
- 15.3.1 Firstly, against Securities Premium of the Demerged Company; and
- 15.3.2 The balance difference, if any, remaining shall be appropriated against the surplus in Profit and Loss Account of the Demerged Company.
- 15.4 The reduction in the Securities Premium Account and/or General Reserve and/or Profit & Loss Account of the Demerged Company shall be effected as an integral part of the Scheme, and where applicable, in accordance with the provisions of Section 52 read with Section 66 of the Act and any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company and without any approval or acknowledgement of any third party. The order of the NCLT sanctioning the Scheme shall be deemed to also be the order passed by the NCLT under Section 52 read with Section 66 of the Act for the purpose of confirming such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Demerged Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Demerged Company and no further resolution or action under Section 52 read with Section 66 of the Act and any other applicable provisions of the Act would be required to be separately passed or taken.

## **16 ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

- 16.1 Upon the coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities of the Real Estate Undertaking transferred to and vested in the Resulting Company pursuant to this Scheme, at values appearing in the books of account of the Demerged Company as on the Appointed Date, which are set forth in the closing balance sheet of the Demerged Company as on the close of business hours on the date immediately preceding the Appointed Date.
- 16.2 Upon the Scheme being effective, the inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to the Real Estate Undertaking, shall stand cancelled.
- 16.3 The excess/ shortfall, if any of the assets over liabilities of the Real Estate Undertaking, transferred to and recorded by the Resulting Company shall be treated in the manner prescribed within the applicable Ind-AS.
- 16.4 The Resulting Company shall credit to the Equity Share Capital Account in its books of accounts, the aggregate face value of the new equity shares issued and allotted to the equity shareholders of the Demerged Company as per clauses 13.1 and 13.2 above.
- 16.5 Upon the Scheme being effective, the existing shareholding of the Demerged Company in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by the Demerged Company in the Resulting Company, which stands cancelled and the same shall be credited to the General Reserve of the Resulting Company.

## **PART – IV**

### **REMAINING BUSINESS OF THE DEMERGED COMPANY**

## **17 REMAINING BUSINESS TO CONTINUE WITH THE DEMERGED COMPANY**

- 17.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company subject to the provisions of the Scheme.

- 17.2 All legal or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal or other proceedings by or against the Demerged Company.
- 17.3 With effect from the Appointed Date and up to and including the Effective Date:
- 17.3.1 the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- 17.3.2 all profits and income accruing or arising to the Demerged Company, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of the Demerged Company; and
- 17.3.3 all employees relatable to the Remaining Business shall continue to be employed by the Demerged Company and the Resulting Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

## **PART V**

### **GENERAL TERMS AND CONDITIONS**

#### **18 APPLICATIONS TO NCLT**

- 18.1 The Companies shall make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

#### **19 MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

- 19.1 The Companies by their respective Board of Directors or any Director/Executive/Employee authorized in this behalf (hereinafter referred as to the “Delegates”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which the NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Companies may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Companies or as the case may be, their respective Delegates may deem fit, or require for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Companies by their respective Board of Directors or Delegates are authorised to do and execute all acts, deeds, 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, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by the NCLT or any authorities, which the Board of Directors of the Companies find unacceptable for any reason, then the Companies shall be at liberty to withdraw the Scheme.
- 19.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of the Companies may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the

extent permissible in law) and such determination or directions or waiver, 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. For the avoidance of doubt, it is clarified that where this Scheme requires the approval of the Board of Directors of the Companies to be obtained for any matter, the same may be given through their Delegates.

## **20 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

The coming into effect of this Scheme is conditional upon and subject to:

- (i) the Demerged Company having received observation letter/no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the LODR read with SEBI Circular and Regulations 11 and 94 of the LODR;
- (ii) this Scheme being approved by the respective requisite majorities of the classes of members and creditors (where applicable) of the Companies in accordance with the Act;
- (iii) the NCLT having accorded its sanction to the Scheme; and
- (iv) the certified copies of the orders of the NCLT approving this Scheme being filed with the RoC.

## **21 SEVERABILITY**

- 21.1 If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.

## **22 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 22.1 In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

## **23 COSTS, CHARGES AND EXPENSES**

Subject to clause 22.1 above:

- 23.1 All costs, charges, levies and expenses, duties, etc. in relation to or in connection with or incidental to this Scheme shall be borne and paid by the Resulting Company.
-